
From: s 47F @bhp.com>
Sent: Wednesday, 30 July 2025 1:53 PM
To: Coleman, Laurence
Cc: s 47F
Subject: Letter to PM
Attachments: 20250725 Ltr Hon Anthony Albanese.pdf

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[BHP Internal](#)

Hey Laurence,

Good to see you today. See attached a copy of the letter as mentioned.

Cheers,

Annabel

s 47F

Principal, Australian Federal Government Relations | **BHP**

M: s 47F | **E:** s 47F

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The Hon Anthony Albanese MP
Prime Minister of Australia
Parliament House
Canberra ACT 2600

25 July 2025

Dear Prime Minister,

We write to thank you for your leadership and the important work undertaken during your recent visit to China. Your efforts to strengthen the bilateral relationship and reinforce the significance of the iron ore industry to Australia's economic future are deeply appreciated.

The recognition you gave to the role of Australian iron ore in supporting China's steel industry – and the broader global economy – was timely and important. As Australia's largest iron ore producers, we welcome your acknowledgment of the enduring partnership between our two countries and the contribution our sector makes to jobs, investment, and prosperity.

As the global steel industry moves to decarbonise, our ability to remain competitive will depend on continued investment in new technologies and processes. Iron ore suppliers are proactively engaging with customers, technology providers and research institutions to develop low-emission steelmaking pathways that are technically and commercially viable for our low- to medium-grade ores.

To support this transition and ensure Australia remains an attractive destination for long-term investment, we seek the Australian Government's support in delivering policy settings that enhance our competitiveness. In particular, we highlight the importance of:

- **Streamlined approvals processes** that improve efficiency and provide greater certainty for project proponents, while maintaining strong environmental outcomes and protections for culturally significant places. Delays in permitting can significantly impact project viability, increase costs, and deter investment at a time when global competition for capital is intensifying.
- **Stability in industrial relations**, with no further legislative changes this term. We are concerned that recent amendments to the Fair Work Act, which are yet to be fully realised, will undermine productivity and investment at a time when productivity growth is already under pressure. Stability and certainty in the workplace relations framework is critical to unlocking investment, job creation and wage growth.
- **Reliable energy policy** that delivers timely, affordable, low carbon, firmed electricity and supports industrial competitiveness. Energy is a key input to our operations and future investment in decarbonisation.
- **Dedicated national research and development funding to accelerate low-emissions steelmaking pathways**, matched to industry effort. Rio Tinto and BHP are already investing in the development of technologies suited to Australia's iron ore, and we welcome recent Government funding to help drive these endeavours. However, national support for targeted research and development by Australia's

leading universities would reinforce these efforts and ensure Australia captures the economic and industrial benefits of decarbonisation.

- **Retention of the fuel tax credit arrangements.** In a globally competitive environment where capital is highly mobile, maintaining Australia's investment attractiveness is critical. The fuel tax credit recognises that businesses using diesel off public roads should not pay a road tax. While our companies are investing in decarbonising our operations, diesel will remain necessary for some time. We welcomed your public commitment on 31 March that the fuel tax credit would not be changed and strongly support the continuation of this position to preserve investment certainty.

We thank you again for your leadership and for the opportunity to contribute to Australia's economic and industrial future. Both BHP and Rio Tinto will be making individual submissions to the Treasurer as part of the upcoming Economic Reform Roundtable, addressing broader business priorities across our Australian operations. We look forward to continuing to engage constructively with your Government on these important issues.

Yours sincerely,



Geraldine Slattery
President, Australia
BHP



Kellie Parker
Chief Executive, Australia
Rio Tinto

From: s 47F <minerals.org.au>
Sent: Wednesday, 9 July 2025 11:12 AM
To: Coleman, Laurence
Subject: Request to meet Tania Constable PSM, CEO - Minerals Council of Australia

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Dear Laurence
Could you pass this email onto the Diary Manager.

