

Home buyer tax pain

But mining deal brings super boost

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BANKS say the Government's last-minute deal with the Greens on the mining super profits tax will hurt home buyers.

But the Government says almost 1.8 million Victorian workers will get a bigger retirement nest egg as a result of the tax.

The \$11.1 billion mining tax passed the House of Representatives at 2.42am yesterday.

The Opposition attacked the Government's deal with the Greens, which was kept secret until after the House vote and meant some financial institutions would have to wait a year to get tax breaks when using foreign banks.

The Australian Banking Association said that would hurt home buyers because reforms were designed to "benefit Australian con-



Passed: Prime Minister Julia Gillard maintains the mining tax is good for all Australians. Picture: GARY RAMAGE

sumers" by driving competition in the sector.

Prime Minister Julia Gillard rejected criticism of her watered down tax.

"Our super-profitable mining companies will pay more tax, and that tax will

be used to cut company taxes, to give Australians more superannuation, and to build more infrastructure," Ms Gillard said.

Opposition Leader Tony Abbott said the deal with the Greens showed they had

too much influence. He ridiculed Ms Gillard's claim this year would be one of decision and delivery.

"This year Bob Brown did the deciding and the Prime Minister delivered what he wanted," he said.

The Government says the move to increase compulsory superannuation to 10 per cent would increase retirement savings for Victorian workers by \$121 billion by 2035.

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