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## Massive bank profits undermine Turnbull's corporate tax fantasy

The continued massive profits being generated by Australia's big four banks, as exemplified by today's \$4.9 billion announcement by the Commonwealth Bank, throws a spotlight on the Turnbull Government's ongoing obsession with providing corporate tax cuts.

According to ATO figures from 2014/15, the CBA is the country's largest tax payer, paying \$3.1 billion on income of \$44.2 billion - clearly, Australia's corporate tax regime is no impediment to companies making massive profits.

At the other end of the taxpaying spectrum, a submission by the Australian Tax Office to Treasurer Scott Morrison's review of the petroleum resource rent tax shows the LNG sector's combined tax credits have grown to \$238 billion in 2015-16, meaning these companies will not have to pay any petroleum resource rent tax for decades.

This means big multinationals like Chevron, Shell and ExxonMobil are able to profit from our natural resources while also banking massive handouts from the government by paying no tax.

A TAI report released yesterday has shown the benefits of the government's proposed corporate tax cuts will flow mostly to the shareholders of large multinational corporations not to creating more jobs for Australians.

If profits grow in line with the general economy, in 2026-27 the company tax cut will be worth;

- Almost \$1 billion dollars to the Commonwealth bank.
- The big four banks would collectively gain \$3.4 billion in that year from the tax cut.
- The three mining companies (BHP, Rio Tinto and Woodside) can expect \$1.8 billion in 2026-27.
- Coles (Westfarmers) and Woolworth will receive \$281 million in the same year.

The government's own Treasury modelling shows that cutting the company tax rate by one percentage point will serve mainly to benefit company profits, with an increase in GDP of only 0.1% and *growth in jobs less than 1% over two decades.*

### Quotes attributable to ACTU President Ged Kearney:

"Today's announcement is the final nail in the coffin of the fiction that big business needs any further handouts from the Government."

"The Commonwealth Bank has amassed a profit of \$4.9 billion, while also being the country's largest single tax payer - does anyone truly believe that if the Turnbull Government gave them an extra few billion in tax cuts it would somehow translate to more jobs or investment?"

"Of course not, we would just be pulling money out of health care or support for families, and adding it straight to the CBA's already impressive bottom line."

"It's time for the Prime Minister to face the facts: his corporate tax hand out is nothing but a \$50 billion IOU that will need to be covered by everyday Australians."

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