



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

**A NEW TAX SYSTEM (TRADE
PRACTICES AMENDMENT) BILL 2000**

Second Reading

SPEECH

Thursday, 6 April 2000

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

SPEECH

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Questioner
Speaker Cox, David, MP

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Mr COX (Kingston) (11.15 am)—It is indeed unfortunate that the government has decided that this piece of legislation must be dealt with by the House before lunchtime today and that each of us will have such a short time in which to talk about it and its deficiencies. The Labor Party is of the view that, if we are going to have this dreadful 10 per cent GST, the price effects of it need, as far as possible, to be limited. We have done our best to support government legislation which will have that effect. We are, however, looking forward to the A New Tax System (Trade Practices Amendment) Bill 2000 having some scrutiny by the Senate.

Indeed, I think that is very important in this case because this bill has some antidemocratic aspects to it which smack of censorship and authoritarianism. They are contained in its provisions that a person or a company who falsely represents, whether expressly or implicitly, the effect or likely effect of all or any of the new tax system changes will be subject to prosecution and penalties. In the case of an individual, they are of the order of \$500,000 and in the case of a company, \$10 million. The reason for the government wanting to do that is not so much to stop people misrepresenting prices for commercial gain; the reason that the government has brought this legislation in at this stage and wants it dealt with so quickly is that the government is becoming increasingly desperate about negative attitudes to the new tax system in the community which are growing, and it wants to silence its critics by fear.

Certainly this provision applies only to people who are involved in trade or commerce. General political debate should not be restricted—as the previous speaker, I think, hoped that it would be. I am sure that the member for Rankin will take up some of the points that the member for McPherson made in relation to the Queensland government and Queensland politicians. However, we do have a pattern emerging. I note, by way of example, that in this morning's *Australian* on page 18 there is a report about David Vos criticising Treasury's PRISMOD model, the analysis that was done using it and the judgment that the government then made about what the price effects would be on cars. David Vos said that the government was wrong about its judgment that the price of cars would fall by 8.3 per cent when the GST comes in and that, in fact, the situation has now been reached where, on 1 July, the only way for the price of cars to go is up. If Mr Vos had been engaged in trade or commerce, if he were selling cars or if he decided to sell his own car in the backyard through the classified ads in the newspaper, subsequent to having made this comment and subsequent to this bill having passed, then perhaps the government and the Treasurer would like to see him prosecuted for having contradicted them. The heavy penalties contained in this legislation are really just a stunt by the government more than an effective measure to try to convince people that there will, in fact, be an effective clampdown on prices. The legislation is designed to allay people's fears and give ministers something to say out in the community when they know that things will be very different.

In the remaining two minutes I have, I want to refer to another part of this pattern of deceit that the government are into at the moment, and that is the system of public compliance commitments which the ACCC is implementing. They have written to all the chief executives of major companies and asked them to make public compliance commitments that they will be complying with the ACCC's pricing guidelines. The documentation that is attached to that letter says that those commitments, even when they are accepted and registered by the ACCC, will not protect the company from prosecution should price exploitation be shown. So again we have another stunt. We have the government trying to get companies to say that they are complying with guidelines: the government are not confident that they can administer in a manner which can give confidence to both companies and consumers that there will not be price exploitation of consumers or prosecution of companies. It is just another stunt.