



Speech by

**Hon. M. FOLEY**

**MEMBER FOR YERONGA**

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Hansard 17 November 1998

**MINISTERIAL STATEMENT**

**Goods and Services Tax**

**Hon. M. J. FOLEY** (Yeronga—ALP) (Attorney-General and Minister for Justice and Minister for The Arts) (9.55 a.m.), by leave: I wish to draw to the attention of this House the fact that the GST is an attack on Queensland's writing and publishing industries. I point to the 1997 edition of the OECD's Consumption Tax Trends, which describes the disaster of Canada, where the introduction of a 7% tax led to an immediate fall of more than 25% in educational and academic textbook sales and to a long-term 10% to 20% cut in demand for books across all sectors. The Australian Publishers Association notes in its position paper of 27 July 1998—

"The GST remains ... the subject of hot debate in Canada. The campaign continues for a zero rating and observers believe that there is a strong likelihood of success. The Canadian Government is being forced to recognise the damage that the original tax imposed."

The APA position paper went on to observe—

"The principle that books should not be taxed has attracted wide international support. The UK"—

and the US—

"has rejected a GST after public debate."

A number of respected authorities argue that the GST would be an attack on literacy levels. This view is shared by author Bryce Courtenay, by the Australian Publishers Association, and by the respected accountant Brian Tucker, all of whom condemn the introduction of a goods and services tax as an attack on basic literacy levels. Mr Courtenay is unequivocal on page 23 of the October edition of the Queensland Writers Centre News that a sales tax on books, which until now have been tax exempt, is a tax on literacy.

The 1998 annual general meeting of the Australian Publishers Association passed the following motion—

"This AGM of the APA opposes the imposition of a tax on books which are the key to knowledge, reading and literacy ..."

In its position paper, the APA pointed out—

"In Australia books have never been subject to sales tax."

**Opposition members** interjected.

**Mr FOLEY:** It is about time that lot opposite took a stand against the GST and the deleterious effects that it will have and rallied against its imposition by Howard and his Government.

The APA pointed out further—

"... books remain the most effective tool for providing a lifetime of education. ... Books are the major means by which individuals acquire education—both specialist and general, formal and informal. Books build and transmit the culture, science and history of our society."

A GST would, for the first time, impose a tax on books.

As to the Howard Government's spurious claims that it will somehow exempt education from a GST, I again quote the Australian Publishers Association—

"It is quite misleading to think of education only in terms of the formal education system. Much education goes on outside this system in the form of self-education. Books are indispensable for this process. No tax on books is a means of encouraging individuals to choose to acquire education.

...

It has been suggested that it might be possible to impose GST only on books without educational value or cultural value ... In practice such a system would require individual rulings to be made about many thousands of books."

Mr Brian Tucker, the respected arts accountant, points out that even for individual writers, the GST will be an administrative and financial nightmare—

"For most writers ... the exemption status does not apply ... so the price of a computer now drops by 22% (that's the theory) to be replaced by a 10% GST. At the same time, your telephone bills, rent, stationery and computer supplies, travelling costs, membership subscriptions, also go up by 10%."

Mr Tucker continues—

"What effect the GST will have on the number of books sold is anybody's guess, given that they will be 10% more expensive than before. My view is that sales would drop as after-tax income is diverted into previously sales tax exempt items like food and clothing, which will also have to be increased by 10%."

The coalition parties in Queensland should be taking a stand against the GST and not going along meekly with the Howard Government's new tax slug on Queensland writers and publishers.

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