Parliamentary Budget Office

Request for budget analysis

Revenue lost from Kevin Rudd's proposed Mining Tax	
Requestor:	Senator David Shoebridge, Australian Greens
Date costing completed:	5 November 2026 *Authorised for public release on 17 November 2026*
Expiry date of the costing:	Release of the next economic and fiscal outlook report

Summary of request:

The request sought the amount of revenue that may have been raised from 2012-13 to the end of the 2026-27 Budget forward estimates period if the proposed Resource Super Profits Tax (RSPT) was introduced by the Rudd Government from 1 July 2012.

The request specified that the design features of the RSPT reflect the Rudd Government's announcement paper *The Resource Super Profits Tax: a fair return to the nation,* released in May 2010 and the Parliamentary Library brief's description of the tax. The key steps in calculating the RSPT are provided at Attachment B.

Overview

This request for budget analysis was prepared on the basis of information specified by the requestor and does not constitute a Parliamentary Budget Office (PBO) policy costing.

Policy background

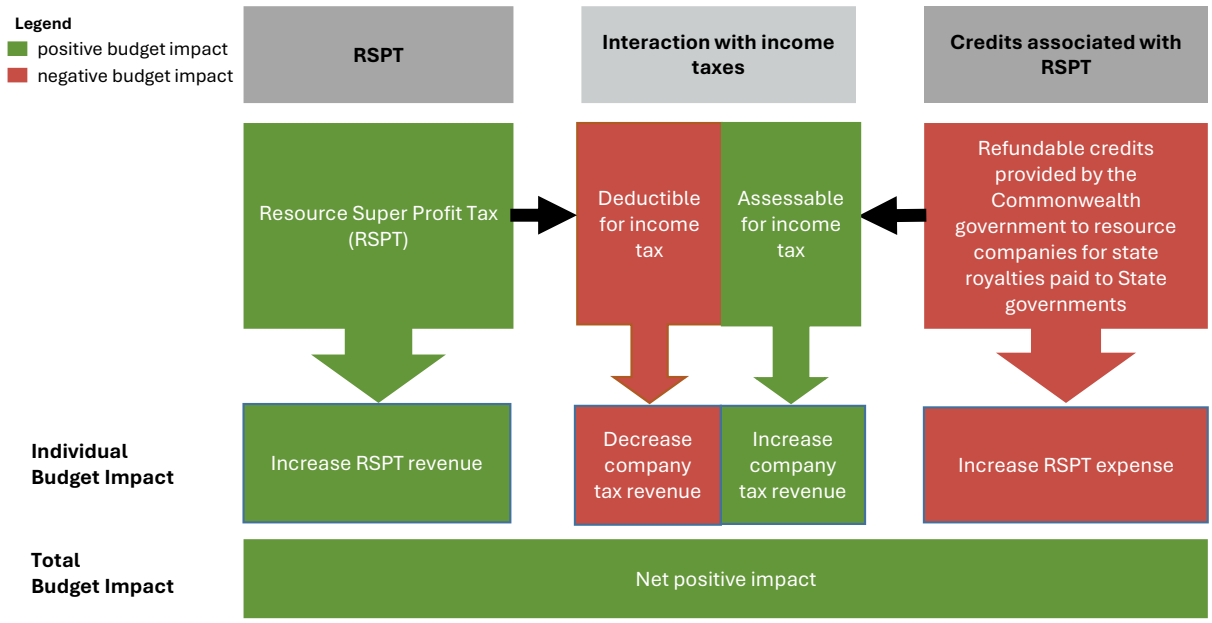
In May 2010, the Rudd Government announced its intention to introduce the RSPT in its response to the *Australia's Future Tax System* (Henry Tax Review) report and commenced the initial consultation on the RSPT.

The Rudd Government's 2010-11 Budget included a measure to introduce the RSPT from 1 July 2012.

As specified in the announcement paper, the RSPT would have been charged at a rate of 40 per cent on the 'super' profits made from 'the exploitation of Australia's non-renewable resources'. 'Super' profits would be assessable resource revenue less deductible expenses (including an allowance for capital expenditure). RSPT paid would be deductible for company income tax purposes. Mining companies would receive refundable credits in recognition of royalty payments made to states and territories (see Diagram 1).

In July 2010, the Gillard Government announced the Minerals Resource Rent Tax (MRRT) as a replacement for the RSPT.

Diagram 1: Summary of budget impacts of policy



Financial Implications

Had the original RSPT been implemented from 1 July 2012, the PBO estimates that it would have increased the fiscal balance and underlying cash balance by around $135 billion over the period from 1 July 2012 to 30 June 2026.

