



# MEDIA RELEASE

The Hon. Bruce Billson MP

Federal Member for Dunkley  
Shadow Minister for Small Business, Deregulation,  
Competition Policy and Sustainable Cities

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## **Tanner Confused while Small Business is Clear: Employers to Pay for Superannuation Increase Not Mining Super Tax**

Small business employers know they will be paying for the Rudd Labor Government's plan for a 3% increase in the superannuation guarantee and not the mining super tax.

The Rudd Government assertion that the increase in employer superannuation contributions will be offset by reduced wage and salary claims has also been discounted by Rudd Government Finance Minister, Lindsay Tanner.

Two months ago in an interview with 2GB's Ross Greenwood, Mr Tanner said: *"The fact that your employer is forced to put in an extra 3 per cent into your super means that money that otherwise could have gone into your wages, is going into your super"*.

Embarrassingly for Labor, on Monday's ABC Q&A program, Mr Tanner was forced to retreat to the Party line, contradicting his earlier comments from 2GB.

Mr Tanner is so confused that he now describes his own earlier claim that lost wages and salaries will pay for the increase in superannuation as "inaccurate".

In rejecting the 'wage/salary trade-off for super' assessment, Mr Tanner contradicts the Rudd Government's spin that the mining super tax is needed to pay for the *"increased concessionality of superannuation contributions"* (Lindsay Tanner, Question Time, Hansard 11/5/2010).

Unpacked of it's Budget babble, Lindsay Tanner's statement simply means that employer superannuation contributions are taxed at a lower rate than if those payments were received by employees as wages or salary.

Kevin Rudd and his Ministers have repeatedly tried to mislead people into believing that their proposed mining super tax would pay for the increase in employer superannuation contributions. The simple fact is that increases in employer funded superannuation contributions are paid for by employers.

Employers know this and have joined the Opposition in making sure that the Rudd Labor Government corrects its false and misleading claims about the mining super tax paying for increase employer superannuation contributions.

As there has been no mechanism put in place by the Rudd Labor Government or trade-off agreed by the union movement to guarantee reduced wage and salary demands in return for the increase employer superannuation, the foregone income tax argument that amounts to a 'cost' to Government is simply fiscal fiction.

The Government must end its efforts to knowingly mislead the Australian public about there being a link between the Rudd mining super tax and increases in employer-funded superannuation contributions.

Alternatively, the Government must immediately produce the evidence and guaranteed mechanism that will ensure additional employer superannuation costs are fully offset by reduced wage and salary claims to produce the 'lost revenue' it claims will occur.

As its stands, employers know that a 3% increase in employer-funded superannuation contributions will add, in today's dollars, between \$20 billion and \$23.6 billion a year to payroll costs and that the Government will

skim off an additional \$3 billion to \$3.54 billion is tax, given the absence of any guaranteed wage and salary trade-off.