

Finding No. 4491  
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## **Australians Evenly Divided on Rudd's New Mining "Super Profits" Tax**

A special telephone Morgan Poll conducted only days after the Government announced their proposed tax changes found more Australians think they and their family will be better off (43%) than worse off (25%) with the tax changes.

More also believe Australia will be better off (47%) than worse off (34%).

Two of the three major proposed changes to the tax system received solid public support with 78% of Australians approving of the proposed increase in superannuation (from 9% to 12%) compared to 17% who disapprove and only 5% that can't say.

Importantly – support is very different amongst supporters of the two main parties with 91% of ALP supporters approving the superannuation increase and only 7% disapproving compared to 65% of L-NP supporters approving the change and 29% disapproving.

A large majority of Australians also support the proposed reduction in the company tax rate (from 30% to 28%) with 71% approving compared to 20% disapproving and only 9% that can't say.

Supporters of both major parties have very similar views on the proposal to drop in company tax, with 75% of ALP supporting and 76% of L-NP voters. Only 15% of ALP supporters and 19% of L-NP supporters disapprove.

However, **Australians are evenly divided on Kevin Rudd's proposed new 40% Mining "Super Profits" Tax with 47% approving compared to 45% disapproving.**

Greatest opposition to the Mining "Super Profits" Tax came from electors employed in **Blue Collar** jobs; 57% disapprove, only 40% approve and 3% can't say.

This latest special telephone Morgan Poll was taken before the full impact of increasing taxes on mining projects has been fully realised, and before the latest fall in share price.

**Gary Morgan says:**

*"This special Morgan Poll finds that Australian electors are deeply divided on the proposal with only 47% approving and 45% disapproving. This strong disapproval of the proposed Mining "Super Profits" Tax will be a huge problem for Rudd as he seeks re-election.*

*"From last week the Australian share market has dropped significantly as Australia's sovereign state status has been badly damaged and it's anticipated many new mining projects will be deferred. ([See today's News-bites story below](#)).*

*"There's little doubt the election will be as bitter as 1975 with mining companies supporting the Coalition, in fact Australian electors can expect corporate involvement in the next Federal election as strong as when Chifley tried to nationalise the banks in 1949. For the first time the Rudd Government is no longer a 'certainty' to be re-elected. Too many things over too many fronts are going wrong!*

This special telephone Morgan Poll was conducted on the evenings of May 4/5, 2010, with an Australia-wide cross section of 648 aged 14 and over including 555 electors.

**This telephone Morgan Poll result on Federal voting intention**, conducted in conjunction over the last two nights of May 4/5, 2010 shows the ALP (50%) dead level with the L-NP (50%) on a two-party preferred basis. However in analysing this telephone Morgan Poll result, it is worth noting that telephone polls have typically been biased towards the L-NP and more 'responsive' to current events.

### **Question 1**

*“From what you know or have heard, do you think you and your family will be better off or worse off with the proposed changes to the tax system?”*

#### **Whether you and your family will be Better off or Worse off:**

	<u>All Australians</u>	<u>Electors</u>	<u>Federal Voting Intention</u>					
			<u>ALP</u>	<u>L-NP</u>	<u>The Greens</u>	<u>Family First#</u>	<u>Ind/ Other#</u>	<u>Can't say</u>
%	%	%	%	%	%	%	%	%
Better off	43	43	57	30	46	47	52	24
Worse off	25	26	14	39	17	36	21	32
No change	20	21	20	21	30	0	19	23
Don't know	12	10	9	10	7	17	8	21
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

# Sample sizes less than 50 should be treated with caution.

### **Question 2**

*“Do you think Australia will be better off or worse off with the proposed changes to the tax system?”*

#### **Whether Australia will be Better off or Worse off:**

	<u>All Australians</u>	<u>Electors</u>	<u>Federal Voting Intention</u>					
			<u>ALP</u>	<u>L-NP</u>	<u>The Greens</u>	<u>Family First#</u>	<u>Ind/ Other#</u>	<u>Can't say</u>
%	%	%	%	%	%	%	%	%
Better off	47	46	69	26	57	64	48	20
Worse off	34	36	17	55	24	18	31	49
No change	4	4	3	6	2	18	3	0
Don't know	15	14	11	13	17	0	18	31
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

# Sample sizes less than 50 should be treated with caution.

**Question 3**

For each of the three main recommendations please indicate whether you approve or disapprove The new 40% tax on profits of mining projects. Do you approve or disapprove?"