Over the period from 2026-27 to 2029-30 (the 2026-27 Budget forward estimates period), the PBO estimates that the RSPT would increase the fiscal balance by around $36.9 billion and underlying cash balance by around $38.9 billion. These estimates illustrate the potential financial impact of the RSPT had it applied and do not represent a PBO costing of a proposal to introduce the RSPT over the 2026-27 Budget forward estimates period.

On a fiscal balance basis, the impact over the entire period 2012-13 to 2029-30 reflects increased revenue of $313.6 billion, partially offset by increased administered expenses of $141.6 billion for the refundable credits provided to mining companies for state royalties, and increased Australian Taxation Office (ATO) departmental expenses of $0.6 billion over this period.

Key assumptions

The PBO has made the following assumptions in estimating how much revenue the RSPT may have raised had it been implemented from 1 July 2012.

- The RSPT covers most non-renewable resources, including iron ore, metallurgical coal, thermal coal, gold, copper, nickel, and alumina, but excluding those expected to generate low rents.
- All these non-renewable minerals would be sold and liable for the RSPT.
- New assets purchased by mining companies after the start date (1 July 2012) would be depreciated on a straight-line basis over 10 years, based on the book value of investment.
- The RSPT would be calculated and paid quarterly, with 75% of revenue collected within the same year and the remainder collected the following year.

- The refundable credit for state royalties would be assessed and paid in the year following the payment of the RSPT.
- Company tax instalments would be paid monthly, such that 11/12ths of the impact on company tax receipts would be in the same year, with the remaining 1/12th in the following year.
- Mining companies liable for the RSPT would be subject to the 30% company tax rate.
- Companies investing in the mineral extraction projects would have a majority foreign shareholding.
- Adopting the RSPT would not have changed mining company behaviour regarding the level of resource production and investment or mineral prices.

Methodology

RSPT

RSPT liability was calculated at the aggregate level for each identified mineral by multiplying taxable RSPT profits by 40%. Taxable RSPT profits comprise assessable revenue from the mineral extraction projects less deductible expenses. The assessable revenue and deductible expenses are derived using data from The Treasury, the Department of Industry, Science, Energy and Resources, and the Australian Bureau of Statistics (ABS).

Deductible expenses include operating expenses incurred in mineral production processes, exploration expenses, depreciation of assets from before the commencement of the RSPT, depreciation of new assets acquired afterwards, the RSPT allowance for capital expenditure, and any prior year RSPT losses.

The RSPT allowance for normal returns was calculated by multiplying the sum of the current value of mining assets and unutilised RSPT losses by the 10-year government bond rate. Returns above this rate, deemed to be 'super profits', were liable for the RSPT rate of 40%.

Where the mining project does not earn sufficient RSPT profit before the depreciation of starting base to fully utilise this deduction, there would be a loss carried forward to offset future taxable profit.

Refundable credits for state royalties

The refundable credits were estimated using ABS mining royalty expense data.

Company tax

The company tax impact was calculated by multiplying the net amount of the estimated RSPT collected and the estimated credits paid for state royalties by 30%.

Flow-on impacts through franked dividend distributions to shareholders have not been incorporated in this analysis, reflecting the high foreign ownership share of the resources sector.

Departmental expense

ATO departmental expenses are based on the original departmental profile of the 2010-11 Budget measure *Stronger, fairer, simpler tax reform – resource super profits tax*.

Data sources

The Treasury provided the historical and forecast prices for iron ore, metallurgical coal and thermal coal as at the 2026-27 Budget.

ABS (2026), *Australian Industry* (latest and historical), Australian Government.

ABS (2026), *Australian System of National Accounts* (latest and historical), Australian Government.

ABS (2016), *Mining Operations, Australia, 2014-15*, ABS Cat. No. 8415.0, Australian Government.

Australian Government (2010), *The resource super profits tax: a fair return to the nation*.

Australian Taxation Office (2026), *Mining or production tenements and exploration tenements*, accessed 5 November 2026.

Department of Industry, Science, Energy and Resources (2026), *Resources and Energy Quarterly* (latest and historical), Australian Government.

Parliamentary Library (2010), *Budget Review 2010-11: Resource super profits tax*, Parliament of Australia

Reserve Bank of Australia (2026), *F2.1 Capital Market Yields – Government Bonds*, Australian Government.

The Treasury (2013), *Resource Super Profits and the Minerals Resource Rent Tax: FOI Document 47*, Australian Government.

Commonwealth of Australia (2026) *2026-27 Budget,* Commonwealth of Australia.

