

# Media Release



**Fortescue**  
The New Force in Iron Ore

## MRRT WILL FAIL AUSTRALIA

**PERTH, 23 November 2011:** Fortescue Metals Group (Fortescue) has slated the passing of the Minerals Resource Rent Tax Bill (2011) (MRRT) as being the worst possible decision by any Australian Government against the national mining sector.

Fortescue Chief Financial Officer Stephen Pearce said history will prove that the MRRT has reduced international investment in Australian mining projects and pushed those investors to look elsewhere.

"The whole mining tax process has been shambolic and destructive," Mr Pearce said.

"From the moment the Rudd Government proposed the initial version of the tax in May last year, Australia's high sovereign reputation for international mining investors has been compromised.

"The carnage of this tax is already clear to see. It has forced the resignation of a Prime Minister, it has eventuated in policy that can't be revealed because it was formulated in secret, it has pitted big miners against small, it is discriminatory towards junior producers, and it only impacts on iron ore and coal.

"There is also little doubt that this tax will not generate \$11.1 billion over three years as forecast by the Government. The very nature of the design of the MRRT prevents that happening. The complexity of the tax's design and the secrecy of the numbers used by Treasury has denied any substantive technical measurement of its revenue deliverables but it is certain it will not generate anywhere near what the Government has promised.

"The great misfortune is when the Government is proven wrong, it will be too late for the raft of start-up projects now on drawing boards right across the junior mining sector that are now threatened by the tax.

"Fortescue believes the MRRT has also fundamentally sought to erode State's rights under the Constitution, the very core and foundation of the Commonwealth.

"It is now the responsibility of Senators to see the errors in this tax and throw it out."

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