

LEGISLATIVE ASSEMBLY OF THE NORTHERN TERRITORY

WRITTEN QUESTION

Ms Purick to the Treasurer:

Reduction in employment at mining projects

What is the loss in payroll tax following reduction in employment levels at the following mining projects?

1. Gemco Mine
2. Ranger
3. Glencore McArthur River Mine

ANSWER

The provisions governing administration and collection of payroll tax in the Northern Territory are contained in the *Taxation Administration Act* and *Payroll Tax Act*, respectively. These provisions restrict the use and disclosure of information obtained for the purposes of these Acts. Consequently, revenue collected as a result of this revenue stream is reported by the Territory Revenue Office on an aggregated basis. This ensures that the identity of, and tax paid by, individual tax payers is not apparent or cannot be reasonably ascertained from published information, such as the Budget Papers.

Payroll tax is applied at a rate of 5.5 per cent to Territory 'wages' paid or payable by an employer (subject to a threshold of \$1.5 million). The terms 'wages' includes almost all payments made to, or in relation to, employees and contractors retained by an employer.

The total payroll tax collected in the previous two years and budgeted for the current financial year are as follows:

	2013-14 (\$000)	2014-15 (\$000)	2015-16 (Budget) (\$000)
Payroll tax	250 162	268 706	283 932

Although taxpayer specific information cannot be disclosed, the following publicly available information is provided for the mining projects in question:

1. South32 Limited, which acquired operation of the GEMCO Mine from BHP Billiton in May 2015, advised in its 2015-16 half year report that it would reduce its workforce by approximately 1750 employees and contractors before the end of the financial year. Of

those, it estimates that only 82 will relate to employees and contractors at the GEMCO Mine.

2. Energy Resources Australia, which operates the Ranger Mine, advised in its 2015 annual report that, following a period of significant reduction due to the completion of some mining operations and major projects, its workforce had stabilised at 409 employees and contractors as at 31 December 2015. This compares to 415 at the same time in 2014, and 519 in 2013.
3. In August 2015, McArthur River Mine estimated its current workforce to include over 700 permanent employees and contractors. This is consistent with information published by the mine in December 2012, which indicates the workforce has remained static over the past three years.

The level of payroll tax paid collectively by these mines reflects the publicly available information, with very little movement in the level of payroll tax paid over the past two years.