

Union wants 40pc mining tax restored

KIM MACDONALD, The West Australian July 5, 2010, 5:32 am

The powerful mining union said it would lobby the Federal Government to boost the new mining tax back up to 40 per cent.

The Construction, Forestry, Mining and Energy Union supported Julia Gillard's 30 per cent resource rent tax rate as a temporary compromise.

But WA secretary of the mining and energy division Gary Wood said the original 40 per cent rate proposed by former prime minister Kevin Rudd should be phased in over an unspecified period.

"The rate should be progressed once the existing (proposed) rate is bedded down," Mr Wood said. "This is about Australian working class people and the community getting the benefits of our mineral wealth, not just billionaires."

Sources claim negotiations between the mining industry and Mr Rudd, before he was axed from the position, had canvassed a 35 per cent tax rate as a possible compromise to the original proposal.

Unions had reluctantly supported this rate as a starting point and were unhappy when the rate dropped further once Ms Gillard took over.

UnionsWA secretary Simone McGurk would not comment on calls for a 40 per cent rate, but complained that a scare campaign by the mining industry had prevented proper debate and analysis on the true impact of the tax. Ms McGurk said the campaign, not the actual tax proposal, was responsible for the recent sharemarket uncertainty.

She claimed there was no evidence a 40 per cent rate would have had a negative impact in the medium or long-term.

The Australian Workers Union, which was the first to come out in public support of Ms Gillard a day before the leadership challenge, supported the proposed 30 per cent rate.

"Our union has always said that further consultation was needed and if everyone is settled on that amount, then that's a good position to have," WA secretary Steve Price said.

The Australian Mines and Metals Association said the CFMEU's push was a major concern. "It is a serious concern for the resource sector that unions which feed into the Labor Party are saying that the rate should increase from 30 to 40 per cent," a spokeswoman said.

"The mining sector is hopeful that unions and Labor Party heavyweights will not unduly influence what appears to be the start of a reasonable compromise."

Last week the Association of Mining and Exploration Companies threatened to re-introduce the TV campaign against the proposed tax. The junior mining companies want to be included in negotiations with the Government before a final position is adopted, claiming the three major companies which have so far endorsed the proposed deal did not speak on their behalf.

- MINERS PUT CASE FORWARD *