

# FINANCIAL REVIEW

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## GST rise gains support from low-income earners, big earners oppose



Malcolm Turnbull will be putting all GST reform options on the table to seek community mandate before the next election. **Andrew Meares**



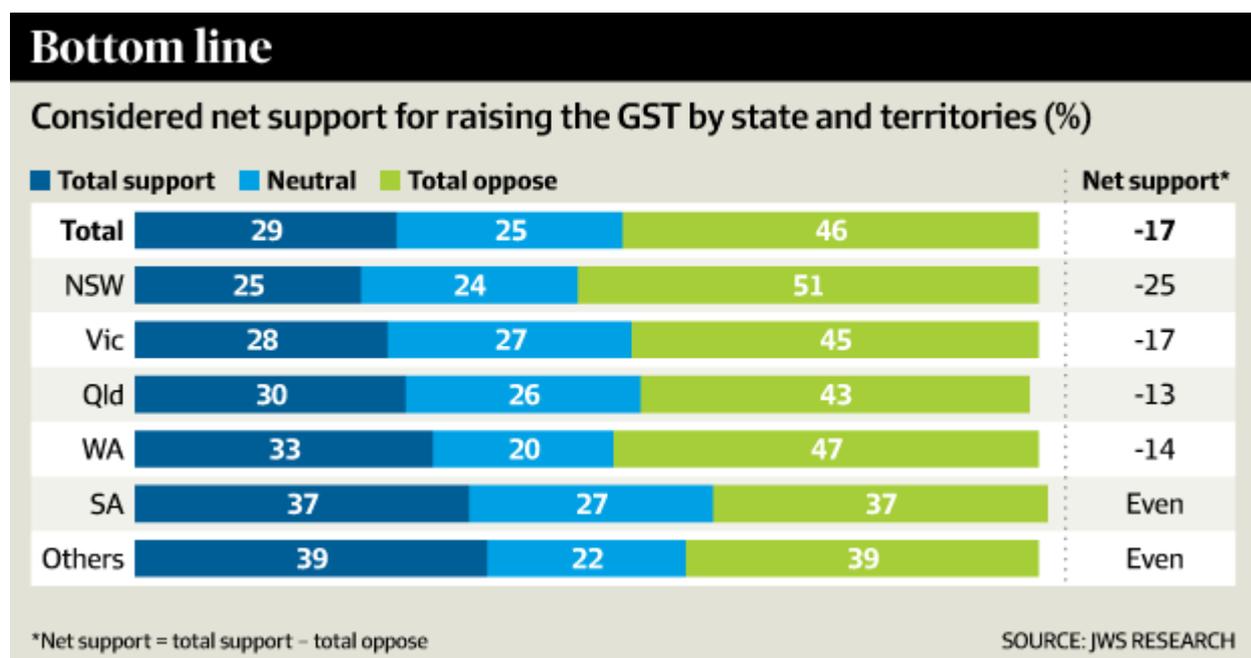
by [Phillip Coorey](#)

Extensive new research has confirmed that opposition to an increased GST drops sharply if it is to be accompanied by compensation for low and middle-income households but the government still faces a tough task to sell the change to those who won't be compensated and people in NSW and Victoria who already face high cost of living pressures.

Those who will be compensated – welfare recipients, pensioners, stay-at-home mothers, regional Australians and other lower income households – are the least hostile to an increased GST when compensation is mentioned.

A survey of 1110 voters conducted this month by polling outfit JWS Research found that when asked about increasing the GST from 10 per cent to 15 per cent, the overwhelming majority of Australians of all demographic and geographic persuasions are opposed.

The research finds that overall, 69 per cent are opposed to a GST increase in isolation while just 14 per cent are supportive and another 14 per cent are neutral, making it 28 per cent supportive or neutral.



The results shift dramatically when voters are asked about an increased GST so long as government tax revenues do not increase overall, and there are personal income tax cuts, family tax benefit top-ups and other welfare increases to ensure households earning less than \$100,000 per year are no worse off.

The JWS Research finds opposition drops 23 points to 46 per cent, or less than half, while support rises 15 points to 29 per cent and those who are neutral increases to 20 per cent, making it 49 per cent either supportive or neutral.

With the government to take a tax reform proposal to next year's federal election, Prime Minister Malcolm Turnbull is yet to actually agree to a GST increase, although business groups and tax experts believe it must be increased or have its base broadened to fund other measures such as company and personal income tax cuts.

## HIGH EARNERS MOST OPPOSED

The JWS Research shows voters from households with combined incomes over \$100,000 remain the most hostile to a GST increase after the compensation is factored in. It finds that among people in this group, 65 per cent oppose a GST increase in isolation, 20 per cent are supportive and 14 per cent are neutral.

Once the compensation is mentioned, 56 per cent still remain opposed while 25 per cent are supportive and 19 per cent neutral.

At the other end, the shifts in support are the most dramatic when compensation is mentioned.

The most significant change occurs among pensioners and the unemployed. Of this group, 81 per cent oppose a GST increase in isolation while only 5 per cent are supportive and 13 per cent neutral. When compensation is mentioned, opposition falls to 49 per cent while support jumps to 29 per cent and 23 per cent are neutral.

Among stay-at-home parents, opposition drops from 68 per cent to 31 per cent when compensation is mentioned and support jumps from 9 per cent to 28 per cent.

On a statewide basis, residents in the high-cost states of NSW and Victoria remain the most hostile to change after compensation is factored in while voters in South Australia, Tasmania and the ACT are evenly split.

On the weekend, Opposition Leader Bill Shorten used a marginal seat visit in Brisbane to ramp up his campaign against any GST increase.

"There's no good case for increasing the price on absolutely everything," he said, claiming it would especially hurt small business.

"Labor will oppose the GST with every ounce of fight that we have in us. We've successfully seen off the Liberal plans for a GP tax. We've successfully defeated the attacks by the Liberals on cutting the pension, on \$100,000 degrees so far. Labor will win this fight on the GST, because Australians don't want to pay 15 per cent on absolutely everything."

If the government does move on the GST, Treasurer Scott Morrison has already ruled out applying it to health or education.

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