THE SENATE

A NEW TAX SYSTEM
(COMMONWEALTH-STATE FINANCIAL ARRANGEMENTS) BILL 1999

A NEW TAX SYSTEM (COMMONWEALTH-STATE FINANCIAL ARRANGEMENTS—CONSEQUENTIAL PROVISIONS) BILL 1999

A NEW TAX SYSTEM (WINE EQUALISATION TAX) BILL 1999

A NEW TAX SYSTEM (WINE EQUALISATION TAX IMPOSITION—GENERAL) BILL 1999
A NEW TAX SYSTEM (WINE EQUALISATION TAX IMPOSITION —CUSTOMS) BILL 1999

A NEW TAX SYSTEM (WINE EQUALISATION TAX IMPOSITION—EXCISE) BILL 1999

A NEW TAX SYSTEM (LUXURY CAR TAX) BILL 1999

A NEW TAX SYSTEM (LUXURY CAR TAX IMPOSITION—GENERAL) BILL 1999

A NEW TAX SYSTEM (LUXURY CAR TAX IMPOSITION—CUSTOMS) BILL 1999

A NEW TAX SYSTEM (LUXURY CAR TAX IMPOSITION—EXCISE) BILL 1999

A NEW TAX SYSTEM (INDIRECT TAX ADMINISTRATION) BILL 1999

A NEW TAX SYSTEM (WINE EQUALISATION TAX AND LUXURY CAR TAX TRANSITION) BILL 1999

Second Reading
PROCEDURAL TEXT

Wednesday, 21 April 1999

BY AUTHORITY OF THE SENATE
Debate resumed from 20 April on motions by Senator Ian Campbell, Senator Ian Macdonald and Senator Patterson:

That these bills be now read a second time.

upon which Senator Cook moved by way of amendment in respect of A New Tax System (Goods and Services Tax) Bill 1998:

Omit all words after "That", substitute:

"the Senate condemns the Government for:

(a) seeking to introduce a GST which is an unnecessary, unfair, job destroying tax which discriminates against low and middle income earners, the aged and families;

(b) putting at risk the low inflation environment delivered by Labor by proposing to introduce an inflationary GST which will put at risk the low interest rates made possible by low inflation; and

(c) placing a higher priority on imposing a GST on Australian families that will make the tax system less equitable, rather than addressing tax avoidance loopholes, which would improve the equity of the tax system".

and upon which Senator Margetts moved by way of amendment in respect of A New Tax System (Wine Equalisation Tax) Bill 1999:

At the end of the motion, add:

"but that the Senate:

(a) notes:

(i) that cask wine is a category 1 cause of alcohol abuse, with alcohol abuse:

(a) costing taxpayers $4.7 billion annually;

(b) contributing to more than 3,700 alcohol-related deaths annually;

(c) contributing to 730,000 hospital bed-days; and

(d) being a prime cause of human distress, through health problems, serious accidents, family breakdowns, unemployment and alcohol related offences;

(ii) that a study commissioned by the Department of Health and Family Services in 1995 estimated that alcohol is associated with:

(a) 44 per cent of fire injuries;

(b) 34 per cent of falls and drownings;

(c) 30 per cent of car accidents;

(d) 50 per cent of assaults;

(e) 16 per cent of child abuse;"
(f) 12 per cent of suicides; and

(g) 10 per cent of machine accidents; and

(iii) that aboriginal people in Australia experience significantly higher rates of alcohol-related illness such as alcoholic cardiomyopathy, alcoholic gastritis and alcohol liver cirrhosis as well as traumatic injuries, road accidents, suicide and violent death than do non-aboriginal Australians;

(b) expresses major concern:

(i) that the current taxation arrangements in relation to wine have an adverse effect on public health, safety and order;

(ii) the Government's proposal for a price-based wine equalisation tax (WET) will perpetuate the anomalies in the present system which result in cheap cask wine being taxed at one fifth of the level applied to low alcohol beers; and

(iii) the Government's WET proposal will not address this wide range of social concerns associated with alcohol abuse; and

(c) considers that it is only by taxing alcohol content that incentives can be introduced to produce lower alcohol, less toxic beverages”.

and upon which Senator Brown moved by way of amendment in respect of A New Tax System (Goods and Services Tax Transition) Bill 1998:

At the end of the motion, add:

"but that the Senate:

(a) notes that the Government's proposed $3.5 billion reduction in taxes on diesel will result in:

(i) increased greenhouse gas emissions;

(ii) increased air pollution, especially in urban areas;

(iii) reduced markets for solar and wind energy;

(iv) the demise of the oil recycling industry; and

(v) contraction of gas-fuelled transport; and

(b) considers that taxes on diesel for road transport should not be cut”.

