




Speech By
Michael Berkman

MEMBER FOR MAIWAR

Record of Proceedings, 20 February 2020

ADJOURNMENT

Bank Levy

 **Mr BERKMAN** (Maiwar—Grn) (6.20 pm): In 2017 the South Australian Labor government proposed a modest levy on the big banks. Quite predictably, the banks hated the idea of paying a little more in tax. The levy was described as, and I quote, an ‘outrageous cash grab’ and a ‘desperate political move’. There were even threats of court challenges, and I quote again: ‘The South Australian government will face a High Court challenge if it introduces its proposed bank tax,’ ‘Other states will also face a constitutional challenge in the High Court if they propose to single out banks for new taxes.’ These are not the words of the CEO of any big bank attacking the then Labor government in South Australia. They are the words of former Queensland premier, now CEO of the Australian Banking Association, Anna Bligh. If one wants a symbol of which side Labor are on one only has to look at where their former heroes and leaders end up—which companies and industries they end up lobbying for. What is more, since 2012 Labor and the Liberals have taken over \$7.2 million in donations from the big banks.

Tonight I am putting on the record my intention to introduce a private member’s bill to introduce a big bank levy for Queensland. What I will be proposing is a modest levy of 0.05 per cent per quarter on the major source of profits for the big four banks, plus Macquarie—namely, their total liabilities, including deposits. The levy will only apply to Queensland’s share of those liabilities, based on our proportion of GDP, and would raise \$4.6 billion over four years.

The Reserve Bank and the IMF agree that Australia’s big banks enjoy an effective subsidy from the government which is at least equal to the amount of this proposed levy. Since they are deemed ‘too big to fail’, banks and investors can take big risks knowing that the government will always bail them out in a crisis. They take this subsidy as profits, but the Australian people carry the risks and the costs of a bailout. That \$4.6 billion could fund 4,000 extra teachers or nurses, 10 new schools or five new regional hospitals each and every year. To put things in perspective, the big four banks and Macquarie together made \$42 billion in pre-tax profit in the last financial year alone. That is more than Queensland’s entire health and education budgets combined.

We have a choice, and that choice is especially stark now as we approach the government’s pre-election budget. We know the Queensland government is struggling with revenue. We know Queenslanders are struggling with unemployment and the rising cost of living. What is it going to be? A few extra billion dollars in profit for the big banks or a modest levy on some of the most profitable banks in the world. That levy would fund the schools, hospitals, teachers and nurses that our state desperately needs. I just hope future donations that might be sought or employment prospects for retiring MPs do not cloud the judgement of my Labor and LNP colleagues in this place.