



## OECD SUGGESTION TO INCREASE GST TO COVER COVID DEBT UNFAIR

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Calls by the OECD to raise the GST to help pay down the federal government's massive Covid debt would have a devastating impact on low income earners and under-privileged communities according to Australia's peak Catholic social services group.

The recommendation is part of the Organisation for Economic Co-operation and Development's 2021 Economic Survey of Australia. The OECD is now headed by former Australian finance minister Mathias Cormann.

Monique Earsman, Executive Director of Catholic Social Services Australia, said today that increasing the GST to fund the Covid debt is a short term solution to a long term problem.

"It is broadly accepted that the GST is a highly regressive tax because it disproportionately hits those on lower incomes," Ms Earsman said.

"Any move to increase the GST would only make this worse and would place even greater pressure on struggling families around Australia.

"As an alternative to increasing the GST the report suggests the government could broaden the base to include a range of other goods and services. This would also hit low income families, the disadvantaged and the unemployed hard as they struggle to make ends meet," Ms Earsman said.

Ms Earsman said the Government needs to rule out any prospect of increasing the GST and look to other OECD recommendations such as further investment in the social safety net.

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