



**THE HON RICHARD MARLES MP
SHADOW MINISTER FOR DEFENCE
MEMBER FOR CORIO**

E&OE TRANSCRIPT

RADIO INTERVIEW

3AW MORNINGS

WEDNESDAY, 20 JUNE 2018

SUBJECT: A fairer tax system.

HOST: Richard Marles is the federal Labor Member for Corio, the Shadow Defence Minister is in our Canberra studio. Richard Marles, good morning.

RICHARD MARLES, SHADOW MINISTER FOR DEFENCE: Good morning.

HOST: Well, he wouldn't. His pants could be on fire and I'd have the fire extinguisher, he wouldn't ask for it.

MARLES: It is lovely to be with you this morning, Neil.

HOST: As long as your pants aren't on fire, that's great. Do you accept the principle everybody should pay less tax?

MARLES: Sure.

HOST: Good. So why are you going to block this, if necessary?

MARLES: Well, because you still need a tax system which is fair, and our view is that the back end of this - which I might say is a long way into the future, I mean there's a number of elections which are going to come and go before we're talking about the third stage of the Government's tax plan - but our view about that is that it's profoundly unfair.

Here's the thing, Neil: we do think that people should be paying less tax. The tax proposition that we have proposed for people under \$125,000, which is the majority of taxpayers in Australia, the majority of your listeners, would see them get more, more back, pay less tax than what the Government is suggesting. That's what we're proposing.

Now, the Government don't like that. We don't like the back end of the Government's proposal. So why wouldn't we do this: we all agree that the first stage of the Government's proposal, we can let that through, we can do that tomorrow.

HOST: This is the rebate, up to \$530.

MARLES: That is what is actually on the table and going to be affecting people in the here and now. We can do it. We can do it the next 10 days. It'll be law on 1 July. Why wouldn't the Government want to do that? Let's get through what we can agree on and we can have the debate about the rest of it later on.

HOST: I'm puzzled by this cut off point of what, \$120,000, \$125,000? You're not saying that's rich, are you?

MARLES: No, we're not saying that's rich-

HOST: -But you're not going to give any relief to people over \$120,000 a year.

MARLES: No, that's not right. What we are saying is that our relief is targeted to those who are below that-

HOST: -So what is the relief over \$120,000 a year?

MARLES: I don't know the exact answer to that, but we're propose a-

HOST: -We bloody well need to know, don't we, if we're going to compare the systems?

MARLES: We are proposing a tax plan which goes through the system and which does see people pay less tax, but at the end of the day we are targeting people who are under \$125,000, and-

HOST: -And so what are doing to people over \$125,000? We don't know.

MARLES: You made the point in your introduction that there needs to be targeted tax relief for people who are on middle and lower incomes, and that is very much our view, but at the end of the day we are happy, even though we don't think that the first stage of what the Government's doing is enough, we would pass it tomorrow if the Government was willing to just deal with that bit on which we can agree, and understand there's compromise from our point of view in doing that. But it's the government's bloody-mindedness in terms of wanting to put this as one package or not in a sense to try and position us, which is resulting in a situation where there's a stalemate.

HOST: We've got a debate here about a three-pronged attack and you're only giving us one. There are carpenters, under union deals get \$163,000 a year. Some labourers are getting \$150,000 a year, and yet you're saying over \$120,000 or \$125,000. We don't know what you're going to give them, but it's not going to be anything, is it? Is it possible it's nothing?

MARLES: No, but our point is this: right now what the Government is saying in respect of those who earn \$200,000, for example, and I think if you are on \$200,000 that is on a pretty good wicket, the Government's third stage would be proposing that they get a \$7,000 tax break. If you're on \$40,000-

HOST: What are basing that on, the reduction of the tax bracket?

MARLES: Yeah, so-

HOST: -In other words bracket creep, yet they're giving back bracket creep and you're criticising it.

MARLES: No, no, it's not just bracket creep-

HOST: -Well what is it?

MARLES: By the time you get to the third stage of the Government's plan-

HOST: -Which is 2024, right?

MARLES: Correct, so you're right in that if what I hear in your voice there is that that's a bit in the never-never, which is partly our point-

HOST: -Of course it is. I don't trust any of you to do anything you say you'll do. Paul Keating said there are L-A-W tax cuts and they didn't happen, so why should we trust any of you?

