

2024 Update

Consultation on supplementary new issue

Tasmanian Government Submission

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1 Introduction

This submission responds to the Commonwealth Grants Commission's (Commission) Discussion Paper on a supplementary new issue in the 2024 Update.

The Commission has asked states to provide comments on whether the assessment of coal in the mining revenue assessment should be separated into assessments of metallurgical coal and non-metallurgical coal (comprising thermal and brown coal).

Tasmania is supportive of the Commission's proposed approach to the mining assessment for the 2024 Update.

2 Assessment issue

2.1 Mining revenue - assessment of metallurgical coal

The Commission's preliminary view is to separately assess metallurgical coal royalties in the 2024 Update if it is material to do so.

The Commission currently assesses state mining capacity using a 'mineral by mineral' approach. Under this approach, a mineral is separately assessed if doing so materially impacts a state's GST outcome, with the remaining minerals being assessed together.

Tasmania notes the Commission has requested supplementary data to test the materiality of separate assessments of metallurgical and non-metallurgical coal.

Tasmania is supportive of the Commission's preliminary view to separately assess metallurgical and non-metallurgical coal in the 2024 Update should it be material to do so.