



GST Review Must Be On The Tax Reform Agenda

The peak business organisation representing dental product manufacturers and suppliers, the Australian Dental Industry Association (ADIA), is calling on the Australian Government to include the Goods and Services Tax (GST) in its review of tax arrangements.

“A sustainable tax structure will only be achieved through an integrated package of reform across all significant Commonwealth and State tax bases in the form of a balanced package covering consumption, income and assets,” said Troy Williams, ADIA Chief Executive Officer.

ADIA’s policy statement on the GST asserts that the tax remains unnecessarily complex due to the exemption of many products and services. ADIA has argued that reform proposals should canvas opportunities to simplify the system by removing the vast number of exemptions that currently exist (potentially retaining only those relating to housing). Simplification of the tax system will help reduce the red tape that impedes the ability of business to grow, create jobs and operate sustainably.

“From the perspective of businesses across the dental industry, the tax system remains unnecessarily complex and there are considerable benefits for business that can be derived from reforms that simplify it,” Mr Williams said.

ADIA recognises that the current fiscal imbalance between the Australian Government and its state / territory counterparts is creating a challenge for the latter that have the predominant responsibility for funding key services such as education and health, but lack the revenue to fund them. ADIA believes that in order to meet prudent increases across these areas, additional tax revenues may be required; however, ADIA asserts that GST reform needs to be more than an exercise in revenue-raising.

“Australia’s taxation system needs to be tilted to provide the incentive to invest, encourage workforce participation and, for businesses, it needs to reward risk-taking and entrepreneurship. To secure this outcome it is necessary to include GST reform into the policy debate,” Mr Williams concluded.

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