MARLES: Fair enough. Well, then let's work with that. Let's work let's work exactly with that. If that's the view, let's deal with that which is going to be legislated and dealt with in this term of government, and there's only one thing. Forget our plan for a moment. In terms of-

HOST: -Stage one.

MARLES: There is only one thing which happens in this term of government: stage one. Let's pass it right now.

HOST: I think there's a good argument for that, to do that right now, but we also have in front of us from the Government is a three-stage plan to reform, or

change reform's a big word

Change to the taxation system, where's yours?

MARLES: Well, hang on, you've just said that you don't trust anything which is off there in the future. We have a tax plan in the here and now as well which would be better-

HOST: -But you haven't got it-

MARLES: -which would be-

HOST: We're debating a three-stage plan that runs to 2024 and includes the handing back of bracket creep and tax relief to people over \$120,000 and I'm saying, well, that's what's on the table. Believe it or not that's what's on the table. What's your bid?

MARLES: OK, I just need to get this crystal clear. Are you saying, is 2024 in the never-never or not?

HOST: What do you mean, never-never?

MARLES: Well, I mean you just said before you wouldn't trust anyone, any government, to deliver something way off into the future, so it is in the never-never.

HOST: I don't know what you mean by never-never, but I'd say it's a bit theoretical, yes.

MARLES: Theoretical.

HOST: Yep.

MARLES: Let's put the theoretical to one side. Let's deal with the actuality here and now-

HOST: -We can't put the theory to one side because you're blocking it all.

MARLES: No we're not.

HOST: Whether you believe them or not, you're saying 'no, we're not going to let that through'.

MARLES: OK, let me be completely clear, completely clear: if we deal with what is in the here and now and if we only deal with what's in the here and now, we will pass the Government's tax plan phase one right now. That is the only good part of their plan which is happening in this term of government.

Let me also be clear that is a compromise, because what we would prefer is to pass our own tax plan, which they voted against, would deliver double double - the rebate that the Government is talking about.

HOST: So, what is your tax strategy offer for people earning over \$120,000?

MARLES: Well, our focus in relation to our tax plan is in relation to people who are under \$120,000, but let me be-

HOST: -So what is the offer to people over \$120,000?

MARLES: I get the focus on that, but our view is that the important issue is to focus on those who are under \$120,000 and not for a moment do I think that-

HOST: So is there anything for people over \$120,000?

MARLES: Well, I can't answer that specifically and I don't have that figure at hand, so you can keep asking that question, but I guess the point I was make is that-

HOST: -Well, it's a key part. I understand you're not the Shadow Treasurer, I

accept that-

MARLES: -But the focus of our tax plan is in relation to those under \$120,000, which is the majority of your listeners, the vast majority of your listeners. Median income in Australia today is \$53,000. Now, I'm not telling you that \$120,000 makes you particularly wealthy, but I am saying that median wages in Australia are \$53,000-

HOST: -True, but we agreed at the start everybody should pay less tax and you're not giving me tax relief for everybody, tradies included.

MARLES: No, I'm not saying that, Neil. What I am saying is because I'm focusing on most people, who are under \$120,000, doesn't mean that we're not thinking about everyone else, but it does mean that it is the focus of our tax plan right now and in that respect we're talking about providing double the rebate - double the rebate - than what the Government is planning.

But I did want to make this point, you know, just for the record. In the never-never, in 2024, if this Government were still in place and if their whole measure went through, you would be talking about those on \$200,000 getting a \$7,000 tax break, those on \$40,000 getting a \$425 tax break. There's nothing fair about that-

HOST: -I don't know. There's going to be a lot more people over \$120,000 by 2024, and \$120,000 is going to be worth a lot less in 2024 than it is now.

MARLES: So I think a debate around bracket creep's fair enough, but flattening out of the tax system, because that's what we're talking about in the third stage, it's a complete removal of one threshold in the tax system-

HOST: -Yeah, it removes 37 percent.

MARLES: That is an issue. I don't think that is going to give rise to fairness, so when you look at the inequity that has given rise to by that you get that example

that I just gave you and that's not fair.

HOST: Just finally, are you thinking you can get Pauline Hanson over the line? You need her, don't you?

MARLES: Well, it's a braver person than I to predict Pauline Hanson's voting behaviour on air so I'm not going to venture that. I'll stick to footy tipping point.

HOST: I really appreciate your time and I'll send the fire extinguisher up in case you need it.

MARLES: No worries, Neil. Thank you.

HOST: Thank you.

ENDS

Authorised by Noah Carroll ALP Canberra
