



THE HON JOSH FRYDENBERG MP
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NO MATTER THE QUESTION, LABOR'S ANSWER IS ALWAYS HIGHER TAXES

The Labor Party's \$640 million new tax on banks and financial institutions shows, yet again, when it comes to Bill Shorten and Labor, no matter the question, the answer is always higher taxes.

Faced with questions about how they are going to fund all their recent policy-on-the-run announcements made in response to the Banking Royal Commission's Final Report, Labor's answer is, of course, higher taxes.

Their new tax on banks and financial institutions builds on the \$200 billion in new and higher taxes that Labor will impose on your income, your house, your retirement, your business and your electricity. The end result will be a weaker and slower economy.

Today's announcement follows Labor's claim, in their media release on Friday, that under their 'new' compensation scheme, "Banking victims will get the chance to have their cases reheard even if they missed out compensation in the past because of a bad decision by an ombudsman or abuse of the court process."

This announcement was completely at odds with Commissioner Hayne's advice that: "There would be no merit in allowing further access to redress in any case where the consumer or small business concerned has already resorted to dispute resolution by a court, tribunal or external dispute resolution body or has settled the dispute."

Nevertheless, bank victims did not have to wait long to find out exactly how Labor's scheme would work. When announcing their policy, Shadow Minister for Financial Services Clare O'Neil said of their scheme that "it's not going to be legally possible of course for everyone who has been through a process to have their case reheard", there are "limited circumstances that we're talking about" and "in cases where a court judgement has been made it is not constitutionally possible".

Australians could be forgiven for feeling like the scheme was yet another political stunt at their expense. Sadly, it was yet another reminder that you always have to look at what Labor does, not what Labor says.

It is also yet another sign that Labor is making up their response to the Banking Royal Commission as they go along.

It took Labor 18 days to respond to Commissioner Hayne's Final Report and, in those 18 days, they backed down on retrospective penalties for superannuation directors and uncapped penalties for corporations and performed a humiliating backflip on mortgage brokers.

Their latest proposal in regard to financial counsellors follows the Government's announcement – two-and-a-half weeks ago – of an immediate review of financial counselling services, after the Commissioner observed, "The desirability of predictable and stable funding for the legal assistance sector and financial counselling services is clear and how this may best be delivered is worthy of *careful consideration*."

Labor's only plan is for new and higher taxes.

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