Brad Trost, MP
Saskatoon – Humboldt
FOR IMMEDIATE RELEASE: May 6, 2010

Trost Stands Up for Saskatchewan Down Under

"I am sending out the message that Canada wants Australian business"

OTTAWA –MP Brad Trost's comments on Australian TV and radio yesterday, about how investment friendly Saskatchewan could benefit from a proposed 40 per cent tax on mining profits in Australia, has caused a bit of a stir in political and business circles Down Under.

During a TV interview yesterday on the Australian Broadcasting Corporation, Trost said that he, as a Member of Parliament from Saskatchewan, had a duty to point out that money driven out of Australia by high taxes would be welcomed by Canada's mining industry:

"My job is stand up for Saskatchewan. My job is to stand up for Canada; if that means that I have to go point out Australia's mistake on their tax policies to get the little bit more business, I'm going to do that. And with higher taxes in Australia, there will be lower returns."

"I am sending out the message (that) Canada wants Australian business," Trost said during a separate interview on a show called "AM", the flagship radio current affairs program on ABC.

Canada is a low-taxed, mining-friendly nation, Trost added.

"Canadian companies pay the same tax rates as all other companies and corporations do, and by 2014 we're aiming to have a combined average of 25 per cent tax rate," said Trost, the Member of Parliament for Saskatoon-Humboldt.

One political commentator in Australia said: "Canadian politicians like Brad Trost are rubbing their hands together, seeing [Australian Prime Minister] Kevin Rudd's super tax as a big opportunity for miners to head north. He says Canada is lowering tax rates for business not raising them, in the knowledge that investment goes where business can get the best returns."

MP Trost's five point plan to make Canada more attractive to foreign investment in resource sectors like mining was also mentioned in the Australian press.

The plan urges the Government of Canada to make regulatory reform a priority. The plan also calls for provincial governments to review royalty rates; for corporate tax rates to be reduced to at least 25 per cent on average and for Parliament to pass Bill C-436 (MP Trost's private members' bill) that would open up more foreign investment in the uranium mining sector. Letting the world know that a "culture of responsible development is imbedded in Canadian resource industries," is also part of Trost's five part plan.

-30-

For more info, contact the Ottawa office of MP Brad Trost at (613) 992-8052. E-mail: trostb0@parl.gc.ca

Background

MP Brad Trost, a former mining geophysicist, outlined a five point plan on May 4th to make Canada more attractive to foreign investment in resource sectors like mining, now that the Government of Australia has proposed its "Resource Super Profits Tax":

1. The Government of Canada has to make regulatory reform a priority. "The web of red tape and government regulation in Canada is a barrier to investment just as bad as the crazy tax regime in Australia. Streamlining regulations here will mean many more jobs for Canadians. This may be bad for Australia, but we all compete in the global economy," Trost said.
2. Provincial governments should undertake regular reviews of their royalty rates to ensure Canada maintains a competitive advantage. "The investment economy is a global one and we need to be constantly thinking about how we are ahead of the curve. The fact that BHP Billiton is considering a multibillion dollar potash mine in Saskatchewan shows that our competitive advantage does attract capital to Canada. We need to capitalize on this mistake by Australia and ensure that BHP makes the proposed investment." Trost said.
3. The federal government should adopt MP Trost's bill C-436 in Parliament: This Private Members' Bill would allow increased foreign ownership in Canada's uranium mines, while maintaining for the Government of Canada a means to review such oversight to protect the national interest. Passage of C-436 would also signal openness to investment in all mining sectors.
4. Industry representatives should continue to demonstrate their commitment to environmentally responsible resource development in Canada and abroad. "A culture of responsible development is imbedded in Canadian resource industries, and Canadians need to make this more evident."
5. Planned corporate tax cuts should continue until Canada reaches at least a 25 per cent average corporate rate. "Foreign investors and Canadians in general need to know about this good news story," Trost noted.