

**TAX LAWS AMENDMENT (LUXURY CAR TAX—MINOR  
AMENDMENTS) BILL 2008**  
Second Reading

[Mr ROBERT](#) (Fadden) (6.59 p.m.)—Who would have thought that I would be standing here for the second time in two days asking the question: why are we always required to fix Labor mistakes? Yesterday I was speaking on the wholesale banking guarantee bill after we had been calling for a month for this government to simply pass legislation. The banks were calling for it; the financial world was calling for a turn; we were calling for it. But, oh no, our nervous little Treasurer would not have a bar of it—until finally he relented. And here we are now for a second day fixing a Labor mistake. Today's introduction of the so-called 'minor amendments' to the Rudd Labor government's ill-conceived luxury car tax surcharge is a humiliating demonstration of Labor's incompetence, and I certainly share the views of the shadow industry minister, Senator Eric Abetz. The government should be embarrassed, and I know it is. The [Tax Laws Amendment \(Luxury Car Tax—Minor Amendments\) Bill 2008](#) has to amend A New Tax System (Luxury Car Tax) Act 1999, the Taxation Administration Act 1953 and, more importantly, the Tax Laws Amendment (Luxury Car Tax) Act 2008 that was passed a few short months ago. The amending legislation needs to be passed to correct serious errors brought about because of Labor's rushed deal with the minor parties in the Senate.

The question that needs to be asked, and the Australian people need to hear the answer to this, is: why are we again correcting rushed legislation by the government? They rushed the bank guarantee which caused dislocation in the market and 270,000 Australian accounts to be frozen. The Treasurer rushed in to say that for anything over \$1 million in the guarantee there would be a compulsory deposit tax, only to back down two days later. They rushed into their view on short selling, especially naked short selling—three views in three days that affected the stock market as they sought to amend it. They rushed into their view on the wholesale tax, saying they did not need legislation to cover their wholesale tax guarantee, and then they passed it yesterday. And now for at least the fifth time Labor rushed again and—surprise, surprise—they have stuffed it up.

The bill before the House will ensure that the relevant legislation actually allows for the refunds—imagine that—and/or exemptions as promised by the Labor government—namely, for primary producers who purchase four-wheel drives, eligible tourism operators and those who ordered a luxury car before the budget. It includes minor amendments to the ill-considered luxury car tax surcharge. It also includes cobbled together amendments to their punitive 33 per cent increase in the luxury car tax. Less than half of Australia's farmers and tourism operators are currently eligible for the luxury car tax surcharge exemptions. Sixty per cent of the farmers and tourism operators Labor claimed would be eligible for a rebate on the tax increase are not eligible. Of all the things to get wrong! While Labor and, of course, Senator Fielding told farmers and tourism operators they would quarantine them from the luxury car tax increase, the fact is the law, as passed, categorically failed to do what Labor said it would do.

According to Treasury officials at the recent Senate estimates, the first the government knew of the problem with its amendments was when it was brought to their attention by the car industry. Labor should have done the basics—and it is not as though Labor do not have an entire Public Service to assist them, as well as their wealth and variety of advisers. If they had just done the basics and consulted, heaven forbid, with the Australian Taxation Office about the workability of the amendments, this new bill would not be necessary.

This is one of the first bits of legislation of their own. So much of the legislation that has come through this year has been piggybacking on the Howard years. It was

legislation that was in abeyance after parliament was prorogued, and they then changed it and pushed it through. Here we have one of the first bits of legislation that was all done by their little selves—and what did they do in the sandpit? Dug the dozer into a hole and completely stuffed it up. Why? Because they rushed. If it is rushed there will be errors. I have already outlined so many areas where the Labor government have rushed things. And because they rushed the luxury car tax legislation, the anecdotal evidence from my electorate is that luxury car sales are collapsing by as much as 20 per cent. The MYEFO predictions will not be reached.

What is worse is that these amendments will benefit 25 imported vehicles that compete against Australian vehicles. These 25 imported vehicles are exempt from a range of taxes that Australian vehicles are not exempt from. Australian manufacturers and Australian workers that this government has the hide, the audacity, the blatant effrontery to say it represents, have been sold out by the tax breaks being provided to 25 imported cars but not to Australian cars.

The coalition said a number of times that trying to 'improve' the bill by trying to exempt various parties was not workable. We have been proven correct. The only way to ensure fairness is either to drop the tax increase altogether or, alternatively, adopt the coalition's compromise position of setting the threshold for the 33 per cent tax increase at \$90,000. I know Labor, and when I look across at the member for Blair, who will probably follow me in this debate, and the member for Oxley, who will not—

[Mr Ripoll](#)—Yes.

[Mr ROBERT](#)—The member for Oxley will? I know the member for Oxley and I commend him for his work on the Joint Committee on Corporations and Financial Services, on the inquiry on short selling and on the inquiry in June into shareholder participation. But unfortunately I cannot commend you now because you will try to claim that somehow these errors are not your fault. I know you, Member for Blair and Member for Oxley: you will try to claim that someone else is to blame for this. Perhaps, could it be, the global financial crisis is to blame for your ineptitude in making these mistakes? You will claim that all you did was to vote for Senator Fielding's amendments. We voted against the amendments because we knew they were flawed, but you rushed the bill.

**The DEPUTY SPEAKER (Hon. KJ Andrews)**—I remind the honourable member to address his remarks through the chair.

[Mr ROBERT](#)—Thank you, Mr Deputy Speaker. The Labor Party rushed the bill, and when you rush a bill you wear the consequences. While the amendments may have been in Senator Fielding's name, they are the government's amendments.

The opposition remains opposed to the luxury car tax surcharge. It is still bad policy. At a time of global uncertainty—indeed, at a time of global financial crisis—when other governments are ensuring that interest rates are lowered, taxation is lowered and government spending is increased, this bill is about increasing taxation. At a time when a greater fluidity of finance is needed in the system and at a time when a \$10.5 billion stimulus package is being put into the community to encourage consumption—that is, spending—this is a bill that rips money out of pockets. We could be the only government on the planet that is increasing taxation and pulling money out of pockets when the rest of the world is stimulating economies through consumption. The coalition will carefully examine whether Labor's second attempt at these amendments is any more effective. The government is surely on notice on this.