

Tax submission

With an ageing population, and a fall in mineral prices, Commonwealth Government revenue has fallen. If Australians are to continue to receive the services which they expect, the Government cannot cut costs to the extent required to make up the deficiency. To continue borrowing at current rates involves wasting money on interest which should be spent on the provision of services for those in need. The only alternative is to increase taxation. In my view, a consumption tax is fairer than income tax, since the taxpayer has some control over the amount incurred, which obviously depends on their individual expenditure. I therefore submit that the revenue from GST should be increased.

The advantage of a consumption tax should be its simplicity. That was sacrificed in negotiations with the Democrats. The consequence can impose a substantial burden on small businesses. To cite one example, our village bakery sells bread, which is GST-free, but if they make it into sandwiches it attracts GST. In my opinion, GST should be a flat tax on all goods and services, with no exceptions.

If the Government is unwilling to bite this bullet, it should transfer to the states the power to levy GST. Since revenue from GST is passed to the states, it seems logical that the states should have the power to fix the rate and determine the scope of the tax. This would also have the advantage, for the Government, that it need no longer be involved in disputes between the states as to the apportionment between them of GST revenue.

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