



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

Main Committee

APPROPRIATION BILL (No. 1) 1999-2000

Consideration in Detail

SPEECH

Wednesday, 23 June 1999

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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Date Wednesday, 23 June 1999
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Questioner
Speaker Cox, David, MP

Source House
Proof No
Responder
Question No.

Mr COX (Kingston) (12.06 pm)—I rise in this debate on the Appropriation Bill (No. 1) 1999-2000 to draw attention to the \$1.67 billion hole that is in the government's budget for the year 2000-01, the year that the ANTS package will come into effect, if it passes the Senate. That gap is the revenue that was set out in the ANTS document that was released before the federal election and which is attributable to a proposal which the government calls common treatment of entities.

Most of that revenue relates to the treatment of trusts. The government has been very slow in progressing tax reform in the area of tax avoidance and evasion using trusts. It is an issue that was brought to light by the previous Labor government so this government has had more than three years to come to grips with it.

They have clearly come up with a solution. They felt confident enough of that solution to put it in the ANTS package and say that it would provide revenue. The Treasurer has confirmed in the parliament that that revenue has been written into this year's budget—all of that revenue. Yet, with the ANTS bills going through the parliament we have not seen a piece of legislation that covers the common treatment of entities. Instead, we are being told that it has been referred off to the Ralph review for consideration. It is a total mystery to everybody in the opposition why the Ralph review needs to consider something that the government had three years to consider and had come to a clear view about and had put \$1.67 billion worth of revenue into the forward estimates for 2000-01.

I have previously made a speech in the House in which I pointed to a long series of comments by National Party members, starting with the Leader of the National Party and Deputy Prime Minister, even before the last election, starting to cast aspersions on the appropriateness of the government's proposals on the taxation of trusts. He has continued that since the election. Last Sunday he appeared on *Face to Face* with Glenn Milne and the last question he was asked was, 'How is the National Party going to deal with this issue?' He said that the National Party would be entering into a robust debate on the issue.

Mr Rudd—I don't think they like it.

Mr COX—I am sure that they do not like it.

Mr Hockey—They love it.

Mr COX—They love it, do they?

Mr Hockey—They love tax reform.

Mr COX—The minister says that they love tax reform. I think this is one bit of tax reform that they do not love at all. This is one bit of tax reform that is supposed to be settled. It is supposed to be government policy. It is supposed to be included in the budget estimates for next year. It is \$1.67 billion. It is tax evasion, it is tax avoidance, and it is fraud by a large number of people who are evading their responsibilities to the Australian community, and the National Party does not want to do anything about it. It will be very interesting to see whether or not in the context of the Ralph review we get a solution and we get a piece of legislation introduced into the House that the parliament can deal with.

It is my deepest suspicion that the matter is not going to just be referred to the Ralph review; it is going to be referred to the state conference of the Queensland branch of the National Party for consideration. There will be some very robust debate about it. I think we are all going to be disappointed about the outcome. By the time of the next election, three, four or five years will have gone by and the matter simply will not have been dealt with.

I am quite sure that the Treasurer is shooting for the record that Peter Durack holds, which was leaving the bottom-of-the-harbour prosecution file for tax evasion in the bottom drawer for seven years. I am sure he is shooting to break that record.

Mr Hockey—That's rubbish! It's just a load of rubbish.

Madam DEPUTY SPEAKER (Hon. J.A. Crosio)—Order! The minister will have his right of reply. The member for Kingston has the floor.

Mr COX—I take the minister's interjection because I would like it recorded. I hope that it is rubbish. But I am yet to be convinced. (*Time expired*)