

11 May 2010

# MATTERS OF PUBLIC IMPORTANCE

## Taxation

**Mr BRADBURY» (Lindsay) (4.42PM)** — I rise to speak in support of the initiatives that the government has handed down as part of its tax package. It is a tax package that will strengthen the economy and a package that will make our tax system both simpler and fairer. I want to address some of the issues that were raised earlier in this debate, but I think to give this some context we have to remember that the two competing sides in this argument—the parties that come to this debate—have been engaged in this struggle before. There are the builders, those who are committed to securing and sharing the national wealth in the national interest, and there are those who are prepared to preserve sectional interests and to oppose changes that are in the national interest.

Let us have a look at the petroleum resource rent tax, which even those on the other side now seem to acknowledge is a fair tax that ensures Australians are able to capture a fair share of the mineral resources being exploited by companies. Let us go back to when that tax was introduced. No-one wants to talk about the fact that those on the other side, in the same way as they are now running around saying the whole world will fall in, opposed that tax. If I can quote a Liberal Party frontbencher at the time, Alexander Downer—someone, I know, a lot of people on that side of the House have a lot of respect for—he said:

The resource rent tax which will be introduced by this Government will only make matters considerably worse because it will impose a new burden upon those people who are prepared to put money up front and to go out and explore for oil. It will put a new burden on the risk takers in the oil industry, apparently because the Government, for reasons of its own, resents and despises these people.

Sounds familiar. The National Party leader at the time, Ian Sinclair, said:

With the proposed resource rent tax on 40 per cent, very few high risk exploration prospects will be capable of proceeding or are likely to proceed. Indeed, they are likely to be most unattractive.

That is what they said, back when the petroleum resource rent tax was being introduced. What have we seen since then? We no longer see the opposition from those on the other side. In fact, whilst in government they were prepared to take advantage of some of the benefits of having collected that resource rent tax over time. And we see that we have had projects such as the Pluto project, worth \$12 billion, and the Gorgon project, the biggest single project in Australian history, worth \$43 billion, proceed and progress under this set of tax arrangements. So, when they talk about a resource rent tax or the resource superprofits tax stifling investment, let's have a look at the record of what actually occurred and was achieved under the petroleum resource rent tax.

One of the big fallacies that is brought forward by those on the other side is where they come in and say, 'This big scary tax, this big supertax on everything.' It is not a tax on everything. But 'this big tax', they say, has depleted the superannuation savings of poor pensioners, superannuants and retirees all around this country. It is interesting that they should say that, because those who actually know something about superannuation, the Industry Super Network, released a report yesterday dismissing the opposition's claims. Their research indicates that for a member with a super balance of \$50,000, which is the average super balance for members of an industry fund, last week's volatility in mining shares on the ASX—which they all attribute to the suggestion that we are going to introduce a resource superprofits tax—would amount, for someone with an average balance, to a variation to the fund balance of \$57. That is the impact: \$57. Most observers would suggest that the impact we have seen on mining shares in the last week is not going to be an ongoing thing and is a temporary reaction to what has occurred.