

# NEWS RELEASE

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## **BHP BILLITON DISAPPOINTED WITH NEW AUSTRALIAN MINING TAX**

BHP Billiton today expressed its disappointment with the Australian Government's plan to impose a new resource rent tax. The imposition of this new tax would result in an increase in the total effective tax rate on the Group's profits earned from its Australian operations from around 43 per cent currently to around 57 per cent from 2013.

Multi-billion dollar, long-term investments in the Australian resources sector have contributed significantly to the prosperity of all Australians. In the last three years the resources sector has contributed 18 per cent of Australia's GDP, is the largest contributor to Australian export revenues at 42 per cent and has been the largest contributor to corporate tax revenues. Much of the profit in the sector has been re-invested in resource and infrastructure projects in Australia. A key factor underpinning the decisions behind these investments has been Australia's reputation for providing a stable and competitive taxation regime.

BHP Billiton Chief Executive Officer Marius Kloppers said: "The stability and competitiveness of the tax system have been central to the investment in resources in Australia. If implemented, these proposals seriously threaten Australia's competitiveness, jeopardise future investments and will adversely impact the future wealth and standard of living of all Australians."

BHP Billiton recognises that governments will review taxation policy and rates from time to time. The Group, however, has been advocating that taxation changes should be designed so that they preserve the basis upon which past capital investments have been made, maintain the future international competitiveness of Australia's resources industry, acknowledge that different products have different return characteristics, and encourage private investment in infrastructure and processing.

Mr Kloppers said: "The Government has not defined all aspects of the design, implementation and application of the new tax, and until they are clarified we cannot be certain what the full implications for the industry will be. However, this significant new tax will have the effect of making investments in Australia much less attractive."

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The Government has indicated it will consult with industry regarding this new tax proposal and BHP Billiton will constructively contribute to this process.

*Note: In 2009 BHP Billiton paid taxes totalling A\$6.3 billion in relation to its Australian businesses, comprising company tax of A\$3.0 billion, State royalties of A\$1.9 billion, Petroleum Resource Rent Tax of A\$1.1 billion, and other taxes of \$0.35 billion.*

Further information on BHP Billiton can be found on our Internet site: [www.bhpbilliton.com](http://www.bhpbilliton.com)

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