



# Media Release

## Senator Mathias Cormann

### *Liberal Senator for Western Australia*

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#### **\$2.5 billion new tax on North West Shelf bad news for WA**

A new \$2.5 billion tax grab by the Rudd government will damage Western Australia's economy and hurt families and pensioners according to WA Senator Mathias Cormann.

The Coalition decided to oppose the move to remove the exemption from the excise on condensate for the North West Shelf, with a Senate Committee report into the measure tabled today.

In its dissenting report about the new tax, Coalition Senators identified a list of major concerns, including the reckless and ad hoc way it was introduced and the impact it will have on the price of domestic gas in Western Australia.

"This new tax grab is aimed solely at funding the Rudd government's big spending Budget," Senator Cormann said.

"Kevin Rudd wants the families, businesses and pensioners of Western Australia to pay for his big spending budget.

Woodside confirmed again today that the Labor Government's new tax on the North West Shelf gas project will result in a \$2.5 billion increase in costs being passed on to consumers.

Questioned about the impact of this measure on families, business and pensioners in WA in the Senate today the Government was unable to answer the question having to take it on notice.

"The Government should be taking a strategic approach to the taxation arrangements applying to the gas industry.

"That plan should be focused on ensuring an affordable and secure energy supply, boosting our capacity through exporting LNG to help address the challenge of climate change and the opportunities for the gas industry to help drive our future prosperity.

Senator Cormann said that the Rudd Labor Government's attempts to sell the measure as 'closing a loophole' had also been exposed as deceitful spin.

"Even though this was the Government's major justification for the overnight tax grab, Treasury conceded that it had not done any modelling to substantiate that claim.

"The way the Rudd Government has handled this has done enormous damage to Australia's international reputation as a safe investment destination.

"Rather than go for a quick and lazy overnight tax grab, the Government should have let the Henry Review do its work to come up with a more strategic approach to this important industry.

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