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GST ON ALL ONLINE PURCHASES IS AN UNWELCOME NEW TAX: IPA

Joe Hockey's decision to extend the GST to online purchases below \$1,000 by 2017 is a new tax that will hurt Australian consumers, according to Chris Berg, Senior Fellow at the Institute of Public Affairs.

Treasurer Joe Hockey announced that the GST is to be extended at a press conference in Canberra this afternoon, following a meeting with state treasurers.

"This measure is breach of faith with voters. In opposition the Coalition promised it would not introduce new taxes," says Mr Berg.

"Joe Hockey claimed in his press conference that the tax increase is 'about the integrity of the system.' But the reality is that extending the GST to online goods is a tax hike, and one which will leave Australians worse off," says Mr Berg.

Joe Hockey also announced that foreign companies will be asked to register for GST in order for the tax to be raised.

"The government is going to try to enforce a regulatory burden on foreign firms for what is likely to be small amount of money," says Mr Berg.

"The Abbott government should be looking to lower taxes at every opportunity. It should not be trying to raise them," says Mr Berg.

No to the GST attack, a report from Dr Mikayla Novak, Senior Research Fellow at the Institute of Public Affairs, on why the government should not extend the GST to online shopping, is available to download [here](#).

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