



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



## **THE SENATE**

### **TAX LAWS AMENDMENT (PERSONAL INCOME TAX REDUCTION) BILL 2007**

### **TAX LAWS AMENDMENT (2007 BUDGET MEASURES) BILL 2007**

**In Committee**

## **SPEECH**

**Tuesday, 12 June 2007**

BY AUTHORITY OF THE SENATE

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## SPEECH

**Date** Tuesday, 12 June 2007  
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**Questioner**  
**Speaker** Murray, Sen Andrew

**Source** Senate  
**Proof** No  
**Responder**  
**Question No.**

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**Senator MURRAY** (Western Australia) (1.31 pm)—The shadow minister asks for two areas of clarification. Firstly, with respect to negotiation and the GST, I do not know if Senator Sherry is one of the legions of union officials that grace the ranks of the Labor Party, but union officials know that in any negotiation you never get everything you want unless you indulge in standover tactics, which I understand new Labor thoroughly disagree with—and I applaud that. So it is quite true, shadow minister, that I was keen on indexing the rates. I did not get that. We got many things; we did not get everything we wanted. So that is the answer to that particular question.

Your first question was, I thought, deserving of more serious appraisal and response. I made it clear, and I have made it clear before, that the Democrats have a five-pillar agenda for income tax reform. The first is raising the tax-free threshold. The second is indexing the taxation threshold rates—all the rates, Senator Sherry. The third is to broaden the taxation base; the fourth is to review and improve the negative tax-welfare interaction; and the fifth is to lower tax rates and raise tax thresholds, if sustainable. Those reforms are not affordable, under any government, in one hit, so you have to phase them in, prioritise them and so on. It is perfectly true that we would seek to index all tax rates, but we can only afford, in terms of the money available to us right now, this particular measure. I am obliged to fund it by opposing the \$150,000 increase to \$180,000 and taking moneys from the surplus, but, if Labor ever get into government and if they want to put the proposition to me to support indexing all tax thresholds, I will do so. I hope that clarifies the question.