



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



**HOUSE OF REPRESENTATIVES**

**PROOF**

**Federation Chamber**

**PRIVATE MEMBERS' BUSINESS**

**Income Tax**

**SPEECH**

**Monday, 20 August 2018**

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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## SPEECH

<b>Date</b> Monday, 20 August 2018	<b>Source</b> House
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<b>Questioner</b>	<b>Responder</b>
<b>Speaker</b> O'Brien, Ted, MP	<b>Question No.</b>

**Mr TED O'BRIEN** (Fairfax) (12:38): I'm delighted to rise today in support of the government's Personal Income Tax Plan and to endorse this motion from the very good member for Brisbane. In 2015-16, Australians paid \$186 billion in personal income tax, approximately 45 per cent of which was paid by the top 10 per cent of income earners, compared with around 36 per cent coming from the top 10 per cent in 1995-96. Our tax system must be fair for all Australians. To continue to drive jobs and growth in our economy, our tax system must also reward effort and empower aspiration. We can't persist with a tax system that effectively penalises Australians who are prepared to have a go and work hard.

The Turnbull government takes very seriously the role that a balanced and properly weighted tax system plays in sustaining not only fairness and justice but also a strong economy that not only underpins jobs but is also the means by which essential services are assured for millions of Australians. The government's Personal Income Tax Plan, rolled out in three steps, is targeted to bring immediate tax relief to low- and medium-income earners, protect Australians from the impact of bracket creep and ensure more Australians keep more of their own hard-earned money. The government's plan is about lower, fairer and simpler taxes.

From 2018-19, over 10 million hardworking Australians will receive up to \$530 in tax relief, and by 2024-25 94 per cent of all taxpayers are projected to face a marginal rate of 32½ per cent or less thanks to the abolition of the 37 per cent tax rate from that year. This will mean that the only part of the income tax spectrum untouched by the government's plan is the highest income category, being the six per cent of taxpayers projected to earn over \$200,000 in 2024-25. In keeping with the key principle of fairness that instructs Australia's progressive tax system, this level of taxable income will continue to attract the top marginal tax rate of 45 per cent.

The coalition's vision is for a better and fairer tax system—a tax system that rewards effort and encourages aspiration for individuals and for business, a tax system that drives a strong economy—rather than a regressive and uncompetitive tax system that risks jobs and is a drag on growth. The government's personal tax plan has achieved these objectives in spades. I congratulate the government on striking the right balance of encouraging aspirational hardworking Australians to get ahead while at the same time ensuring these reforms are sustainable and fiscally responsible. I concur wholeheartedly with my colleague the member for Brisbane in recognising that this key reform from the Turnbull government does demonstrate true economic leadership.

Sadly, economic leadership is a quality almost non-existent on the opposition benches these days—

**Mr Dick interjecting—**

**Mr TED O'BRIEN:** because, by Labor's own admission, they just don't get aspiration. They even heckle as soon as the word 'aspiration' is spoken in this chamber

The DEPUTY SPEAKER ( Ms Vamvakinou ): Order! The member for Oxley will allow him to continue.

**Mr TED O'BRIEN:** In fact, it completely mystifies not only the members opposite in this chamber, clearly, but indeed the member for Sydney, and the evidence strongly suggests that it's not just the member for Sydney and those in this chamber alone. As always, Labor's only plan is for higher taxes, with over \$200 billion in new taxes announced. By pledging to undo steps 2 and 3 of the government's legislated tax cuts, Labor would effectively rip a further \$70 billion from the pockets of hardworking Australians in just 10 years and push Labor's total tax grab toward \$300 billion. That is why the choice at the next election will be simple: lower taxes under the coalition; higher taxes under Labor.