



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



**THE SENATE**

**PROOF**

**BILLS**

**Labor 2013-14 Budget Savings  
(Measures No. 1) Bill 2014**

**Second Reading**

**SPEECH**

**Wednesday, 17 June 2015**

BY AUTHORITY OF THE SENATE

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## SPEECH

<b>Date</b> Wednesday, 17 June 2015	<b>Source</b> Senate
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<b>Questioner</b>	<b>Responder</b>
<b>Speaker</b> Lambie, Sen Jacqui	<b>Question No.</b>

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**Senator LAMBIE** (Tasmania) (10:42): I rise to briefly contribute to and oppose this proposed legislation before the Senate, the Labor 2013-14 Budget Savings (Measures No. 1) Bill 2014. The technical description of the bill's purpose is:

The purpose of the Labor 2013-14 Budget Savings (Measures No. 1) Bill 2014 (the Bill) is to amend the Clean Energy (Income Tax Rates Amendments) Act 2011 and the Clean Energy (Tax Laws Amendments) Act 2011 so that both Acts have their future operative provisions repealed. Both Acts have provisions already in operation and these would not be repealed.

However, the simple explanation is this: if this bill passes, we will be taking money away from low-income earners—the Australian battlers—and I can assure you, Mr Acting Deputy President, they are already battling. I am not going to be a part of that—no way. I am very disappointed with Labor; I cannot believe Labor is being a part of this. With everything that they stand for—the battler, the blue-collar worker—I just cannot believe that they are supporting this legislation. There are better ways to raise revenue and to address this issue of budget repair.

I have put forward a proposal for tax reform calling for the establishment of an FTT—a financial transactions tax. We could pass an FTT instead of agreeing to this legislation. We could actually do that. I launched a plan on how the Australian government could raise an extra \$1.4 billion per annum—and that is a minimum—of revenue, and link it to aged Australians' and veterans' pensions by introducing a financial transactions tax. I am disappointed that neither the government nor the opposition have taken the time to properly consider and debate my plan—or speak to me—to protect and boost our pensions through a targeted financial transactions tax, which would only affect about half-a-dozen high-frequency share-trading companies in Australia. High-frequency share traders account for 30 per cent of financial trades in Australia and, in America, similar high-frequency share traders account for 70 per cent of the financial markets. Before 2007 they did not exist.

I am happy to talk with either side of politics about pensions but, first, they have to tell me why they will not introduce a financial transactions tax that would work. It would work and would raise a decent amount of revenue. It would look after our pensioners and our veterans.

The financial experts from the Australia Institute say that France and Italy have introduced FTTs to fund their budget measures. Once again, we are not leading by example. We do not want to get on the front foot and show how a country can lead when it comes to FTTs! The rest of the European Union will follow the same course of action early next year. But we are still sitting here. Neither side will talk to me about an FTT. Does that not tell you something? Why can't we do the same?

I am very concerned that ASIC itself has failed to identify the number and the names of the high-frequency share-trading companies operating in Australia. How embarrassing that ASIC cannot even name these companies. It may be lying to me, which is even more disturbing. It makes up 30 per cent of our trade market. ASIC officials could not properly answer my questions and yet I am informed that high-frequency traders often take advantage of everyday investors, including self-funded retirees, and mum and dad investors. But neither side of politics gives a stuff about that. I can see you are hanging your heads and I would, too. You are skimming \$3 billion of profits from those mum and dad investors every year. It is a pretty poor performance.

ASIC's Greg Medcraft and Cathie Armour said that they have a team of rocket scientists whose job it is to be on top of market intelligence, yet they cannot tell me who the high-frequency traders are. Fair go! How are ASIC supposed to ensure high-frequency traders are not front-running or scamming the market, as Greg Medcraft said was ASIC's priority, if they do not even know who they are dealing with? There are mum and dad investors out there who are investing their hard-earned cash and who are at risk of being taken advantage of—and they are being taken advantage of; there is no doubt about that and no argument there—because ASIC have clearly not been able

to properly manage this money-making scheme for people who speculate on our share market with high-speed supercomputers and advanced computer programs. That is why we need a financial transactions tax. Not only will it put high-frequency traders on the same playing field as mum and dad investors and regulate them so they cannot affect market prices; it will also raise a minimum of \$1.4 billion. I say that again: that is just a minimum. High-frequency traders are a handful of big companies which use technology to get an inside advantage. A financial transactions tax will create another pool of revenue without burdening Australians, struggling to make ends meet.

After what has been going on this morning, it is clear that both major parties have not recognised that there are many battlers out there. So I do wish you luck in the next election, because you are going to need it. I can now see the ads; I am looking forward to running them myself.