

## Interim Report

### Inquiry into the Impact of the Goods and Services Tax in Victoria

---

ORDERED TO BE PRINTED

---

AUGUST 2000

**by Authority.**

**Government Printer for the State of Victoria No. 34 - Session 1999/2000**

---

#### **MEMBERS**

Hon. Neil Lucas, P.S.M., M.L.C. (Chairman)  
Hon. Theo Theophanous, M.L.C. (Deputy Chairman)  
Hon. Ron Best, M.L.C.  
Hon. Geoff Craige, M.L.C.  
Hon. Kaye Darveniza, M.L.C.  
Hon. John McQuilten, M.L.C.  
Hon. Wendy Smith, M.L.C.

#### **ADMINISTRATIVE AND RESEARCH STAFF**

Mr R. Willis, Executive Officer  
Ms A. Morgan, Office Manager/Research Assistant  
Ms K. Ellingford, Senior Research Officer

#### **The Committee's Address is:**

**Level 8**

**35 Spring Street**

**MELBOURNE 3000**

**Telephone: (03) 9651-3592**

**Facsimile: (03) 9651-3691**

**E-mail: [edc@parliament.vic.gov.au](mailto:edc@parliament.vic.gov.au)**

**Website: <https://www.parliament.vic.gov.au/edevc>**

**Parliamentary Committees Act 1968**

---

## TERMS OF REFERENCE

### IMPACT OF THE GOODS AND SERVICES TAX IN VICTORIA

The Governor in Council, under section 39 of the **Parliamentary Committees Act 1968** issues the following terms of reference to the Economic Development Committee for inquiry into the Goods and Services Tax in Victoria:

- a. Assess the impact on the Victorian economy of the GST on the competitiveness of small and medium sized businesses with particular reference to regional Victoria including an examination of:
  - I. LPG prices;
  - II. petrol prices;
  - III. electricity prices;
  - IV. compliance costs; and
  - V. the cost of Government services
- b) Report by the first day of the Spring 2000 Parliamentary session.

Dated: 29 February 2000

Responsible Minister:

Steve Bracks

Premier

Clerk of the Executive Council

---

## INTERIM REPORT

On 29<sup>th</sup> February 2000, the Victorian Premier issued the Economic Development Committee with a Terms of Reference to inquire into the Impact of the Goods and Services Tax on the Competitiveness of Small and Medium Sized Businesses, with a particular reference to regional Victoria.

In carrying out this Inquiry, the Committee was required to examine the impact of the GST on LPG and petrol prices, electricity prices, compliance costs and the cost of Government services.

The Committee was required to report to Parliament by the first day of the Spring 2000 Parliamentary Session.

The Committee was mindful that such a limited reporting date would allow only a cursory review of the impact of the GST on the Victorian economy. In particular, only limited evidence would be available on the impact of the GST on prices since 1<sup>st</sup> July. Furthermore, the Committee's Report would be required to be tabled prior to the first installment of the Business Activity Statements in early November.

Despite these limitations, the Committee commenced the Inquiry with the aim of tabling a Report in early September which is historically the time when the Spring Session of Parliament commences.

In view of the earlier than anticipated commencement to the Spring Session, and the fact that Parliament will not be sitting for most of September, the Committee has resolved to table an interim report to meet its reporting obligation to table by the first sitting day of the 2000 Spring Session.

The Committee's Final Report will now be tabled in October 2000.

For the purpose of this interim report, a brief overview of the Committee's activities to date is provided.

The Committee advertised its Terms of Reference in the major daily newspapers in March and wrote to a number of key organisations and individuals seeking written submissions. To date, only 7 written submissions have been received.

In view of the lack of written submissions, the Committee was required to proactively gather evidence through a series of public hearings in Melbourne and regional Victoria (Traralgon, Bendigo and Benalla). Further regional hearings are scheduled to take place in Western and North Western Victoria in early September.

The Committee initially received a number of in-camera briefings from relevant organisations as a means of informing Members of key issues relating to the GST.

The Committee will deliberate on its findings and consider a draft report during September. As previously mentioned, the Final Report will be tabled in the Legislative Council during October 2000.

**29<sup>th</sup> August 2000**

---

## **Appendix 1 - List of Public Hearings**

### **26<sup>th</sup> July 2000 (Melbourne)**

- Mr Rob Bastian, **Council of Small Business Organisations Australia**
- Mr Clay Manners, Policy Director and Mr Geoff Crick, Treasurer, **Victorian Farmers' Federation**

### **27<sup>th</sup> July 2000 (Melbourne)**

- Mr Tim Piper, Executive Director; Mr Greg Porter, General Manager; and Ms Vicki MacQueen, Marketing Officer, **Australian Retailers Association Victoria**
- Mr Ian Maloney, General Manager, **Elgas Pty Ltd**
- Dr David Cousins, Commissioner and Mr Kevin Bain, Industry Analyst, **Australian Competition and Consumer Commission**

