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Australian Senate passes Critical Minerals Production Tax Incentive (CMPTI)

The successful passing of the Critical Minerals Production Tax Incentive (CMPTI), in the Australian Senate today is a monumental moment for Australia. It provides a strong and clear endorsement of the importance the critical minerals sector plays now and will play well into the future.

The Association of Mining and Exploration Companies (AMEC) congratulates the Federal Government and their parliamentary colleagues, for passing the CMPTI, as part of the Future Made in Australia (Production Tax Credit and Other Measures) Bill 2024

Chief Executive Officer, Mr Warren Pearce said, “This is the first time any Australian Government has put their money where their mouth is for the critical minerals industry.”

“The CMPTI is a powerful strategic lever that provides the foundation for the Future Made in Australia ambitions of the country. It’s also the largest ever commitment from an Australian Government to critical minerals.”

“This will stimulate billions in new investment in critical minerals processing, which will be far more valuable than the incentives on offer.”

Working with member companies, AMEC commissioned a report by Mandala Partners into production tax credits. From there the tax incentives were developed for the critical minerals sector.

This report, along with over 12 months of consultation with Resource Minister Madeleine King, Treasurer Jim Chalmers, the Treasury, the Opposition, the Greens, backbenchers and other key stakeholders, formed the basis for what the Federal Parliament passed today.

AMEC would specifically like to highlight the importance of Resources Minister, Madeleine King, who recognised how these tax incentives would assist this emerging industry and the future of Australia.

Mr Pearce commented, “Without Minister King’s willingness to listen and consult with industry leaders, and personally driving this initiative within the Government, it would never have seen the light of day. We thank her and her team for making time to understand the CMPTI and having the strategic vision to see it through.”

“This is a proud moment for our Association, our members and the broader industry, who have welcomed this initiative.”

“Important projects worth billions of dollars will be supported by this $17 billion package. It will also serve as an important job creator for regional Australia.”

“Now that the legislation is passed, the reality is every investor, every company, knows if they do the right thing and produce a processed critical mineral, they’ll get the incentive.”

With President Trump’s decision to start withholding payments on the Inflation Reduction Act (IRA), there is now an increasing opportunity to attract investment that would have otherwise gone to the United States.

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“This incentive sends a clear signal to the world, saying, if you come to Australia, your costs will be reduced because there’s a guarantee written in legislation. While other doors might be closing, Australia’s are wide open,” Mr Pearce added.

Our leaders are aware that resources are the backbone of our economy. This AMEC-led incentive will help strengthen Australian supply chains and lead to job creating opportunities across the country.

AMEC looks forward to working with the Treasury and the Australian Tax Office, to ensure the actual detail of this new policy works for everyone.

“Australia has a lot to thank our traditional resources sector for, now and in the past. By backing the critical minerals needed for our future, be it renewables or defence, we are also lifting the entire economy.”

For more information see: **Mandala Report commissioned by AMEC**

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