



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



## **THE SENATE**

**A NEW TAX SYSTEM (GOODS  
AND SERVICES TAX) BILL 1998**

**A NEW TAX SYSTEM  
(GOODS AND SERVICES TAX  
IMPOSITION—EXCISE) BILL 1998**

**A NEW TAX SYSTEM (GOODS  
AND SERVICES TAX IMPOSITION  
—CUSTOMS) BILL 1998**

**A NEW TAX SYSTEM (GOODS  
AND SERVICES TAX IMPOSITION  
—GENERAL) BILL 1998**

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**A NEW TAX SYSTEM  
(GOODS AND SERVICES TAX  
ADMINISTRATION) BILL 1998**

**A NEW TAX SYSTEM (GOODS AND  
SERVICES TAX TRANSITION) BILL 1998**

**A NEW TAX SYSTEM (AUSTRALIAN  
BUSINESS NUMBER) BILL 1998**

**A NEW TAX SYSTEM (AUSTRALIAN  
BUSINESS NUMBER CONSEQUENTIAL  
AMENDMENTS) BILL 1998**

**A NEW TAX SYSTEM (END  
OF SALES TAX) BILL 1998**

**A NEW TAX SYSTEM (PERSONAL  
INCOME TAX CUTS) BILL 1998**

**A NEW TAX SYSTEM (COMPENSATION  
MEASURES LEGISLATION  
AMENDMENT) BILL 1998**

**A NEW TAX SYSTEM (BONUSES FOR  
OLDER AUSTRALIANS) BILL 1998**

**A NEW TAX SYSTEM (INCOME TAX  
LAWS AMENDMENT) BILL 1998**

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**A NEW TAX SYSTEM (AGED CARE  
COMPENSATION MEASURES  
LEGISLATION AMENDMENT) BILL 1998**

**A NEW TAX SYSTEM (TRADE  
PRACTICES AMENDMENT) BILL 1998**

**In Committee**

**SPEECH**

**Friday, 30 April 1999**

BY AUTHORITY OF THE SENATE

## SPEECH

**Date** Friday, 30 April 1999  
**Page** 4653  
**Questioner**  
**Speaker** Murray, Sen Andrew

**Source** Senate  
**Proof** No  
**Responder**  
**Question No.**

**Senator MURRAY** (WA) (10.54 am)—In wrapping up the debate on this issue, I must make some short remarks. The first thing I need to do is to respond to Senator Cook's question the day before last as to why the Democrats had abstained on a particular amendment which he thought was unusual given the content of the amendment. The reason we did so is that we think that amendment did not go far enough, and we have introduced amendments to correct the very issues that Senator Cook has outlined.

I am fully aware of the Labor Party's position on the GST, but the areas to which he referred in fact concerned income tax cuts. As both the Labor Party and we appreciate, nearly all those income tax cuts could go through without the GST bills at all. They can be funded separately. It is our intention to improve on inadequate and somewhat symbolic Labor Party second reading amendments by putting very material amendments to the income tax cuts bills which will deliver the outcomes which Senator Cook and his party profess to support, and I have no reason to doubt that that profession is not genuine.

Therefore, Senator Cook, our abstention the other day was designed to test your commitment to those issues. You have now established your threshold. When we come to the amendments which we have put to correct those ills that you have outlined, we will test your commitment at that time. Those will not be GST bills and we will be looking to make sure that you vote with us on that issue. So, if you like, there was a bit of a tactical test under way for your principles and for the way in which you approach that.

The final short remarks I wish to make on this particular amendment that the Australian Democrats put is that, for us, it was a threshold question. We wished to make clear, and it was for the parliament to make clear, that tax changes of this scale should not be countenanced by either the country, the parliament or the Senate unless they contain a genuinely progressive redistributive mechanism. We are firmly of the opinion—and I gather from all the non-government speakers that they are firmly of that opinion too—that the overall package in terms of the redistributive principle is regressive and that it in fact makes the rich and the better off much better off and does very little to advance the cause of the poor and the disadvantaged—the lower class and middle class in old class terminology.

We are convinced that the package makes millions of Australians worse off, and they are all at the lower end of the spectrum. So, if the package is designed to make millions of Australians at the lower end worse off and millions of Australians at the upper end better off, you can see why the non-government parties would adopt a position of either total opposition or requiring radical amendments. That is why we set out to try to establish a threshold position and philosophy against which this debate should proceed. Given the range and scale of debate on the issue of fairness which we have enjoyed over the last two days, I do not think I need say much more in wrapping up. I, therefore, urge that we move to the vote.