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Federal Government's Proposed Flood Tax

Dr Mike Nahan, the Member for Riverton said while he sympathized with the people affected by the recent tragic floods, he does not believe that the Federal Government's proposed new Flood Tax is the appropriate answer.

"Australia is a nation of huge and constant weather variations, with droughts, fires, floods, cyclonic winds, hail storms. Coping with and repairing the impact of such events is a regular and on-going activity of government and it is funded by our ongoing tax collection," said Dr Nahan.

"Even though the Queensland floods were very damaging, so was the bushfire in Victoria a few years ago, the hail storm in Perth last year and the on-going drought in rural WA."

"While coping with the financial impact of the floods will put the Federal and Queensland budgets under stress, sufficient funds are available under existing tax collections."

"Moreover, in recent years, the Commonwealth Government has undertaken the largest increase in expenditure in the post-war period in the form of the fiscal stimulus. A large proportion of the fiscal stimulus funding is yet to be expended, despite Australia being in the midst of a robust economy growth. This funding is putting upward pressure on interest rates and should be cut back or redirected to funding the Queensland floods."

"In short, there is plenty of scope to meet the cost of the floods within existing tax collections."

"As a local Member of Parliament, I am particularly concerned that the Federal flood tax will add to the cost of living for WA families, many of which are already struggling with rising costs."

Dr Nahan said there were also concerns that the Gascoyne region of Western Australia, which was also recently hit by floods, would not benefit from the new flood tax.

"Western Australia has already applied to the Federal Government, and had approved, entitlements for the Gascoyne floods under the Western Australia Natural Disaster Relief and Recovery Arrangements," said Dr Nahan.

"As a result, WA won't necessarily benefit from the new flood tax."

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