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MEDIA RELEASE

ABBOTT MUST RULE OUT GST ON EDUCATION

Labor has called on Tony Abbott to rule out a new GST on school fees, child care and universities – a move that would cost Australian families \$3 billion a year, and damage the productivity and competitiveness of our economy.

It has now become clear that there is a centrally orchestrated Liberal campaign to increase the rate of the GST and broaden its base – with Liberal MP Dan Tehan today firing the latest salvo by calling for the GST to be applied to health and education.

"School fees would go up, so would out of pocket costs for child care, and the impact of Tony Abbott's \$100,000 degrees would be even worse," Shadow Education Minister Kate Ellis said.

"It would blow a massive hole in the family budget, and hurt those who can least afford it.

"This comes on top of Tony Abbott's \$1 billion cut to child care, \$30 billion cut to schools and massive cuts to higher education."

Extending the GST to education would be a major drag on our economy, making it harder for Australians to develop the skills we need to support jobs and growth. It would also drive up the cost of child care and drive down workforce participation.

Deloitte Access Economics says extending the GST to education <u>will hit families with \$3</u> <u>billion a year in extra costs</u>, compounding the unfair impacts of the massive education cuts and \$100,000 degrees announced in the Budget.

Before the election Tony Abbott promised no new or increased taxes, and ruled out changes to the GST.

"Tony Abbott is only good at one thing – and that's breaking promises," Shadow Minister for Higher Education, Research, Innovation and Industry Senator Kim Carr said.

"It's time Tony Abbott stopped hiding behind Liberal Premiers and backbenchers – he should rule out a GST on education, or come clean about the his plans to betray the Australian people yet again."

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