Tania Constable would like to make an appointment to meet with Hon Madeleine King MP, Minister for Resources, if possible, during the 2nd parliamentary sitting week, **28-31 July 2025**. As Tania is Canberra based, she can meet anytime at Parliament House. She wishes to discuss Fuel Tax Credits, investment conditions and achievements. A more detailed briefing note will be forwarded once a date is confirmed, fyi, Tania has a parliamentary pass so will not need to be signed in.

I look forward to hearing from you.
regards



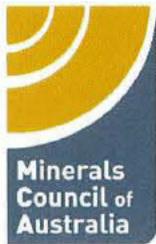
s 47F
A/g Executive Assistant to Tania Constable PSM
Chief Executive Officer

Telephone: s 47F Mobile: s 47F

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Following recent discussions with your Minister on the upcoming Economic Reform Roundtable, I am pleased to share a short slide deck that outlines the Minerals Council of Australia's perspective on the role of productivity in driving Australia's economic growth.

Australia's mining sector is the most productive in the economy and has long underwritten national income growth through technological leadership, capital intensity, and global competitiveness. The materials highlight opportunities to further strengthen productivity and resilience across the economy by leveraging the mining sector's ecosystem and infrastructure.

We hope these insights help inform your discussions and policy thinking.

Please don't hesitate to reach out if you'd like further detail or a briefing.

Kind regards,

s 47F

On behalf of

TANIA CONSTABLE
CHIEF EXECUTIVE OFFICER



July 2025

Prepared for the Economic Reform Roundtable

The Hon. Dr Jim Chalmers MP – Treasurer

The Hon. Madeleine King MP – Minister for Resources, Minister for Northern Australia

Mining Industry: Productivity Overview

Mining is Australia's most productive industry

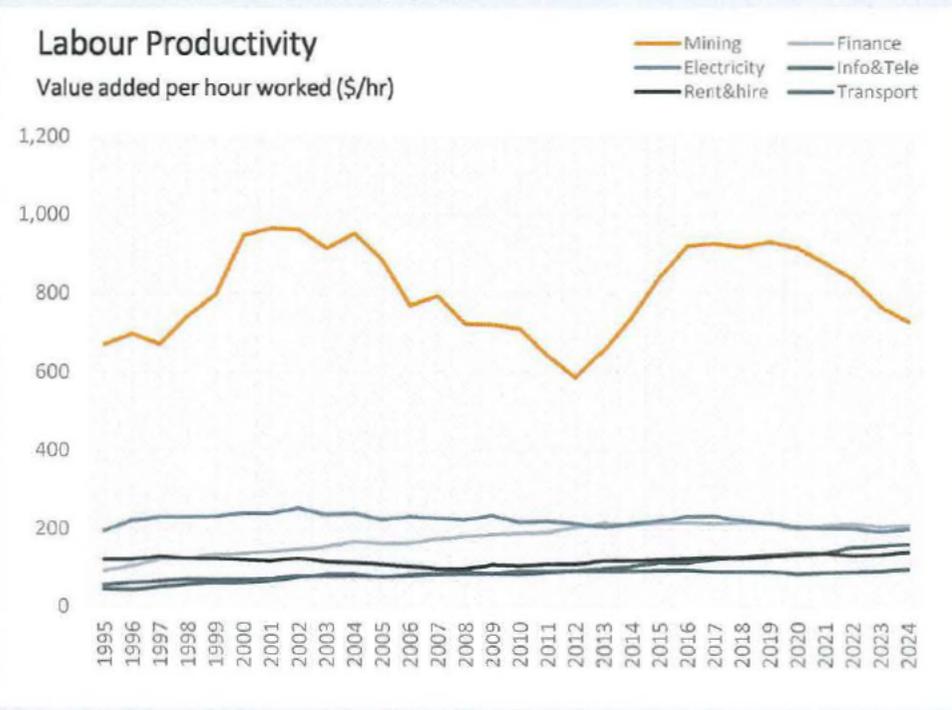
Australia's hard-earned comparative advantage in mining comes from the industry's ability to lead the world in developing and implementing new technologies, to drive efficiencies in complex and risky operations, and to do it while meeting the highest global standards in sustainability.

\$730/hr in 2024
Mining is 3.5 x more productive than next most productive industries.

