



# Media Release

## Senator Mathias Cormann

### *Shadow Assistant Treasurer*

### *Chair, Senate Mining Tax Inquiry*

11/0216/MC

16 February 2011

## **SCRAP THE MINING TAX JULIA**

Julia Gillard should cut her losses and scrap the mining tax now Shadow Assistant Treasurer Mathias Cormann said.

"The mining tax is another dud she inherited from her predecessor," Senator Cormann said.

"Like Labor's failed attempt to take one third of the GST away from the States, the mining tax grab doesn't stand up to scrutiny," he said.

"It was a bad tax from the start. In her desperation to cut a deal before the last election, Julia Gillard made this very bad tax even worse – in particular for Western Australia.

"Revelations in the Financial Review today of a \$60 billion revenue shortfall prove again that the Gillard mining tax deal was never anything else other than a short term political fix.

"It was aimed at getting the three big miners off her back and at preserving the very short term pre-election illusion of an early surplus.

"While revenue estimates over the medium and long term have collapsed as a result of her deal, related spending commitments will continue to grow. This is unsustainable.

"It is deeply offensive that our Prime Minister negotiated the design of a new national tax in secret with three taxpayers, excluding all of their competitors and the public at large from the process.

"She also excluded all State and Territory governments whose current revenue arrangements were supposed to be 'simplified' through this new national tax.

"The Henry Tax Review was supposed to be about root and branch reform delivering a fairer and simpler tax system.

"Instead all we've ended up with is a multi-billion dollar new tax on an important industry, which is manifestly more complex and less fair.

"Any serious attempt at tax reform in this area should be based on a genuine discussion with industry and State and Territory governments before spending projected revenue in the budget.

"It should be based on an open, transparent and inclusive process and be competitively neutral.

"At the very least the Prime Minister should put the mining tax on the agenda for the long awaited 'fair dinkum Tax Summit' before progressing this any further," he said.

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