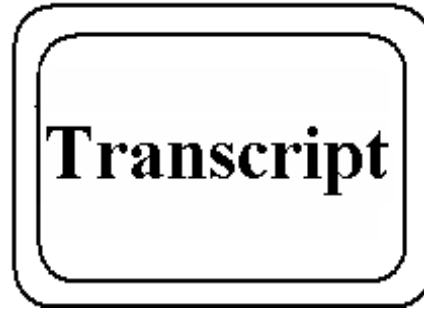




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Senator Nick Sherry
Assistant Treasurer

Sky Business News – Trading Day
Interviewer: Helen Isbister
9 June 2010

E&OE – PROOF ONLY

SUBJECTS: Resource super profits tax

COMPERE: The Assistant treasurer Nick Sherry reminding the public today that it is the total impact of the Resource Super Profits Tax that's important. He is speaking with our Adelaide Reporter Helen Isbister just a short while ago.

Nick Sherry: Well, obviously there is a consultation about the Resource Super Profits Tax and we are in the process of sorting out and finalising details for implementation. What is important of course is the total package: the cuts to company tax, the improvements to superannuation, the introduction of a standard deduction. I am here in South Australia pointing out the specific benefits of the standard tax deduction for some 460,000 South Australians, so there's a great deal of work to do. Still it's hard work tax reform and we don't shirk from that, but they're important changes, they're important changes to strengthen the Australian economy going forward.

Isbister: When it comes to the Super Profits Mining Tax do you pretty much say that if the miners win on this they get their way if it introduced that Australia will lose business is it as black and white as that?

Sherry: Well the Mining Super profits Tax strengthens the Australian economy because it provides for tax cuts, company tax cuts for example it provides for improved superannuation. Now the Australian economy is strong we intend to make it stronger the revenue necessary, because the revenue from the Super Profits Tax is not going to balance the budget it's going to fund tax cuts to improve superannuation, improve write offs for small business it's part of a package.

Isbister: Do you think it is something that the public is able to understand?

Sherry: Well, clearly we've got to outline the benefits of this tax package for the broader economy and we have got a lot of hard work to do. Tax reform is never easy we know from history, but we will continue to outline those benefits.

Isbister: You're heading to Perth today to meet with the Prime Minister and have a community cabinet, what do you expect the response to be there?

Sherry: Well, this is my third trip to Perth in two months so I was there four weeks ago and obviously the Resource Super Profits Tax will be a focus. It is fairly obvious, but we will be listening to the concerns of the mining industry as well as explaining the broader benefits of that tax package.

Isbister: Is there any room for compromise?

Sherry: Well, as I have said there is consultation going on, on the details that's not finalised but what's important is that we do ensure that a fairer share of the increased super profits that are flowing as a consequence of the mining boom that that fairer share is spread by company tax cuts, improved superannuation benefits for the broader economy to make what is a strong economy even stronger.

Isbister: Just finally, do you think there has been enough debate about the other things that were introduced from the tax reform from the Henry Tax Review?

Sherry: Well, one of the reasons I am here is to explain the benefits for example of the standard deductions for over 6 million Australians who will benefit from a standard tax deduction, a 'tick and flick' tax return with a standard deduction starting at \$500 moving to \$1000 do most Australians know about that? I have to say unfortunately they don't, so there is a lot of hard work ahead explaining the benefits of the package.