Highly cyclical
Productivity ranged from \$588 to \$964/hr over the last 30 years.

>2% MFP growth
Once depletion and lags are taken into account.

Source: ABS, *Australian National Accounts*, table 6, June 2025; ABS, *Labour Account Australia*, June 2025



MINING'S PRODUCTIVITY HAS UNWRITTEN INCOME GROWTH



\$19,160

Families better off

Australian households \$19,160 better off in 2024 due to the expansion of the mining industry since 2005.

Source: Centre for International Economics

Note: Value added per hour worked is calculated as the ratio of Gross Value Added by Industry (Chain volume measures) to hours worked (derived from ABS measures of the average hours actually worked per job and jobs filled by industry). Mining MFP figure is derived from econometric results from the literature consistent with Topp, V. et al, (2008), 'Productivity in the Mining Industry: Measurement and Interpretation', Productivity Commission Staff Working Paper, Canberra.

A productive mining industry is the cornerstone of a resilient and secure Australian economy

FEATURES OF AUSTRALIAN MINING

Comparative advantage

Mining and quarrying (energy and non-energy producing products) and mining support services rank in the top 5 industries hosting Australia's comparative advantage.

Productivity Commission, TAR 2022-23

Strong industry linkages

\$107 billion: mining industry spending on inputs from other Australian industries.

\$74 billion: the value of Australian mining's input to other Australian industries.

ABS, Input-Output Tables, table 5, March 2025

Strong national inter-connections

Australian mining supports tens of thousands of kilometres of combined infrastructure.

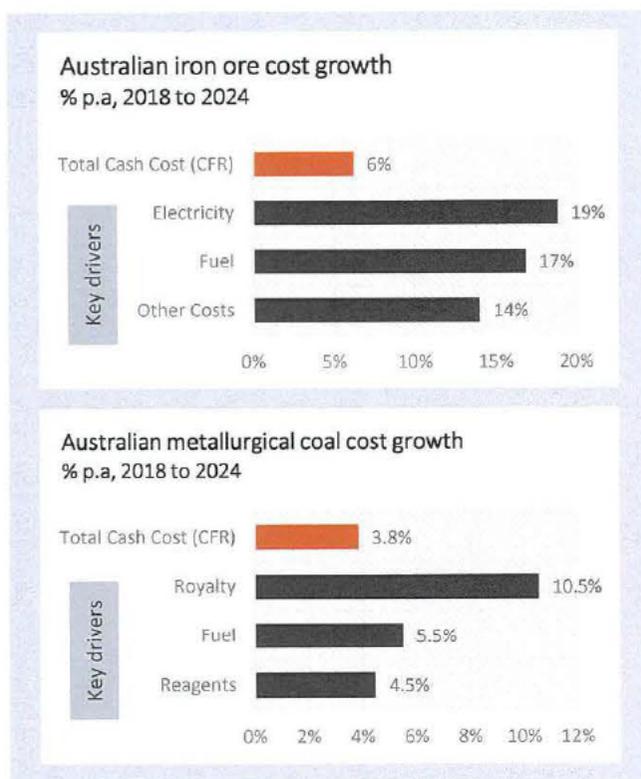
About 3,500 to 4,000 km of heavy rail alone, and vastly more when including roads, conveyors, pipelines and site infrastructure.

There are opportunities to build on Australian mining to enhance economic resilience and strengthen national security

- **Leveraging spillovers** created by the mining industry ecosystem to **cultivate** new areas of comparative advantage
- Improving **coordination** to connect the mining industry **ecosystem** to future industries
- Co-investing with mining to provide **public inputs** designed with **multi end-users** in mind
- Creating **strategic linkages** between mining's extensive transport **infrastructure** and **logistics** in areas of Australia's national interest.

Addressing rising costs is the key to improving competitiveness and productivity

- Total cash costs are increasing across Australian mining operations.
- Unit cost growth for bulk commodities have outpaced inflation, leading to growing real resource costs.
- As commodity prices continue to normalise, these cost pressures will likely squeeze operations further and hold up much needed investment in new mines.



