

I'm going to be presenting on the Future of GST at The Tax Institute of Australia's 'Tax Reform Summit' in a couple weeks, and thought you'd like to know where I'm up to so far, and to let you know I'd be pleased to receive any input you may wish to give, simply by replying to this email (it will only come to me).

Best, Ken

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### **Should We Be Bracing Ourselves for Increased GST in the Future?**

While I'm honoured to have been asked to speak about the 'Future of GST' at The Tax Institute of Australia's 'Tax Reform Summit' in a couple of weeks time, preparing has made me realise the importance of the task.

It would be easy to jump to what I like, or what well-meaning businesses would like, but there are so many components of the entire 'tax system' that simultaneously require far more than tweaking. We need Reform.

We now have the greatest opportunity and impetus in decades to consider real, effective, and lasting tax reforms that must address:

- Why do we impose taxes at all ?
- What outcomes are they meant to achieve, for whom and when ?
- What is the role of government in our lives ?

There are certainly many parts to the 2-decades old GST itself that require correcting and modernising. It's getting tired and is not 'delivering' what it could and should.

However, GST going forward must fit in snugly and consistently with the rest of the tax, welfare and wealth distribution regimes. It must take into account our Constitution, demographics, aging and retirement, technology, education, health, laws, politics, finances, avoidance activities and crime.

When deciding on the future of a tax paid by businesses but passed on to consumers, what do we need to encourage or discourage in our inseparable economy and society?

Do we as a nation have the political and societal grit to do what is right, what is needed, and what we and future generations have to face?

We must consider the next 40 years to create a dynamic tax system that can duck, weave, and continually reshape itself in a timely way to stay prepared as a very uncertain future emerges.

Now is the time be unafraid, honest, and bold as we look to build wealth, deliver productive public goods and services while ensuring we are all treated with respect and dignity. We can't just leave it to future generations to resolve the circumstances we are leaving behind for them.

The GST or a similar broad-based tax borne at a household level will most certainly be an important part of the future, and we must consider it in context of the above, rather than minor knee jerk reactions and tweaking at the edges.