

Advisory Report on the Tax Laws Amendment (Managed Investment Trust Withholding Tax) Bill 2012

Dissenting Comment

Liberal Members of the Committee have already commented on the implications of the Tax Laws Amendment (Managed Investment Trust Withholding Tax) Bill 2012 when the Committee previously considered the Bill. Our concern over the impact and process of the Labor Government's handling of this issue was outlined in our previous dissenting report.

The referral of this Bill to the Committee again is a consequence of the Government's shambolic approach to policy development.

Let us be clear on why criticisms of this Government's approach to policy are valid and give rise to serious concern over perceptions about the heightened sovereign risk now faced in Australia.

The journey of changes to withholding tax on Managed Investment Trusts as outlined by the Government have left all concerned about the 'on again, off again' dithering this Government has adopted.

For example, it was announced that the Government was going to reduce withholding tax on Managed Investment Trusts from 30 per cent to seven and a half per cent. In this year's budget it was announced the tax rate was increasing again to 15 per cent.

Last week, that rate was outlined in the introduced Bill. The Government then excised it from the bill; only to subsequently reintroduce it.

The damage to Australia's reputation of this inconsistent and haphazard approach to policy is apparent.

Steven Ciobo MP
Deputy Chair

Kelly O'Dwyer MP

Scott Buchholz MP