

Condensate bill a 'drive-by' on WA: Senator

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The federal government's plan to end a tax break on condensate is the biggest assault on the living standards of West Australians in the history of federation, the Senate has been told.

The government wants to impose excise on condensate, an oil by-product of gas production, ending a 31-year exemption.

The government stands to gain \$2.5 billion over the next four years if its bill passes parliament.

Critics of the move claim it will hurt Woodside Petroleum's viability and force up prices for electricity and gas in WA.

WA Liberal Senator David Johnston today said the government was crucifying Woodside and other North-West Shelf Project venturers.

"This is an absolute smash and grab raid and I want to style it right now as the drive-by shooting of the century," he told the Senate during debate on the bill.

"This is one the greatest assaults on the living standards of Western Australians, I think, in the history of the federation."

But WA Greens Senator Rachel Siewert said Senator Johnston's argument was laughable, and the tax exemption was little more than "corporate welfare".

"When are they going to wake up and smell the roses and realise that the community won't support that level of subsidy anymore?" Senator Siewert said.

"It's time to get the corporates off the corporate teat."

WA Labor Senator Mark Bishop said the North-West shelf companies were immensely profitable and it was time to fix a historical tax anomaly.

"It should be brought into line with the rest of the country," he said.

"It's time to even the playing field.

"Industry will adapt and change and continue to grow."

Senator Bishop said gas prices were set internationally and it was therefore silly, illogical and absurd to say domestic prices would rise as a result of the bill.

South Australian Independent Senator Nick Xenophon supported the bill, noting that the industry had been given the exemption when it was still in its infancy.

"The industry has grown up and it is time to pay up," Senator Xenophon said.

Family First senator Steve Fielding also supported the bill, saying Woodside had now had 30 years to establish itself.

"Family First is inclined to support the bill," he added.

The bill later passed the second reading stage - 34-32 - with an amendment moved by Senator Xenophon.

The amendment requires the Senate economic committee to inquire into and report on the joint marketing arrangements for the North West Shelf project on competition in the upstream gas market and on prices paid by consumers.

The committee will be required to report by November 10.

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