Source: S&P Global Market Intelligence, accessed July 2025

GETTING THESE FUNDAMENTAL POLICY SETTINGS RIGHT WILL IMPROVE AUSTRALIAN INDUSTRY'S PRODUCTIVITY

Certainty on the Fuel Tax Credit

- Ensuring fuel excise is limited to those using public roads is essential to improving industry competitiveness.
- Fuel costs per tonne of iron ore mined in the Pilbara would be up to 30 per cent higher without the fuel tax credit.

Efficient environmental approvals

- Reducing approval delays will directly reduce project costs (increase project productivity) and increase investment.
- Duplication in environmental and climate change policies between jurisdictions is driving costs higher.

Systems thinking for energy policy

- Taking a total system cost approach that considers all technologies will deliver the most cost-effective transition to affordable, secure and clean energy in the long run.
- Access to low-cost high integrity emission offsets will help deliver energy to operations at the lowest possible cost.

Coordinated workforce planning for skills

- A collaborative approach to workforce planning will ensure skills and training policy is industry focused.
- Refrain from making any further changes to workplace relations and form a pathway for productivity improvements.

Policies targeted at driving efficiencies can deliver broader economic gains

BUILDING FROM MINING'S STRENGTHS COULD ENHANCE
BROADER RESILIENCE AND NATIONAL SECURITY IN AUSTRALIA

Invest in multi-user infrastructure

Create a stronger nexus between national security and economic resilience through strategic logistics and supply chain infrastructure planning and delivery.

Leverage applied AI know-how

Enable industries such as mining to be at the frontier of applied AI to improve their productivity and maximise beneficial spillovers to the broader economy.

Drive efficient regulation

Implement an efficient regulatory framework and functions with the objective of delivering a regulatory system for major projects that is predictable, timely, efficient and fully integrated with state and territory processes.

A 2% lift in Australia's Total Factor Productivity by 2030 would boost GDP by about \$54 billion in 2030

Gain in GDP from a 2% productivity lift
\$A bn, 2022-23 prices



Source: MCA modelling using Oxford Economics *Global Economic Model*

Contact us

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Mining**

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CORE Innovation Hub
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info@minerals.org.au

Memo

From Tania Constable, Chief Executive Officer – Minerals Council of Australia
Date 26 August 2025
Subject Proposed Cash Flow Tax and Mining Tax

Cash Flow Tax and Mining Tax

- The Budget Sustainability and Tax Reform paper released by the Government in advance of the ERR states that... “Company tax is significantly impacted by the outlook for the mining industry which accounted for 39% of company tax in 2022-23, up from 5% in 1999-00.”
- The Productivity Commission (PC) interim report states that ... “One of the biggest levers to encourage investment and productivity growth is the corporate tax system. Australia’s high statutory and effective corporate income tax rates reduce investment.”
- “On 18 August 2025, Danielle Wood stated in her address to the National Press Club “...our current system does not treat all investment equally. It imposes the biggest cost on higher risk, long-lived capital and capital-intensive investment – the type that can offer a big productivity kicker”. These are characteristics of mining investment, yet the PC’s proposed corporate tax changes will further increase the tax burden on the mining industry.
- In addition to company income tax, the mining industry also pays royalties (as well as the other taxes all companies pay - payroll tax, land tax, fringe benefits tax, business levies and fees). The mining industry paid \$31.5 and \$26.9 billion of royalties to State and Territory governments in 2022-23 and 2034-24. Indeed, the mining industry paid \$395 billion in company tax and royalties over the 10 years to 2023-24.
- In order for Australia to attract capital investment it must have an internationally competitive business tax regime. Businesses that make multi billion dollar investments that span many decades want a stable and predictable company tax regime. Adverse changes to the business tax system significantly detract from Australia’s international competitiveness and attractiveness for investment.
- The proposal to add a 5% cash flow tax (CFT) on top of the 30% company tax rate for companies that have turnover in excess of \$1 billion adversely impacts the Australian mining industry. We estimate the industry would have paid an additional \$2.5-3 billion of tax in 2022-23.

