

Wednesday, 17 December 2014

Hockey gives big business tax dodgers a \$600 million dollar Xmas present

Treasurer Joe Hockey's broken promise to impose tough new tax avoidance rules on multinational companies reveals the true hypocrisy of the Abbott Government, said the ACTU.

"The Abbott Government has just given its big business mates a \$600 million dollar Christmas present while continuing to pursue unfair budget cuts that will hurt hard working and vulnerable Australians," said ACTU Secretary Dave Oliver.

In November last year, Joe Hockey ruled out new laws to stop global corporations minimizing tax which had a projected \$600 million dollar benefit to taxpayers but promised to introduce a targeted anti-avoidance provision instead.

"Yet buried in this week's budget update is a single line saying the Government is dropping its anti-avoidance provision - who are the so-called lifters and who are the leaners?" Mr Oliver said.

"The Abbott Government wants to saddle university students with mortgage-sized university debts and make people pay more to visit the doctor - yet it's letting its big business mates avoid paying their fair share of tax."

United Voice National Secretary and member of the Tax Justice Network, David O'Byrne, said it is wrong for the Treasurer to cut health, education and jobs yet refuse to tackle a fundamental revenue shortfall - corporate tax avoidance.

"If the Treasurer is genuine about tax reform today he must answer three questions:

1. Why has the Government failed to increase revenue through action on corporate tax avoidance?
2. Does the Government agree with Gerry Harvey that tax avoidance is "morally wrong"?
3. He said when overseas "a tax cheat is a thief" so why hasn't he acted when at home?

The Government's backflip on tax avoidance comes as a new OECD economic survey of Australia was released today.

It recommends measures such as reviewing superannuation tax concessions to increase budget revenue, instead of pursuing budget cuts that target the unemployed and low income earners.

"The Abbott Government could save billions of dollars by cracking down on corporate tax dodgers and super tax concessions that benefit the rich - but they are choosing not to do so," said Mr Oliver.

"Unemployment is at a 12-year-high of 6.3 per cent and projected to go even higher, wages growth is at a record low and the economy is in stagnation.

"The Abbott Government needs to deliver a plan for economic growth that will look after all Australians and not just its big business mates."

Media contact: Carla De Campo, 0410 579 575 or Kara Douglas, 0418 793 885