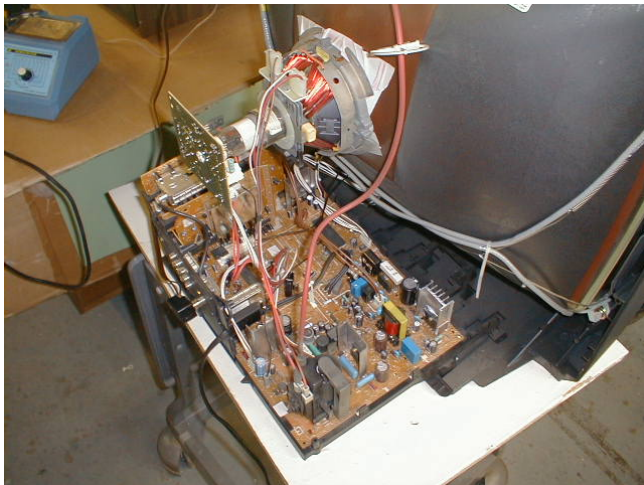


GST and New Tax System termination notice for thousands of repairers

By Tony Backhouse

16 May 2011

Electronics repairer [Tony Backhouse](#) says the "Coalition's GST and New Tax System was the termination notice for tens of thousands of people working in the repair service industry".



In reply to the letters of both Mark McLean and Kevin Darke in the *Daily Telegraph* on May 11 (note below) I would like to say that the deal agreed to by former Australian Democrats Senators Meg Lees and Andrew Murray to pass the Coalition's *GST and New Tax System* was the termination notice for tens of thousands of people working in the repair service industry. The Sales Tax rate on Automobiles and components was 22 per cent of the "wholesale" price, on a big ticket item where the retail mark-up was only a few per cent. However, a repairer usually has to charge a high percentage mark-up on small ticket, individually supplied, low turnover replacement components to make a profit that is comparable in real dollars.

What's worse is that an expensive repair competes with replacement and thanks to the New Tax System the second hand market is now flooded with cars unwanted for trade in.

The "Tax Mix Switch" was worse for electronic repairers, for whom many new items were taxed at 32 per cent with similarly minute retail margins. The net retail price drop of competing replacement equipment over the 12 month transition was 25 per cent and repairers were expected to charge 10 per cent on top of their service charges which mostly consisted of labor costs.

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A temporary GST increase addresses inflation better than an interest rate rise
Kevin Darke, Castle Hill

Repair costs dictate old vehicle write-offs

Another well thought out Government vote grabber. With the price of LCD TV's plummeting surely the government could have arranged with a supplier to provide a 32 inch or smaller LCD with a built in high-definition tuner. One less remote and easier for the elderly/disabled to understand.
Leigh Quinn
North Meera

Pakistan! puppets
General Musharraf says bin Laden might have "punished himself" by remaining a virtual prisoner in a room for six years. Poor fellow. Living in a building especially constructed for him, right in the middle of a military base and surrounded by serving and ex-senior ISI officers? The Pakistan government is a puppet. Pakistan's true rulers are the ISI, much feared by all government members. Come on, Barack Obama, Bin Laden clearly see what has transpired.
Sydney Mitchell
Etna

Shorten up super
Assistant-Treasurer Bill Shorten (Clean-up time for financial advisers, May 6) demonstrates the clever way the Government operates. First it loses the hard-earned superannuation investments of ordinary folk due to its poorly developed regulations. Then it points the finger at investors for not researching their investments thoroughly. If it was totally the investors' fault, why change the financial regulations, which it recently did? A Government borrowing curve cost me all my investment, which was an injury compensation. I feel the Government was instrumental in rigging off my wealth by shoddy governance.
John Telford
Ferry Meadows

Pension off old TVs
To prevent another Gillard Government disaster with the provision of set top boxes to all pensioners, why not give all pensioners a one-off payment to purchase a set top box and have it installed. When the analogue system is switched off, any pensioner who doesn't have a set top box has no-one to blame but themselves. Those pensioners who already have digital televisions would actually come out in front for a change. This would save taxpayers tens of millions of dollars.
Tony Goonan
Etna

Plane contribution
There has been much talk about how few asylum seekers would actually come out in front for a change. Most arrivals by plane are visa overstayers working here illegally, whereas 90 per cent of boat arrivals are not working and receive our tax dollars. Plane arrivals contribute to our society, boat arrivals do not.
Harry Graham
Etna

Upside to GST
Interesting anti-GST comment (your say, May 10). John Howard won the election on a promise to introduce the GST. Labor governments now can't do without it. There was excessive consultation with the public and industry prior to implementation, with certain categories of goods exempted. People forged the GST replaced an antiquated multi-level sales tax of up to 27.5 per cent. The GST is not perfect but as a broader system it captures consumption, targets the cash economy and delivers much needed revenue to the states, which fund services to the elderly and disadvantaged. In NSW, young homebuyers have taken advantage of stamp duty and first home buyer rebates probably funded in part by GST revenue. Some might even argue a temporary increase in GST addresses inflation better than an overall interest rate rise. Young families struggling with a mortgage seem to suffer most when interest rates go up.
Kevin Darke
Castle Hill

No hand out
The Labor Government risks destroying the budgets of thousands of families so they can look like they're doing something for low income earners. The weekly payment of \$6 in the Budget is not a new tax cut for low income earners. They already get that money in tax returns at the end of each financial year. What Wayne Swan is not speaking is that the low income rebate is a benefit that has been qualified for. Heaven help taxpayers on the threshold of receiving this payment. If Labor pays the rebate weekly then, at tax time, recipients who are over the threshold will have to pay it back. This is another disaster in the making, and will be a massive blow to the budgets of those who can least afford it.
Chris Whitehall
Wattle Grove

Gillard kills Labor
Julia Gillard may well be the last Labor Prime Minister we will see for many years. The damage she has done to the Labor brand by lying to the electorate because she knew she would not be elected had she disclosed her intentions on carbon tax, then allowing the extreme left Greens and self-interested independents to

