



CAPE YORK LAND COUNCIL
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30 November 2010

The General Manager
Business Tax Division
The Treasury
Langton Crescent
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By email: nativetitle@treasury.gov.au

Re: Consultation Paper May 2010 - Native Title, Indigenous Economic Development & Tax

Cape York Land Council (CYLC) welcomes the opportunity to comment on the Commonwealth's Government's *Native Title, Indigenous Economic Development and Tax* Consultation Paper.

CYLC is the Native Title Representative Body for Cape York, pursuant to the *Native Title Act 1993* (Cth). CYLC has a proud history of representing Traditional Owners and native title holders in the region since 1990. The Aboriginal peoples of Cape York actively seek involvement in the management, sustainable development and use of their traditional lands. These communities possess a wealth of knowledge which stems from their stewardship of country and culture for many years. Represented by CYLC, they have a valuable contribution to make to issues such as the tax treatment of native title payments, and other concerns related to taxation and Indigenous economic development.

CYLC supports the submissions made by the National Native Title Council (NNTC) and the Minerals Council of Australia in relation to the tax issues. CYLC's experiences in negotiating agreements on behalf of the Traditional Owners of Cape York reflect the concerns and issues raised in the NNTC/MCA submissions. Significant time, monies and resources have been spent grappling with issues that have arisen during negotiations and implementation of agreements, as a result of the complexity and uncertainty of tax treatment of payments made pursuant to native title and

other agreements. We note that none of the entities established on behalf of Cape York native title claim groups as part of the native title claim process have been charitable trusts, because of the failure of that structure to meet the requirements and aspirations of the groups concerned.

We stress the need for further consultation with community groups and stakeholders and with tax technical experts as the reform process progresses, but strongly agree that there is a need for legislative reform. In accordance with the NNTC/MCA submissions, we support the first two proposals contained in the Commonwealth's Consultation Paper (income tax exemption for native title payments and an Indigenous Community Fund) but, for the same reasons as set out in the NNTC/MCA submissions, we do not support the proposal for a native title withholding tax.

We look forward to ongoing consultation in relation to these significant issues, and to working with the Commonwealth Government to achieve law reform in this area.

Please do not hesitate to contact us if you require any further information.

Yours sincerely
CAPE YORK LAND COUNCIL



PETER CALLAGHAN
CHIEF EXECUTIVE OFFICER