and upon which Senator Brown moved by way of amendment in respect of A New Tax System (Australian Business Number) Bill 1998:

At the end of the motion, add:

"but that the Senate considers it wrong to impose new taxes on not-for-profit community groups working in the public interest”.

and upon which Senator Mackay moved by way of amendment in respect of A New Tax System (Commonwealth-State Financial Arrangements—Consequential Provisions) Bill 1999:

At the end of the motion, add:

"but the Senate condemns the Government for seeking to end the 25 year Commonwealth-local government funding partnership because:

(a) it is a regressive step that fails to recognise local government as an important sphere of government in Australia, a partner of the Commonwealth, and as a fundamental contributor to the wellbeing of the community;
(b) it places the future of many councils and the vital services and facilities they provide to their communities, particularly those in rural and regional Australia, at risk;

(c) it signals the abandoning of a national approach to standards for local government; and

(d) it has been universally and strongly rejected by local government in Australia"

and upon which Senator Carr moved by way of amendment in respect of further bills:


At the end of the motion, add:

"but that the Senate condemns the Government for:

(a) unfair tax cuts, with more than 50 per cent of the benefits going to the top 20 per cent of income earners;

(b) tax cuts for higher income earners which far outweigh the increases in social security payments for lower income earners; and

(c) creating a situation where a couple with no children earning $100,000 gets 5 times the benefit of a low single income family with three children".

A New Tax System (Compensation Measures Legislation Amendment) Bill 1998

At the end of the motion, add:

"but that the Senate condemns the Government for:

(a) a so-called compensation model for aged pensioners which will erode to nothing within a few years;

(b) imposing a GST on veterans and proposing a so-called compensation package which will also erode to nothing in a few years; and

(c) this massive sleight of hand at the expense of our aged and veteran pensioners".

A New Tax System (Bonuses for Older Australians) Bill 1998

At the end of the motion, add:

"but that the Senate condemns:

(a) the GST, which is effectively a retrospective tax on retirees, who have paid tax on their incomes and now face a new tax on their savings; and

(b) the proposed savings bonus, which the Australian Investors' Association has described as "so trifling as to be laughable".

A New Tax System (Trade Practices Amendment) Bill 1999

At the end of the motion, add:

"but that the Senate condemns the Government for:

(a) misleading the Australian people about the real price effects of the GST;

(b) inadequately resourcing the Australian Competition and Consumer Commission, thereby not protecting consumers from GST related profiteering; and

(c) threatening the viability of small business with unprecedented powers over small business pricing polices".

At the end of the motion, add:

"but that the Senate condemns the Government for:

(a) proposing to lower the living standards of Australia's pensioners; and

(b) attempting to mislead pensioners into believing that they will be compensated, when, in fact, as Mr Geoff Carmody of Access Economics has stated, "it is only a matter of time before the real value of the compensation offered in the ANTS package will be eroded to zero"."

A New Tax System (End of Sales Tax) Bill 1998

At the end of the motion, add:

"but that the Senate condemns the Government for:

(a) imposing a huge new paperwork burden on Australian small business through the GST, which does not exist under the wholesale sales tax;

(b) increasing the number of businesses paying indirect tax to the Government from 70,000 to 1.6 million; and

(c) imposing tax on the necessities of life for the first time".

A New Tax System (Goods and Services Tax Imposition—Excise) Bill 1998

At the end of the motion, add:

"but that the Senate condemns the Government for imposing a new tax on the necessities of life, namely, food, clothing, shelter, household bills and transport".

A New Tax System (Goods and Services Tax Imposition—Customs) Bill 1998

At the end of the motion, add:

"but that the Senate condemns the Government for imposing a new tax on jobs, which will:

(a) lead to thousands of job losses in both Tasmania and Queensland; and

(b) cause tens of thousands of job losses in regional Australia".

A New Tax System (Goods and Services Tax Imposition—General) Bill 1998

At the end of the motion, add:

"but that the Senate condemns the Government for:

(a) imposing a $2.5 billion increase in the insurance premiums of Australian consumers through a 'design oversight';

(b) failing to rectify this blatant revenue grab; and

(c) pretending that this massive hike in insurance costs is in the national interest".

A New Tax System (Goods and Services Tax Administration) Bill 1998

At the end of the motion, add:

"but that the Senate condemns the Government:
(a) for the most complex, administratively expensive and job destroying tax this country has ever seen; and

(b) for a GST that forces charities and other non-profit bodies to reallocate scarce resources to filling in forms for the Prime Minister (Mr Howard) and the Treasurer (Mr Costello), when these resources could be used to alleviate the misery and suffering of the poorest and most vulnerable members of the community".