

Media release

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Australians want bank super profits tax on the agenda

Eighty-one per cent (81%) of Australians believe that the idea of a banking super profits tax should be discussed at next year's Tax Summit, according to a new opinion poll conducted by The Australia Institute.

Executive Director Dr Richard Denniss will present the finding as part of his evidence to the *Competition within the Australian banking sector* Senate inquiry this morning (8.45 – 9.30am).

“Australian consumers overwhelmingly support the consideration of a banking super profits tax. Australia's banks are enormously profitable, so much so that even in a ‘bad year’ dominated by the global financial crisis the big four still managed a profit of \$20 billion for 2009,” said Dr Richard Denniss.

“Bank profits are now running at \$1,000 for every man, woman and child in Australia and growing at 15 per cent per annum.

“There are some obvious benefits for consumers in the Government's reform package but it fails to rein in the big banks which so blatantly exploited their market power to almost double the RBA's official interest rate increase in November.

“We need to be clear about how we are going to measure the success of the proposed reforms. It is the excessive profits of the banks that started this debate and, as a result, the only yardstick by which we should measure the effectiveness of the Government's response should be a significant reduction in those profits.

“The Government, the Opposition and the Greens have all supported the need to rein in the excessive profits of the banks. The test for all proposed reforms, therefore, is not whether they seem like good ideas but whether they drive reductions in profits,” concluded Dr Denniss.

Notes for editors

- The Australia Institute conducted an online survey of 1,294 adult Australians in November 2010. Survey respondents were sourced through a reputable independent online panel provider. To ensure a representative sample of the broader Australian population, interlocking quotas were applied by gender, age and state/territory.