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The budget takes positive steps but it's time to reform the way we tax resource companies

Statement from Dr Sophie Scamps MP

The Albanese Government's first budget takes positive steps on gender equality, reducing the cost of living, increasing housing supply, cracking down on multinationals and tackling our national skills shortage. It also begins to eradicate the rorts, waste and pork barrelling that characterised the former government's irresponsible approach to economic management.

I welcome the focus on wellbeing in this budget, measuring our national wealth for the first time through both economic and national wellbeing indicators. This is also the first budget to quantify the cost of damage caused by climate change to our economy – a vital step as we face increasingly severe and frequent natural disasters.

However, it's clear Australia faces major budgetary pressure in both the short and long term. We must pay down our national debt while continuing to fund important services with ballooning costs such as health and Medicare, the NDIS, defence, aged care and childcare.

We must also substantially increase funding for climate change mitigation and adaptation, not to mention the recurring cost of rebuilding communities following natural catastrophes. The funding allocated to environmental protection and restoration in this budget is a drop in the ocean compared to what the experts say is needed.

As a GP, I am also alarmed at the lack of funding provided to mental health services in this budget and the lack of support for primary health care - both currently in crisis. Nor is there funding for the National Obesity strategy, an epidemic costing our economy \$11 billion a year.

This budget also appears to ignore small business owners and many in my electorate will be dismayed that the instant asset write off has not been extended.

If we are to continue funding crucial public services, tackle major issues such as climate change and pay down our national debt, we must increase revenue. I welcome the Government's crackdown on multinationals and tax dodgers. However, we must also phase out fossil fuel subsidies and reform the way we tax resource companies.

Australia should investigate implementing a profit windfall tax on the oil and gas sector. The petroleum resource rent tax (PRRT) has been in consistent decline from 19% of total oil and gas sector revenue since its inception in 1992 to just 1% in 2020. If Australia taxed oil and gas exports like Norway does, we could add tens of billions of dollars to the budget to help fund important community services. It is interesting to note that despite an initial scare campaign from the resources sector, Norway continues to attract investment in oil and gas.

We are also handing out \$11 billion in taxpayer subsidies to fossil fuel companies every year. This money could be better spent funding the services that Australians desperately need, tackling climate change and restoring the environment which fossil fuel companies have helped to degrade.

This budget is responsible and has taken some steps in the right direction. However we must plan for our future in an uncertain global economy. Reforming the way we tax resource companies should now be an economic priority.

ENDS

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