### **3<sup>rd</sup> August 2000 (Traralgon)**

- Cr Tony Hanning, Mayor and Ms Penny Holloway, Chief Executive Officer, **Latrobe City Council**
  - Mr Chris Buckingham, President, **Moe Development Group**
  - Mr Doug Womersley, Gippsland Regional Manager, **Victorian Employers' Chamber of Commerce and Industry**
  - Mr Peter Beasley, Chairman, **Latrobe Regional Chamber of Commerce and Industry**
  - Mr Des Grigg, Director, **G.J. Grigg Accountants**
  - Mr Stephen Dyt, Partner, **W.J. Dyt & Co Accountants**
  - Ms Dianne Blackwood, Director, **Blackwood Engineering**
- 9<sup>th</sup> August 2000 (Bendigo)**
- Mr Brian Gould, Economic Development Manager and Ms Lilly Miszewski, Business Liaison Manager, **City of Greater Bendigo**
  - Mr Kristian Wenckowski, Proprietor, **Colliers Golden Key Bootery**
  - Mr Rod Burns, Manager, **RSM Bird Cameron, Bendigo**
  - Mr Jim Mason, Secretary, **Bendigo Regional Chamber of Commerce**
  - Mr Bill Jeffrey, Manager, **Golden City Mitre 10**
  - Mr Max Bickford, Farmer
  - Mr Steven Bates, Secretary, **CPA Australia – Bendigo Branch**
  - Mr Neil Shearer, Director-Manager, **Tidy Pact Pty Ltd**
- 14<sup>th</sup> August 2000 (Melbourne)**
- Dr John Tamblyn, Regulator-General; Ms Kathleen Forrester, Regulatory Analyst; and Mr Greg Wilson, Director Price Reviews, **Office of the Regulator-General Victoria**
  - Mr David Cumming, Manager Government Affairs, **Royal Automobile Club of Victoria**
- 17<sup>th</sup> August 2000 (Benalla)**
- Cr Ken Whan, Mayor; Mr Robert Dobrzynski, Chief Executive Officer; Mr Graham Nickless, Executive Officer Economic Development; and Mr Robert Williams, Retail Enterprise Growth Facilitator, **Delatite Shire Council**
  - Mr Don Maling, Proprietor, **Edible Deli, Benalla**
  - Mr Chris Pretty, Chairman, **Action Benalla**
  - Mr Dennis Scott, **Scotty's IGA Supermarket, Benalla**
  - Ms Kim D'Arma, GST Sign Post Officer, **North Eastern Victoria Area Consultative Committee**
  - Mr Frank Stephens, Director, **Rosecity Traveland and Rosecity Lotto, Benalla**
  - Mr Brendan Smith, Partner, **Smith O'Shannesy Accountants, Benalla**
- 21<sup>st</sup> August 2000 (Melbourne)**
- Mr Peter Burn, Assistant Director, **Business Council of Australia**
  - Mr Paul Drum, Senior Tax Consultant and Mr David Boydell, Tax Consultant, **Australian Society of Certified Practising Accountants**, Mr Ken Claughton, Manager Indirect Tax, **Pitcher Partners**
  - Mr Jim Starkey, Former Executive Director; Mr Bryan Nye, Executive Director; and Mr Tony Cudmore, Assistant Director, **Australian Institute of Petroleum**

**28<sup>th</sup> August 2000 (Melbourne)**

- Mr Brian Welch, Executive Director, **Master Builders Association of Victoria**
  - Mr Rob Spence, Chief Executive Officer and Ms Sarah Hunt, Senior Policy Adviser, **Municipal Association of Victoria**
  - Mr Ken Mathers, Vice President Policy, **The Institution of Engineers, Australia**
- 

**Appendix 2 - List of Written Submissions Received**

| <b>Submission Number</b> | <b>Name of Individual/Organisation</b>   | <b>Date Received</b> |
|--------------------------|--|----------------------|
| 1.                       | Ms Nicole Feely<br>Chief Executive Officer<br><b>Victorian Employers' Chamber of Commerce &amp; Industry</b> | 29 May 2000          |
| 2.                       | Dr John Tamblyn<br>Regulator-General<br><b>Office of the Regulator-General, Victoria</b>                     | 21 June 2000         |
| 3.                       | Mr David Hanna<br>Acting Secretary<br><b>Department of State and Regional Development</b>                    | 21 July 2000         |
| 4.                       | Mr Ken Badenoch<br>Manager<br><b>Hotel, Motel and Accommodation Association</b>                              | 26 July 2000         |
| 5.                       | Mr Tim Piper<br>Executive Director<br><b>Australian Retailers Association — Victoria</b>                     | 27 July 2000         |
| 6.                       | Mr Brian Welch   | 31 July 2000         |

|    |  |              |
|----|--|--------------|
|    | <p>Executive Director</p> <p><b>Master Builders Association of Victoria</b></p>  |              |
| 7. | <p>Ms Leanne Hardwicke</p> <p>Director</p> <p>Public Policy and Representation</p> <p><b>The Institution of Engineers, Australia</b></p> | 31 July 2000 |