



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES
PROOF
MATTERS OF PUBLIC IMPORTANCE
Budget
SPEECH

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BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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Date Wednesday, 27 May 2009
Page 70
Questioner
Speaker Robert, Stuart, MP

Source House
Proof Yes
Responder
Question No.

Mr ROBERT (Fadden) (4.47 pm)—These are truly dark days for the great Australian dream. There was a time in this country when Australia per capita had more share ownership than any other nation on the face of the planet. Australians were encouraged to have a stake in the companies in which they worked. The heart of that was the employee share scheme. Whether you bought in, whether you bought shares, whether you bought options, whether you paid for them, whether you received them, whether they were part of remuneration or whether they were an incentive, those schemes were all about providing an opportunity for ownership; for partnership. They meant that you did not have to just be an employee but could be an owner in the company in which you worked. Then along came that nervous little man, the Treasurer, and his dodgy sidekick, the Assistant Treasurer, looking to scoop \$200 million over the forward estimates by removing the ability to defer tax on acquiring shares through a share scheme and putting a \$60,000 limit on it.

I do not know what is worse: moving to impose a cap of \$60,000 and then affecting all shareholders or the hide of the statement in Budget Paper No. 2 in part 1 in the section on revenue measures for Treasury—and I know that the Treasurer gets lost when we talk about his budget. The paper says:

This ensures that the concessions encourage a better take-up and availability of employee share arrangements by low and middle-income employees.

The budget papers say that the whole point of this measure is to encourage low-income employees to take it up. But if they did nothing it would still encourage low- and middle-income employees to take it up. It does not change anything if you are earning under \$60,000; it provides no incentive or disincentive; nothing changes. Yet the Treasurer came out and said:

There is no doubt that the arrangements that have been in place deliver massive benefits to some executives on very high remuneration. It was time for that to be reformed and that's what we've done.

The budget paper says that this is about an incentive for low- and middle-income earners yet the Treasurer says that this is about punishing and closing a loophole for high-income earners. The question is: what is the

measure about? It absolutely and utterly seems to be the case that there is no consistency.

If indeed the budget papers are correct and this is about an incentive, why is it that so many of our companies are closing down their employee share schemes? At Australia's top 100 companies, about 600,000 Australians are involved in share plans. Woolworths has more than 40,000 people plans; there are 100,000 in Wesfarmers. Ninety per cent of the member companies of the Australian Mines and Metals Association have employee share schemes. Seventy-five per cent of shop-floor employees at Alcoa are members of such plans. And what has been the response of the corporations of this country to this government's measure? Close down, scrap, defer and hold plans.

I asked the Assistant Treasurer, who seems to have disappeared from the House, these questions. How does so many of the nation's plans suspending and shutting down encourage better take up and availability? If they are all being shut down—if no companies in the nation bar a few are offering a share plan and the opportunity to buy into the wealth of the nation and to take a stake in your own company and your own future—then, in the name of all that is sacred, how can you possibly meet your stated intent of improving take up and access by low- and middle-income employees? It is simply and utterly a farce. It is no wonder that this government is running and ducking for cover.

Or is there a more sinister motive? Is it not really about the \$60,000 and trying to hide large tax earners? Could it be a direct attack on the aspiration of Australians? Is it the desire for everyone to live in ticky-tacky houses that all look the same, because that is what pure socialism wants? Should everyone just be the same, with a massive redistribution of wealth? Is that the real intent hidden behind the vagary of the budget papers? I will leave that to the ballot box and for Australians to determine. This measure, though, is a farce and the companies of this nation have judged and condemned it as such.