**Whether Approve or Disapprove:**

	All Australians	Electors	Federal Voting Intention					
			ALP	L-NP	The Greens	Family First#	Ind/Other#	Can't say
%	%	%	%	%	%	%	%	%
Approve	47	47	65	28	62	100	44	36
Disapprove	45	45	27	64	32	0	53	39
Can't say	8	8	8	8	6	0	3	25
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

# Sample sizes less than 50 should be treated with caution.

**Approval of 40% Mining Tax by Electors owning Mining Shares & have Superannuation**

	Electors	If electors have Mining Shares				If electors have Superannuation & Mining Shares				
		Own Self or in Super Fund	Don't Own	Self- Own	None Self-Owned	Have Super	Mining Shares			No Super
							Yes in Super	No	Can't say	
%	%	%	%	%	%	%	%	%	%	%
Approve	47	46	47	43	47	46	48	46	44	51
Disapprove	45	47	44	49	44	46	46	48	44	41
Can't say	8	7	9	8	9	8	6	6	12	8
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Percent in each group</b>	<b>100%</b>	<b>29%</b>	<b>71%</b>	<b>16%</b>	<b>84%</b>	<b>80%</b>	<b>20%</b>	<b>23.5%</b>	<b>36.5%</b>	<b>20%</b>

**Approval of 40% Mining Tax by By Work Status of electors**

	Electors	Electors Work					Don't Work
		Full time or Part-time	Full time	Part- time	White Collar	Blue Collar	
%	%	%	%	%	%	%	
Approve	47	44	45	42	46	40	53
Disapprove	45	49	50	47	44	57	36
Can't say	8	7	5	13	10	3	11
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Percent in Each Group</b>	<b>100%</b>	<b>69%</b>	<b>45%</b>	<b>24%</b>	<b>45%</b>	<b>24%</b>	<b>31%</b>



## Australian Company News Bites

May 6, 2010

### Resource tax panics sellers

Share prices of leading mining stocks dropped strongly today as the market tried to come to grips with the impact of the Federal Government's proposed resource 'super profits' tax unveiled on Sunday May 2, 2010.

Prices in the Australian Metals and Mining Sector had firmed yesterday after falling by an average of 5.3% in the three days since the government announced the plan, but the downtrend resumed today.

Rio Tinto was hit hard, with its shares slumping 3.8% today to close at \$65.66. The stock has fallen 8.9% since the tax plan was announced.

BHP Billiton was down 2.7% today to \$37.69 and down 7.5% since the plan was announced.

As at yesterday the current value of \$1,000 invested in BHP one year ago was \$1,172 and the value of \$1,000 invested five years ago was \$2,612. See [research report](#).

The current value of \$1,000 invested in Rio Tinto one year ago was \$1,233 and the value of \$1,000 invested five years ago was \$2,372. See [research report](#).

See [Metals and Mining Research Report](#).

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#### **Margin of Error**

The margin of error to be allowed for in any estimate depends mainly on the number of interviews on which it is based. The following table gives indications of the likely range within which estimates would be 95% likely to fall, expressed as the number of percentage points above or below the actual estimate. The figures are approximate and for general guidance only, and assume a simple random sample.

<b><u>Sample Size</u></b>	<b><u>Percentage Estimate</u></b>			
	<b><u>40%-60%</u></b>	<b><u>25% or 75%</u></b>	<b><u>10% or 90%</u></b>	<b><u>5% or 95%</u></b>
500	±4.5	±3.9	±2.7	±1.9
1,000	±3.2	±2.7	±1.9	±1.4

The Morgan Poll is conducted by the **ONLY** Australian and New Zealand member of the Gallup International Association.

No other public opinion poll taken in Australia has this qualification.