



Speech by

Hon. J. FOURAS

MEMBER FOR ASHGROVE

Hansard 15 September 1998

GOODS AND SERVICES TAX

Hon. J. FOURAS (Ashgrove—ALP) (10.25 a.m.): It is obvious that Mr Howard's call for an election on 3 October is an example of the most cynical timing, because he wants the bread and circuses to take over from economic debate. He will be very sad and disillusioned, because people will wake up about the impact of the GST.

When the Business Council of Australia, under the name of Australians for Fairer Taxation, tells the Australian people that a GST is good for them, people should start thinking twice. Of course, the Business Council advocates the unholy trilogy, starting with its belief that we have to have labour market deregulation. That means competition at any cost, regardless of how it impacts on people and society. Secondly, it calls for a reduction in public services and, thirdly, it wants to sell our public utilities. Those are not in the interests of the public, and nor is the GST.

Papers from Treasury have stated that the impact on the CPI will be less than 2%. No economist worth his or her salt would believe such an heroic assumption. It is a joke to suggest that a 10% GST will have less than a 2% impact on the CPI. The worst thing that we have been told is that the GST will impact on the black economy. Recent studies show that when a GST is introduced, tax avoidance increases monumentally. If there is a 10% GST on top of other taxes, that will of course provide an incentive for people to avoid their taxation responsibilities. That has been proven. However, it is worse than that. Everywhere that a GST has been introduced, it has impacted badly on economic growth and jobs because it affects the big growth area in the community today, which is the provision of services. A GST on services will have an horrific impact on economic growth and the creation of jobs. That will impact on areas such as the racing industry, recreational facilities—even people going to the movies. What will happen to people in the racing industry? How will they cope with a GST?

Time expired.
