



## Press Release

7 May 2010

### **Big Government Tax to Bury Mining Industry**

The Liberal Democratic Party strongly rejects the Labor Government's new \$9 billion tax grab from the mining industry.

Mining industry spokesman Mark Walmsley said, "The Resource Super Profits Tax (RSPT) will directly impact employment levels in the resources sector, in businesses supplying the resources sector, and in communities dependent on the resources sector for their livelihoods. Further, the superannuation accounts of almost all Australians will take a hit with billions of dollars wiped from the Australian stock exchange."

The Liberal Democrats fundamentally disagree with the logic of the RSPT.

"The principle behind the RSPT is that natural resources are communal assets for all Australians to share. That is complete rubbish. A mineral/energy deposit only becomes a profitable asset through human action and after billions of dollars of investment."

"If mining resources were owned by all Australians, the same is true of Australian farms, fishing businesses and tourism operators. Surely those businesses earn profits based on 'communally

owned assets’.”

“Perhaps President Obama might follow Rudd’s lead and levy a ‘super profits tax’ on Apple, taxing profits over 6% associated with the iPhone. After all, the knowledge ‘resources’ required for the iPhone were always there waiting to be ‘discovered’ and are arguably the property of all Americans.”

“The truth is the Rudd Government blew the budget with its disastrous response to the GFC. From a net surplus of \$45 billion in 2008, the Rudd Government will be \$188 billion in debt by 2013. The interest on this debt will be around \$8 billion.”

The Liberal Democrats believe this will be seriously detrimental to the national economy.

“With the Federal budget currently \$338 billion, why doesn’t Mr Rudd tighten his own fiscal belt? The \$9 billion to be gained from the RSPT represents a tiny 2.6% of his budget and certainly does not warrant trashing our international reputation and future wealth prospects.”

“Why doesn’t Mr Rudd apply the 10%+ cost reduction target from Defence’s Strategic Reform Program to all government expenditures? The \$33.8 billion saved would go a great deal toward promoting investment in future wealth creating activities for Australia (not destroying it), as well as paying down its debt burden.”

The Liberal Democratic Party believes in smaller government, lower taxes, and greater freedom. We believe the Australian Parliament lacks politicians who support these principles and is instead stacked with politicians who care more about re-election than about our long-term living standards.

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