



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**

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

**A NEW TAX SYSTEM (BONUSES FOR
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**A NEW TAX SYSTEM (INCOME TAX
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**A NEW TAX SYSTEM (AGED CARE
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**A NEW TAX SYSTEM (TRADE
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**A NEW TAX SYSTEM
(COMMONWEALTH-STATE FINANCIAL
ARRANGEMENTS) BILL 1999**

**A NEW TAX SYSTEM (COMMONWEALTH-
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**A NEW TAX SYSTEM (WINE
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**A NEW TAX SYSTEM (WINE
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**A NEW TAX SYSTEM (WINE
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**A NEW TAX SYSTEM (WINE
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**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**

In Committee

SPEECH

Thursday, 13 May 1999

BY AUTHORITY OF THE SENATE

SPEECH

Date Thursday, 13 May 1999
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Questioner
Speaker Murray, Sen Andrew

Source Senate
Proof No
Responder
Question No.

Senator MURRAY (WA) (10.22 am)—I am glad Senator Sherry got up because, frankly, the remarks of the Assistant Treasurer exasperated me. Minister, I do not know what your experience in life is or what your background is. I do not know whether you have experience in business or accounting systems or anything of that sort. The compliance cost issue—and there are, I think, six people here in the chamber who were on the committee—relates to the suggestion by us that food is differently rated from the standard rate. It does not matter whether it is nought or 10 per cent or whether it is six per cent or 21 per cent, when you are introducing accounting systems, the compliance cost arises because you have to vary the price, you have to vary the system, you have to change the computer codes and you have to change the pricing. The compliance costs come from the administration and the management of a differential rate. For you to stand up and say that all those countries have a different rate, and therefore my argument does not count, misses the entire point.

I do not think it is typical of the whole government, but it shows that the Assistant Treasurer has not followed the evidence that was put before the committee. I cannot understand why you have not done that. This is the most important bill that you are ever going to carry as Assistant Treasurer, and you have not mastered the basic argument that the compliance cost in the differential rating of food arises because it is a different rate—not because it is zero versus 10 per cent. The same problem arises when it is six per cent versus 21 per cent. I hope that you have grasped that basic point. If you cannot understand that, I almost do not understand why we are having the debate. It just floors me.

The second point you made, which again illustrates that you have not followed the evidence, was that no-one has argued that making food zero rated is good for the economy. The very people who agree with you that food should be taxed argue that if food were not taxed employment would go up and the economic benefits would be positive. Have a look at the Murphy evidence. Have a look at Professor Dixon's evidence. These are people who support your position that food should be taxed, but they recognise that, if it were not taxed, there would be positive economic benefits to the agriculture and food industries. Two out of the three advisers who attended that evidence are here, and they can tell you that fact. So please do not misrepresent to those of us who were there the professional evidence that was given—it really is exasperating. Hold to your policy position, but please do not do that, because it invalidates everything else you say.