

REFORM LOUISE DODSON

Pressure to rework the

Two of the three independents and a Green MP who are crucial to forming government have indicated they support a resource rent tax – but not the same one struck in a deal between the Gillard government and the three big miners.

While Ms Gillard has said if she forms a government she will introduce the mining tax struck in a deal with BHP Billiton, Rio Tinto and Xstrata, she may be forced to change her position after the independent MPs said they were not happy with the government's minerals resource rent tax (MRRT).

But the big miners would be wary about any changes to the agreement they struck for a modified tax and if the agreement is unwound, could be expected to lobby hard for no resource rent tax.

The mining industry is watching the separate negotiations which have just begun as both the Coalition and Labor vie for the support of non-aligned MPs to form government.

A spokesman for the Minerals Council of Australia said: "The government and the Coalition took clear policies on the mining tax to the election. We will be watching the negotiations [with the independents and Green MP] carefully for any changes that may affect the industry".

BHP Billiton chief executive Marius Kloppers said yesterday: "Our intention would be to honour our com-



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mitments. Obviously, should the government change, we've noted they don't have any additional comment on the fact that the opposition has indicated that they will not be pursuing the modified MRRT."

Although some of the independents said they were not happy with Labor's mining tax in its present form, they also indicated they did not agree with Liberal leader Tony Abbott's position of opposing a resource rent tax.

Only Queenslander Bob Katter is in tune with the Coalition's opposition

to the mining tax saying yesterday: "The mining tax would have done absolute untold damage to Australia's future".

Other independents, former Nationals Tony Windsor and Rob Oakeshott, suggested that they would support a resource rent tax – but not the MRRT. "In technical terms, yes I do support a resource rent tax, I think it is a more efficient way to tax than royalties," Mr Windsor said.

He expressed surprise the Opposition did not support a resource rent

resources tax



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tax. "The only reason the Opposition didn't support it, was that it was a convenient add-on to their waste and mismanagement ramblings," Mr Windsor said.

He said he did not support the government's original 40 per cent resource super profits tax, but said the MRRT was closer to what he supported.

Mr Oakeshott said he supported a debate on the Henry tax review's recommendations and vehemently attacked the process which resulted in

the mining tax deal with the three big mining companies. "I would love a government response to all those recommendations on tax reform... and then lets have a genuine tax debate and work from there," he said.

While the Henry report "makes sense", he said, "what came out of it was a dirty big fight with the mining industry".

But Green MP Adam Bandt said he supported the original RSPT and was disappointed by the Gillard government's "back down".

BEHIND THE SCENES LOUISE DODSON

Little rest for bureaucrats

The federal government may be in caretaker mode but public servants are busier than ever, briefing Labor and the Coalition as well as examining the policies and reforms of the Greens and independent MPs who will be crucial to forming a parliamentary majority.

The Department of the Prime Minister and Cabinet, which prepares the incoming government briefs — with red covers for the incumbent and blue for a change — has been examining the policies of the Greens and independents because the Greens MP Adam Bandt and independents Tony Windsor, Rob Oakeshott, Bob Katter and Andrew Wilkie will be crucial to forming a government with either Coalition or Labor MPs.

Key issues identified by the independents and Greens include reform of Parliament and government processes, climate change policies including an emissions trading scheme, and the Henry review's tax recommendations including imposition of a resource rent tax.

The situation that public servants are in is unprecedented.

Usually, the caretaker conventions ensure the election period is one of the few quiet times in the public service calendar — except for the Department of Finance, which costs the parties' election promises under the charter of budget honesty.

The conventions were written by

the Department of the Prime Minister and Cabinet and are updated as necessary. They were most recently updated in May.

They usually apply for the duration of an election campaign. But on this occasion, as neither main party has yet been able to claim victory, the opposition agreed the government would continue in caretaker mode until a new government is formed.

The conventions specify that while in caretaker mode a government

Calls for greater accountability have been welcomed.

should not make any major decisions or significant appointments, or enter into any major contracts or undertakings which may bind the incoming government.

If circumstances demand that a major policy decision be made, the conventions specify that the minister would normally consult the opposition beforehand.

This would normally be in circumstances requiring immediate action such as emergency relief.

The conventions note: "In the past, for example, the government has agreed to provide urgent financial assistance to drought-affected

areas following consultation with the opposition."

The conventions specify that although the charter of budget honesty applies to the costing of government and opposition policies it does not cover costing of the policies of the minor parties.

But ministers can ask that any agency, including Treasury and the Department of Finance, provide costing information about the commitments made by minor parties and independents.

The Greens and independent MPs' call for reform of Parliament to foster greater accountability and transparency has been welcomed by bodies including the Rule of Law Institute of Australia.

The institute says Senate estimates committees — which question department officials and the economic regulators — are an important part of ensuring accountability.

Senate estimates "are arguably the most critical and systematic element of the accountability mechanism applicable to our federal economic regulators", the institute points out in its latest survey, released this month.

The Greens and independents are pushing for greater resources and powers for House of Representatives committees and increased accountability and information for members of parliament about executive government such as that provided to Senate estimates committees.