

Association of Mining and Exploration Companies (Inc)

Assn No. AO810217E ABN: 33 362 864 696

15th March 2010

Hon Simon Crean MP
Minister for Trade
PO Box 6022
House of Representatives
Parliament House
Canberra ACT 2600
ACT 2600

RE: Section 23 AF of the Tax Exemption Scheme

Dear Minister

AMEC is requesting the Government to review the application of Section 23AF so that it takes into consideration recent changes to Section 23AG and is amended accordingly so that approved project status is available in countries where Australian employees pay tax and in countries where tax is not paid by the employee. Currently approved project status can only be granted to projects in countries where Australian employees do not pay tax. There is no logic to this now that 23AG applies.

We ask that 23AF be applied to existing projects. Previously there was no need for employers to apply for s23AF as s23AG existed.

Government needs to expand the application of s23AF so that companies can satisfy the national interest test on the basis that these projects will bring tangible benefits to Australia. Employees working on these projects will contribute positively to Australia's employment levels and it is clear from the fly in fly out arrangements these people will spend their earnings in Australia thereby satisfying the net foreign exchange criteria.

It will be necessary to introduce transitional arrangements to allow retrospective approval of projects which commenced prior to s 23AG changes.

AMEC is conscious of the existing criteria that requires companies to lodge 23AF prior to tender closing date but a number of companies are finding it difficult with the existing arrangements.

Minister, we request that your department support changes to Section 23AF in order to come into line with 23AG and enable applicants to obtain the exemption provisions re income tax.

If you would like to discuss these issues further then please call me on 08 9225 4399.

Yours sincerely

Simon Bennison
Chief Executive Officer
Association of Mining and Exploration Companies Inc

CC Hon. Wayne Swan MP
Treasurer

Address correspondence to: PO Box 6337, EAST PERTH, Western Australia 6892
T: 1300 738 184 F: 1300 738 185 E: simon.bennison@amec.org.au

