

Rafizi and Lokman spar over GST at UM forum

MalaysiaKini.com

Mar 11, 2015

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A forum on the impending implementation of GST turned into a slanging match between PKR vice president Rafizi Ramli and Umno Youth exco member Lokman Noor Adam.

Lokman, who heads Umno Youth's GST briefing programmes, got the ball rolling claiming that Rafizi doesn't understand taxation by citing the latter's earlier debate on the same topic with Public Account Committee (PAC) chairperson Nur Jazlan Mohamed.

"I don't get why an accountancy graduate couldn't understand the concept of GST, I think he had studied GST for quite some time, it is a lie when Rafizi said consumers will be exempted from service tax once they are charged with sales tax," he said.

Lokman claimed that the GST would improve the current sales and service tax system (SST) which he claimed caused consumers to be taxed multiple times, unlike GST which would result in a six percent tax on the end product.

"So how can we say that GST is not benefiting the people?" Lokman asked, to mixed reactions from the packed social science faculty lecture hall at Universiti Malaya.

Lokman: Our GST is 'special'

Lokman added by introducing GST, the federal government stands to collect RM23 billion per annum as compared to the current SST system which is collecting RM13 billion per annum.

He added that GST in Malaysia was "special" because it is divided into standard rated supply, zero rated supply and tax exempted supply, unlike in Singapore and Australia.

Following this, Rafizi retorted that Lokman had made a mistake during his presentation by claiming that three categories for GST were unique to Malaysia.

"In fact, our GST system is adapted from Australia. And I'd like to say here that the difference is not of the three categories of GST, but the different percentage levied to the consumers," he said.

He also dismissed Lokman's earlier claim that opposition leader Anwar Ibrahim, during his tenure as finance minister in the 1990s, had agreed with the implementation of GST.

"I've checked the (Parliament) Handsard. It was his (predecessor) Daim Zainuddin who suggested the GST when the country was facing an economic crisis. When Anwar was a finance minister, there is a rapid growth in the country's economy in between 1991 and 1998.

"And because Anwar saw a boom in the economy, he decided to drop the suggestion to introduce the GST. That is in the 1992 hansard," he said.

'Scrap 1MDB for instant savings'

Rafizi said that instead of taxing the public further, the federal government should reduce government expenditure by tackling corruption and scraping the controversial 1Malaysia Development Bhd (1MDB).

Responding to this, Lokman then slammed Rafizi for questioning the government's ability in plugging leakages and making insinuations against Prime Minister Najib Abdul Razak and his role in 1MDB.

"If Najib is corrupted, why can't we find any evidences to prove that he is guilty? All the opposition can do is make up stories about his wife Rosmah Mansor. I can guarantee that he is not corrupt. Najib is the cleanest," he said.

To a question from the floor, Lokman said the government would ensure that government will help the public face rising cost of living, citing the Bantuan Rakyat 1Malaysia (BR1M) cash aid and book voucher scheme for students.

"Fellow friends, where did your book vouchers come from? Isn't it from the BN government?" he asked.

When addressing a separate question, Rafizi shot back at Lokman for suggesting that students should be grateful for the book vouchers.

"Where did the BN government get all the money for subsidies and book vouchers? Isn't it the taxpayers' money?" he asked, drawing hoots and applause from the audience.

The forum was organised by the UM student union.