Attachment A – Revenue lost from Kevin Rudd's proposed Mining Tax – Financial implications

Table A1: Revenue lost from Kevin Rudd's proposed Mining Tax – Fiscal balance[(a)(b)]

	2012-13 $m	2013-14 $m	2014-15 $m	2015-16 $m	2016-17 $m	2017-18 $m	2018-19 $m	2019-20 $m	2020-21 $m
Revenue									
Resource super profits tax	*1,600.0*	*9,500.0*	*2,400.0*	*1,800.0*	*8,500.0*	*13,300.0*	*28,200.0*	*23,900.0*	*42,000.0*
Company tax	*-300.0*	*-1,600.0*	*400.0*	*200.0*	*-1,400.0*	*-2,100.0*	*-4,700.0*	*-4,700.0*	*-8,400.0*
Total – revenue	**1,300.0**	**7,900.0**	**2,800.0**	**2,000.0**	**7,100.0**	**11,200.0**	**23,500.0**	**19,200.0**	**33,600.0**
Expenses									
Administered									
Refundable credits	*-1,600.0*	*-6,200.0*	*-2,400.0*	*-1,800.0*	*-5,100.0*	*-7,900.0*	*-9,300.0*	*-8,300.0*	*-11,400.0*
Departmental									
Australian Taxation Office	*-38.0*	*-27.0*	*-28.0*	*-28.0*	*-29.0*	*-29.0*	*-29.0*	*-30.0*	*-30.0*
Total – expenses	**-1,638.0**	**-6,227.0**	**-2,428.0**	**-1,828.0**	**-5,129.0**	**-7,929.0**	**-9,329.0**	**-8,330.0**	**-11,430.0**
Total (excluding PDI)	**-338.0**	**1,673.0**	**372.0**	**172.0**	**1,971.0**	**3,271.0**	**14,171.0**	**10,870.0**	**22,170.0**

Table A1: Revenue lost from Kevin Rudd's proposed Mining Tax – Fiscal balance (continued)[(a)(b)]

	2021-22 $m	2022-23 $m	2023-24 $m	2024-25 $m	2025-26 $m	2026-27 $m	2027-28 $m	2028-29 $m	2029-30 $m
Revenue									
Resource super profits tax	*31,200.0*	*31,700.0*	*40,000.0*	*37,500.0*	*30,600.0*	*21,000.0*	*18,100.0*	*22,100.0*	*24,700.0*
Company tax	*-6,900.0*	*-6,000.0*	*-7,800.0*	*-7,700.0*	*-6,600.0*	*-4,500.0*	*-3,600.0*	*-4,300.0*	*-4,500.0*
Total – revenue	**24,300.0**	**25,700.0**	**32,200.0**	**29,800.0**	**24,000.0**	**16,500.0**	**14,500.0**	**17,800.0**	**20,200.0**
Expenses									
Administered									
Refundable credits	*-11,900.0*	*-11,500.0*	*-12,500.0*	*-10,700.0*	*-9,000.0*	*-7,100.0*	*-6,400.0*	*-9,000.0*	*-9,500.0*
Departmental									
Australian Taxation Office	*-31.0*	*-31.0*	*-33.0*	*-34.0*	*-34.0*	*-35.0*	*-37.0*	*-37.0*	*-38.0*
Total – expenses	**-11,931.0**	**-11,531.0**	**-12,533.0**	**-10,734.0**	**-9,034.0**	**-7,135.0**	**-6,437.0**	**-9,037.0**	**-9,538.0**
Total (excluding PDI)	**12,369.0**	**14,169.0**	**19,667.0**	**19,066.0**	**14,966.0**	**9,365.0**	**8,063.0**	**8,763.0**	**10,662.0**

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms.

(b) Small differences for values for the period 2012-13 to 2019-20 to those included in the published budget analysis request *Lost revenue from the original mining tax* reflect minor revisions to historical commodities data.

Table A2: Revenue lost from Kevin Rudd's proposed Mining Tax – Underlying cash balance[(a)(b)]

