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Response to 2024 Update Supplementary Issues Paper

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Mining revenue – a separate assessment of metallurgical coal

Victoria supports the proposed separate assessment of metallurgical and non-metallurgical coal.

The range of coal types and prices produced across different states results in different revenue raising capacity from coal mining royalties. To achieve the principle of horizontal fiscal equalisation, the CGC needs to recognise those differences.

Victoria appreciates that there may be difficulties in classifying revenue from coal mining royalties as either metallurgical or non-metallurgical. Should such a classification not be possible, other classification options may be available that recognise the important differences in coal types and prices. Victoria supports the CGC's attempts to quantify those differences in the manner they are best able to do so.

CGC preliminary view and Victoria's position

In the mining revenue assessment, a separate assessment of metallurgical coal is likely to become material in the 2024 Update. Consistent with the 2020 Review method, the Commission proposes to introduce separate assessments of metallurgical and non-metallurgical coal if it is material to do so.

Victoria supports the proposed separate assessment of metallurgical and non-metallurgical coal.