The Cash Flow Tax contained in the Productivity Commission draft report is light on detail, but appears to work as follows:

- It is a 5% tax on the net cash flow from operations, excluding interest.
- This means cash inflow excluding interest income and cash received from non operational activity, such as an equity raising or a bank loan.
- Given it is net cash, the company should deduct cash outflows, excluding interest and cash outgoings from non operational activity. This means, depreciation and amortisation are not deducted because they are non cash. Similarly, dividend payments are excluded as they are not operational costs. Cash outlays on capex are fully deductible. This is the crux of the proposal because in economic (and PC) theory it incentivises capex because it immediately reduces the potential CFT charge. The same approach to capex was included in the Mining Resource Rent Tax and is a key feature of the PRRT.
- The proposal is in reality a crudely camouflaged attempt at a mining tax given banking is excluded and mining will be the largest contributor.

Problems with the CFT

- The PC admits that the CFT is untried and untested and will therefore require a long lead in time prior to its implementation. A long lead in time raises uncertainty and will distort investment decisions in the interim, particularly because of the immediate expensing of capital expenditure in the CFT model.
- The PC appears to assume that the large companies that are adversely impacted by the additional CFT on top of the existing 30% company tax rate, will continue to spend the same amount on capex.
- It appears that the CFT turnover test applies to Australian turnover. This will encourage tax planning around ownership structures, particularly by foreign investors.
- The PC notes that there will need to be a mechanism to recognise the starting base capex investment by companies, a massive issue for the mining industry. The lack of clarity on this significant matter puts into question the revenue forecast the PC includes in the report.
- The PC proposes to deny an interest expense deduction in calculating the CFT. An outcome of this is that financial institutions (mainly banks) are not subject to the CFT but the PC notes that a separate tax that produces a similar outcome to the CFT will need to be developed. This creates further uncertainty around this CFT proposal.

Fuel Tax Credit (FTC)

- FTC's recognise that excise is an implicit road user charge originally introduced to fund public road maintenance. Businesses that use diesel fuel off-road are in effect overcharged when they purchase diesel. Indeed, the system used in many countries and previously in Australia, was to not charge the excise at the point of purchase where it was intended to be used off road. Australia changed the methodology to a charge and claim back because it was considered as the best method to ensure compliance with eligibility requirements.
- The FTC is NOT a subsidy. Treasury (and the Henry report) have stated that the FTC is not a subsidy. The Treasury stated FTC's are not a subsidy, but a mechanism to remove the incidence of excise on fuel used by business off road . Similarly, the PC (2021) stated that "...the way in which FTC's are administered may make it appear that they act as a subsidy . The reason why the government introduced a rebate system was it was more efficient and administratively easier to charge all users the same price upfront and have ELIGIBLE users are reimbursed the EXCESS EXCISE." Also, the annual PC report examining assistance that government provides to industry sectors does not include FTC as a form of assistance.
- It is good economic policy to avoid taxation of business inputs. Treasury has stated that, as does the Henry report. It is the same rationale behind the eligibility for input tax credits in the GST.
- FTC's do NOT encourage the use of fossil fuels. All businesses have an incentive to minimise costs including by limiting fuel usage. Diesel is an essential input for many regional and remote businesses. Large agricultural and mining equipment, ships, ferries, fishing vessels and remote tourism require diesel.
- The mining industry is spending billions in pursuing carbon emissions reduction, including electrification and substitution of battery for diesel. There are technical challenges in transitioning from diesel fuel, particularly in relation to remote mine sites that require stable energy 24/7 and powering haulage trucks and locomotives. Removal or reduction of the FTC will NOT result in lower carbon emissions. It will simply put an additional tax on the users of diesel.
- The mining industry is subject to the safeguards mechanism which is the Government's policy approach to incentivising large industrial carbon emitters to reduce emissions. The safeguards mechanism does not differentiate types of emissions. Diesel fuel emissions are covered by the safeguard mechanism so it is bad policy to reduce the FTC on the basis of charging for diesel emissions. The Tinbergen rule of public policy development states that one policy instrument should be used for one policy goal. Don't adjust the policy lever (FTCs) to address a different policy goal (emissions reduction).

