

# ENDING THE TAMPON TAX

A Shorten Labor Government will work with the states and territories to remove the 'tampon tax', ending the ridiculous imposition of the GST on tampons, pads and other essential sanitary products.

## **The tampon tax**

The Goods and Services Tax (GST) is applied to tampons, pads and other sanitary products because the Howard Government did not consider them to be health items. In contrast, products that were considered to be health items when the GST was introduced – such as condoms, lubricant and nicotine patches – are exempt from the tax.

Australian women spend around \$300 million on essential sanitary products – tampons and pads – each year.

Currently, every single one of these products is hit with the 10 per cent GST – around \$30 million a year in tax – because they are not considered necessities.

Since the GST was introduced, the tampon tax has also been a symbol of what happens when you don't have women at the decision-making table and when you don't consider the impact government policies have on women.

## **What will Labor do?**

The decision to tax tampons and other sanitary items should never have been made in the first place and it's time we fix it.

A Shorten Labor Government will work with the states and territories to remove the tampon tax urgently.

Labor's policy will make sanitary products more affordable – benefitting millions of Australian women and families.

## **How will it work?**

Removing the tampon tax will require the agreement of the states and territories through the Standing Council on Federal Financial Relations. Draft legislation will be agreed by state and territory governments before being tabled in the federal Parliament.

Other efforts to end the tampon tax have failed because of the impact on state and territory GST revenues.

That's why Labor will offset the loss of the tampon tax by ensuring that the GST is applied to natural therapies that lack clinical evidence.

Natural therapies such as herbalism and naturopathy are sometimes exempt from the GST because they are treated as health services. But a 2015 review by the Government's own Chief Medical Officer and National Health and Medical Research Council found that 12 therapies are not supported by evidence: Aromatherapy, Bowen therapy, Feldenkrais, Herbalism/western herbalism, Homeopathy, Iridology, Kinesiology, Naturopathy, Pilates, Reflexology, Rolfing and Shiatsu.

Labor will ensure that the GST is applied to these therapies. This would bring their tax treatment into line with the bipartisan policy to remove the private health insurance rebate these practices, creating revenue to remove the tampon tax.

Labor will not change the GST treatment of the five natural therapies for which the Chief Medical Officer and National Health and Medical Research Council review found some evidence: yoga, tai chi, massage therapy, Alexander technique and Buteyko.

### **The Liberals' record**

The Howard Government imposed the tampon tax when it introduced the GST.

In 2015, Treasurer Joe Hockey admitted that the GST should be removed from sanitary products and undertook to raise the issue with state treasurers. However, Prime Minister Tony Abbott ruled out a change within days.

### **Financial Implications**

Labor's policies to remove the tampon tax and ensure the GST is applied to natural therapies that lack clinical evidence have been costed by the independent Parliamentary Budget Office.

Over 10 years, removing the tampon tax will reduce state revenues by \$313 million, while ensuring the GST is applied to non-evidence-based natural therapies will increase state revenues by \$324 million.

Because GST revenue is paid to the states and territories, Labor's policy will not impact the Commonwealth's fiscal position.