

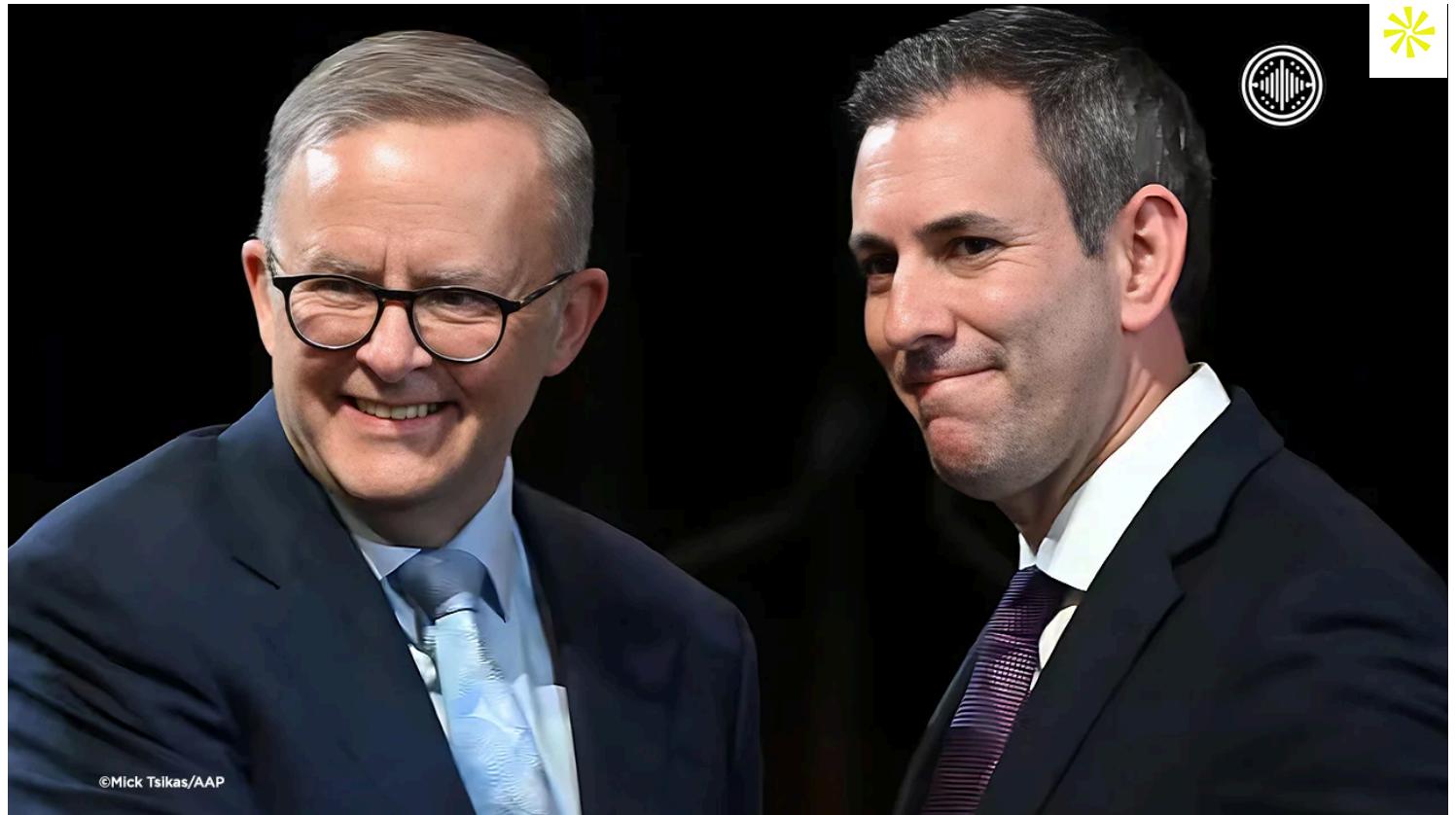
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Economist Pushes 15% GST in Tax Overhaul

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A proposal to raise Australia's Goods and Services Tax (GST) from 10% to 15% has sparked debate about the country's tax system sustainability. University of New South Wales economist Professor Richard Holden and independent MP Kate Chaney suggest expanding the GST to include essentials such as fresh food, health, and education. To ease the burden on low-income families, the plan includes an annual \$3,300 rebate designed to offset increased costs. Professor Holden argues the current

tax system is broken and needs significant reform to remain sustainable, stating that the rebate would effectively shield households on the first \$22,000 of spending.

The proposal has attracted criticism, with opponents warning that expanding GST on essentials could hit struggling families hard, especially amid rising living costs. Some analysts also caution that increasing consumption taxes during uncertain economic times could suppress spending and hinder growth. Prime Minister Anthony Albanese has already rejected the plan ahead of the upcoming Economic Reform Roundtable, emphasizing that any tax changes must carefully balance economic growth with fairness to taxpayers.

Australia's GST revenue is distributed to state governments, and changes to the tax base could complicate federal-state financial relations. The country's tax framework has seen little structural reform in decades, and with rising public debt and an aging population, there is increasing pressure on policymakers to find sustainable funding solutions. Supporters of reform argue that broadening the GST base could simplify revenue collection and reduce reliance on income taxes.

While the government's swift dismissal suggests major GST changes are unlikely soon, the debate highlights growing concerns over Australia's tax system. The challenge remains to balance fiscal sustainability with equity for taxpayers as the nation faces economic pressures. Whether through GST adjustments or other reforms, this conversation signals the need for long-term planning in Australia's economic policy.