

GOODS AND SERVICES TAX, FOOD

**524. Mr O'GORMAN to the Treasurer:**

I refer to recent claims by the Prime Minister and federal Treasurer that the goods and services tax cannot be increased or extended to food without the agreement of all States. Will the Treasurer confirm whether this is the case?

**Mr RIPPER replied:**

I am very interested in the claim by the Prime Minister and the would-be Prime Minister -

Several members interjected.

The SPEAKER: Order, members!

Mr RIPPER: It appears that the Opposition would like to shout me down on the goods and services tax, and I understand its level of embarrassment. We have heard an extraordinary claim by the Prime Minister and the would-be Prime Minister that the States have the ultimate veto on whether the GST can be increased or extended to food. Members opposite seem to think that this issue has no significance. It is a live issue, given the comments of the federal Treasurer. *The Sydney Morning Herald* reports him as saying that there is no point in a broad-based consumption tax with exemptions. The lesson from that is very clear; the implication is very clear. Peter Costello believes that the GST should be extended to food. Barry Haase, the federal member for Kalgoorlie, believes that the GST should be extended to food. The Leader of the Opposition in this very question time has confirmed that he believes that the GST should be extended to food. It is not a late conversion by the Leader of the Opposition; it is something that he has been saying for a long time. On 28 June 2000, he said -

We got John Howard having to do a deal with the Australian Democrats, which resulted in crazy exemptions for processed and fresh food and all the rest of it.

He believes that not having the GST on food is crazy. That is the Liberal view. It is important to determine whether the State Government has a veto on the extension of the GST to food or an increase in the GST rate. We are firmly opposed to an increase in the GST rate, and we do not support the extension of the GST to food. Whether we have a veto is an important question.

I sought advice from the Crown Solicitor on this issue and the advice is very interesting. He said that the Commonwealth has the power, through its own legislation, to make a simple amendment to raise the goods and services tax or to apply the goods and services tax to food. In other words, there is no constitutional protection and there is no state veto. Peter Costello and John Howard can go into the Parliament, amend the legislation and increase the GST or extend it to food. The legal advice we received from the Western Australian Crown Solicitor is completely in accord with the advice the New South Wales Government received from the New South Wales Crown Solicitor. They have the means, the motive and the desire. There is only one way to stop the GST going on food and to keep the GST from increasing - elect a Beazley Labor Government on Saturday.

Mr Board: Hallelujah!

Several members interjected.

Mr RIPPER: I heard the cry "hallelujah" from across the Chamber. I have an appropriate retort for those who shout hallelujah from across the Chamber. I borrowed it from a placard outside, so I say to them, to Peter Costello and to Barry Haase: repent of your sins to God; why be forever tormented in the lake of fire?