	2012-13 $m	2013-14 $m	2014-15 $m	2015-16 $m	2016-17 $m	2017-18 $m	2018-19 $m	2019-20 $m	2020-21 $m
Revenue									
Resource super profits tax	*1,200.0*	*7,500.0*	*4,200.0*	*1,900.0*	*6,800.0*	*12,100.0*	*24,400.0*	*25,000.0*	*37,500.0*
Company tax	*-300.0*	*-1,600.0*	*400.0*	*200.0*	*-1,400.0*	*-2,100.0*	*-4,700.0*	*-4,700.0*	*-8,400.0*
Total – revenue	**900.0**	**5,900.0**	**4,600.0**	**2,100.0**	**5,400.0**	**10,000.0**	**19,700.0**	**20,300.0**	**29,100.0**
Expenses									
Administered									
Refundable credits	-	*-1,600.0*	*-6,200.0*	*-2,400.0*	*-1,800.0*	*-5,100.0*	*-7,900.0*	*-9,300.0*	*-8,300.0*
Departmental									
Australian Taxation Office	*-38.0*	*-27.0*	*-28.0*	*-28.0*	*-29.0*	*-29.0*	*-29.0*	*-30.0*	*-30.0*
Total – expenses	**-38.0**	**-1,627.0**	**-6,228.0**	**-2,428.0**	**-1,829.0**	**-5,129.0**	**-7,929.0**	**-9,330.0**	**-8,330.0**
Total (excluding PDI)	**862.0**	**4,273.0**	**-1,628.0**	**-328.0**	**3,571.0**	**4,871.0**	**11,771.0**	**10,970.0**	**20,770.0**

Table A2: Revenue lost from Kevin Rudd's proposed Mining Tax – Underlying cash balance (continued)[(a)(b)]

	2021-22 $m	2022-23 $m	2023-24 $m	2024-25 $m	2025-26 $m	2026-27 $m	2027-28 $m	2028-29 $m	2029-30 $m
Revenue									
Resource super profits tax	*33,900.0*	*31,600.0*	*38,000.0*	*38,100.0*	*32,300.0*	*23,400.0*	*18,800.0*	*21,100.0*	*24,100.0*
Company tax	*-6,900.0*	*-6,000.0*	*-7,800.0*	*-7,700.0*	*-6,600.0*	*-4,500.0*	*-3,600.0*	*-4,300.0*	*-4,500.0*
Total – revenue	**27,000.0**	**25,600.0**	**30,200.0**	**30,400.0**	**25,700.0**	**18,900.0**	**15,200.0**	**16,800.0**	**19,600.0**
Expenses									
Administered									
Refundable credits	*-11,400.0*	*-11,900.0*	*-11,500.0*	*-12,500.0*	*-10,700.0*	*-9,000.0*	*-7,100.0*	*-6,400.0*	*-9,000.0*
Departmental									
Australian Taxation Office	*-31.0*	*-31.0*	*-33.0*	*-34.0*	*-34.0*	*-35.0*	*-37.0*	*-37.0*	*-38.0*
Total – expenses	**-11,431.0**	**-11,931.0**	**-11,533.0**	**-12,534.0**	**-10,734.0**	**-9,035.0**	**-7,137.0**	**-6,437.0**	**-9,038.0**
Total (excluding PDI)	**15,569.0**	**13,669.0**	**18,667.0**	**17,866.0**	**14,966.0**	**9,865.0**	**8,063.0**	**10,363.0**	**10,562.0**

(a) A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

(b) Small differences for values for the period 2012-13 to 2019-20 to those included in the published budget analysis request *Lost revenue from the original mining tax* reflect minor revisions to historical commodities data.

\- Indicates nil.

Attachment B – Revenue lost from Kevin Rudd's proposed Mining Tax – RSPT calculation

The RSPT calculation is illustrated in Diagram B1.

Diagram B1: Resource Super Profits Tax calculation

RSPT capital account		RSPT liability
Opening balance		Assessable revenue
× RSPT allowance rate[(a)]		*less* deductible expenditure
= RSPT allowance	→	*less* RSPT allowance
		= RSPT project profit or loss
Undepreciated value of tangible capital		± losses transferred[(b)]
less unutilised losses	←	**= RSPT net profit or loss**
= closing balance		× RSPT rate (40 per cent)
		= RSPT liability

(a) RSPT allowance rate was intended to be the 10-year bond rate
(b) Losses can be transferred between RSPT projects

- As specified in the announcement paper, the starting base was depreciated on an accelerated basis over five years at the following rate while new assets purchased after the start date was depreciated under the general provision (i.e. assumed the straight-line method over 10 years).
  - Year 1 (2012-13) – 36%
  - Year 2 (2013-14) – 24%
  - Year 3 (2014-15) – 15%
  - Year 4 (2015-16) – 15%
  - Year 5 (2016-17) – 10%
- The provision of refundable credits for state royalties to the mining companies was decoupled from the calculation of the RSPT liabilities. A refundable credit to mining companies for state royalties would be limited to the amount of the RSPT where state royalties exceed the RSPT assessed.
- Petroleum and gas producers would remain taxable under the Petroleum Resource Rent Tax.