



Speech by

Dr DAVID WATSON

MEMBER FOR MOGGILL

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MEMBER FOR SPRINGWOOD; GOODS AND SERVICES TAX

Dr WATSON (Moggill—LP) (Leader of the Liberal Party) (10.07 a.m.): Yesterday in this place I listened to a concerted attack on the GST, so today I refer members to an article entitled The Political Economy of Taxation Reform. The article presents a very well researched and convincing argument for the introduction of a consumption tax or GST. Part of the article states——

"The introduction of a broad based tax on consumption will have an unambiguous and positive effect on private sector savings."

It states further——

"The other benefits of a value added tax are that it generally out-performs our current tax system in all three criteria for taxation; equity, efficiency and simplicity."

The article continues——

"The benefits of introducing a consumption tax exceed the costs so overwhelmingly that in reviewing the literature, not one economic argument for the continued heavy reliance on income tax was to be found."

Let me repeat that last statement——

"The benefits of introducing a consumption tax exceed the costs so overwhelmingly that in reviewing the literature, not one economic argument for the continued heavy reliance on income tax was to be found."

Where did this ringing endorsement of a GST come from? Was it from that Right Wing think tank, the H. R. Nicholls Society? No. Was it from that conservative policy group, IPA? No. It did not even come from Peter Costello himself.

Mr Fouras: Can I have a guess?

Dr WATSON: I will run out of time. I will not keep members in suspense any longer: the author of that highly favourable assessment of a GST was a Mr Grant Musgrove. Where have I heard that name before? Is it the one and the same Grant Musgrove who is now the honourable member for Springwood?

I table the article for all members to read at their leisure. I thank the honourable member for Springwood for his endorsement of a GST. I trust that the Premier will be consulting with his new backbencher as soon as possible.

Time expired.
