



Senator Tim Storer
Independent Senator for South Australia

MEDIA RELEASE

COMPANY TAX UPDATE

24 April 2018

I would like to take this opportunity to reaffirm that my approach is to review all legislation put to me on merit, making my decision based on evidence and whether it will enhance prosperity and fairness for Australians. That is what the people of South Australia expect and deserve of their representatives.

In that context, I continue to consult with relevant stakeholders, including respected economists, some of whom have been directed to me by the government, to further assess the economic and social impact of the proposed tax cut.

I am still to be convinced to support the Bill in its current form. The economic benefits are modest compared to the cost. I have concerns about the impact of the proposed tax cut to the budget deficit and debt over time, about which I am seeking further clarification. By way of comparison, infrastructure spending, for example, may be more effective in driving GDP growth.

Some have sought to draw a link between the findings of the Banking Royal Commission and the Enterprise Tax Plan by suggesting exclusion of the banks from the corporate tax cut proposal. However, I see the two issues as separate and distinct.

Like many, I am shocked and appalled by the revelations of the Royal Commission, and believe that significant reforms are needed to ensure this behaviour a) does not go unpunished, and b) does not continue. For example, there is a need for ASIC to have stronger powers in bringing about positive change in the culture of our financial institutions.

However, the tax treatment of all companies in Australia with turnovers over \$50m is a very different policy question, despite the banks being part of the large pool of companies that would benefit from a cut.

For further enquiries, please contact Byron Fay on 0438 726 173.