Fuel Tax Credit (FTC) cap

- The Fuel Tax Credit scheme does not encourage the use of fossil fuels. It is not a subsidy.
- The FTC scheme is based on the basic tax policy principle that tax should not be imposed on business inputs. This is the same principle that underpins the GST system through input tax credits.
- Removing or introducing a cap would not remove a 'subsidy' – it would introduce a distortion into the tax system by increasing business costs and disadvantaging businesses that are reliant on fuel use.
- All businesses have an incentive to minimise costs including by limiting fuel usage. It is absurd to suggest that the FTC operates to discourage investment in abatement.
- The mining industry is spending billions in pursuing carbon emissions reduction, including electrification and substitution of battery for diesel. There are technical challenges in transitioning from diesel fuel, particularly in relation to remote mine sites that require stable energy 24/7 and powering haulage trucks and locomotives.
- Removal or imposing caps on the FTC will not result in lower carbon emissions. It will simply put an additional tax on the users of diesel. This will result in additional costs for regional and remote Australian communities.
- This would be a new tax on our most productive businesses - reducing competitiveness at a time of trade and tariff uncertainty, intensifying metals mining competition, and new (bulk) supply coming to market from Africa.
- The mining industry is subject to the safeguard mechanism which is the Government's policy approach to incentivising large industrial carbon emitters to reduce emissions. Diesel fuel emissions are covered by the safeguard mechanism so it is bad policy to reduce the FTC on the basis of charging for diesel emissions. The Tinbergen rule of public policy development states that one policy instrument should be used for one policy goal. Don't adjust the policy lever (FTCs) to address a different policy goal (emissions reduction).
- The proposal to repurpose the fuel tax credit rebate claimed over \$50 million and create a 'transition tax incentive' will require the establishment of additional bureaucracy involving recycling money through a new process.

Myth busting

Myth: *FTC makes diesel so cheap that it is very difficult to realise an acceptable rate of return on investment in alternative energy.*

Fact: Australian mining companies are already investing heavily in alternate energy and technologies to reduce emissions. These investment decisions are not determined by the fuel tax credit scheme. Mining businesses have an incentive to limit costs.

Myth: *The safeguard mechanism is not enough incentive for miners to reduce emissions.*

Fact: This misrepresents the impact of the safeguard mechanism and the impact of annually declining baselines across the safeguard. These baseline declines reduce the carbon allowance and will increase demand for and the price of ACCUs steadily to incentivise deployment of emissions reduction initiatives in a realistic timeframe. The safeguard will achieve its abatement target.

Myth: *A cap on fuel tax credit will generate additional abatement.*

Fact: It will not generate additional abatement – any additional abatement from those impacted by this arbitrary new tax will simply lower incentives for other facilities in the safeguard unaffected by the cap.

Myth: *Large mining companies are not investing in decarbonisation.*

Fact: The mining industry is already investing billions to cut emissions through electrification, biofuels, and battery technology – it is heavily incentivised by the safeguard mechanism to do so. Reducing diesel use and developing alternatives isn't optional - it's a commercial imperative the industry is taking seriously.

Myth: *Miners will be able to deploy electric trucks in the next few years.*

Fact: Delays in technology readiness are real. Major mining companies have been investing heavily in trials in cooperation with major OEMs. Widespread deployment of electric trucks for heavy haulage in mining is currently not available.

Myth: *A consortium of WA mining companies are supportive of the capping concept.*

Fact: The consortium was established as a forum to discuss electrification but was disbanded in 2024 due to concerns from participants in relation to misrepresentation of the consortium views.

From: s 47F @riotinto.com>
Sent: Friday, 22 August 2025 5:55 PM
To: Coleman, Laurence
Cc: s 47F (RTHQ)
Subject: Catchup in Canberra 2.30pm Thursday 28 August

CAUTION - This email originated from outside of the organisation. Do not click links or open attachments unless you recognise the sender and know the content is safe.

Hi Laurence

Just confirming we will see you 230pm at PH Canberra next Thursday to talk fuel tax credit.

It will be me, s 47F and s 47F .

Many thanks

s 47F