



## PRESS RELEASE

**Senator the Hon  
Nick Sherry**

Assistant Treasurer

**The Hon Jenny  
Macklin MP**

Minister for Families,  
Housing, Community  
Services and Indigenous  
Affairs

**The Hon Robert  
McClelland MP**

Attorney General

### **START OF NATIONAL CONSULTATION ON THE TAX TREATMENT OF NATIVE TITLE**

The Rudd Government has today commenced a national consultation on the tax treatment of native title, including the interaction of native title, Indigenous economic development and the tax system.

The Assistant Treasurer, Senator Nick Sherry, with the Minister for Families, Housing, Community Services and Indigenous Affairs, the Hon Jenny Macklin and the Attorney General, the Hon Robert McClelland, today released a paper *Native Title, Indigenous Economic Development and Tax* to guide the national consultation.

“The Rudd Government is actively considering ways to provide greater clarity and increased certainty for native title holders on how the tax system and native title interact,” the Assistant Treasurer said.

“This is a critical issue to address as the tax system can play a valuable role in supporting the resolution of claims and the management of benefits under native title agreements – both things will directly boost practical economic outcomes for Indigenous Australians.”

The consultation paper sets out three possible approaches to reform:

- a tax exemption for native title payments;
- a new tax exempt vehicle; or
- a native title withholding tax.

“This is a great opportunity for all stakeholders to be involved in a national consultation on this important issue,” said the Assistant Treasurer.

Indigenous Affairs Minister, Jenny Macklin, said native title was critical to economic development in Indigenous communities.

“It is important to look closely at existing arrangements to make sure they are working effectively to harness the potential of native title payments to create employment and economic benefits over the long-term, for generations of Indigenous Australians,” Ms Macklin said.

Mr McClelland welcomed the paper and said: "Native title agreements can deliver real economic benefits to Indigenous communities."

"Addressing the tax treatment of native title complements other measures the Government is taking to improve the management of benefits obtained through native title agreements and ensuring those agreements provide sustainable benefits for current and future communities," Mr McClelland said.

"Attempts have been made in the past to provide clarity on the tax treatment of native title but they weren't followed through," said the Assistant Treasurer.

"A native title withholding tax was announced, but not implemented, by the previous government in 1998 for example."

"This Government is fully committed to taking action and the national consultation process starting today is clear evidence of that."

"In addition to the three main policy proposals, the consultation paper also discusses how existing deductible gift recipient categories could be better adapted to reflect the needs of Indigenous communities and how non-legislative approaches, such as guidance materials, could be improved."

"This is an important chance for the whole community to have their views heard on this important set of issues and I strongly encourage widespread involvement."

Copies of the consultation paper can be obtained at [www.treasury.gov.au](http://www.treasury.gov.au) and submissions close on 2 July 2010.

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