



30/11/2006 16:19

 Urgent Return Receipt

To: &lt;taxreform@fstb.gov.hk&gt;

cc:

Subject: GST feedback

I would like to write to you to explain why I am opposed to the GST.

As an English teacher and 'expat' having lived here full time for 20 years and spending a lot of time with my family here since the early 70's I have seen a lot of changes. In the news they often talk about the divide between rich and poor. I have taught in local schools in poorer areas and I was surprised to find children who did not know what sushi tasted like because it was too expensive. In examining my life I find that although I am at a very low expat income level many students still regard me as 'rich.'

I shop in supermarkets while their families make do with local markets and work hard to stretch their purchasing dollars. They rely on hand me downs for clothes and uniforms. They know how much their school books cost because their families save up for the expenditure. I feel uncomfortable when they call me rich because I can enjoy sushi for lunch several times a month.

If smaller shops will not need to pay the GST they will also not get the tax benefits of filing the required paper work so their inherent costs will go up and this will be passed on to the poorest purchasers. They may be encouraged to do more 'under the table' trade or reprot items as stolen to protect their poorer long-term customers. This forces them to do something illegal to protect the less well off. Also the poorer customers will avoid shops that I freely shop in. My students will see me as rich by were I shop not just by what I eat. If I am to set a good example to them I can take a rice box or homemade sandwich and they will feel more comfortable with me.

It is this worsening of the divide between rich and poor that worries me most. We cannot put in a GST and force the poor to become even more obvious by where they must shop. Life is difficult enough for some of them and it is embarassing to be in that situation. I'm sure they check carefully each purchase but at least now most of my students do accept shopping in supermarkets is normal for everyone. We use the environment as a teaching theme and all children can relate to it. It would be very sad to have that taken from them.

I know you comment there will be tax refunds for the lower tax payers, but what about those who do not pay taxes? They are the poorest of the poor, ostricised by the limitations in their shopping experiences already, and will be hurt by the extra tax burden with no refund at the end of the year. I even know of several expat English teachers, who because of family burdens, pay almost no taxes. If it is cutting into the lifestyles of these relatively wealthy individuals what will it do to less wealthy families?

Personally I would rather you keep the wine tax and other luxury items or tax people like myself an extra percentage to make up the difference if you really need it. Perhaps an annually extra percentage could be reviewed and levied only as needed. If it was only 1 or 2% to help the poor avoid the GST and extra burden I would gladly pay it. Poverty damages the self-esteem of poor families. The GST would force their poverty to become another embaressing secret they hide from the world.

I think in a country where most people pay taxes and therefore would get a bit of tax releif the GST would be more acceptable but at the moment I do not think HK is ready for it. Our recovery is only just becoming a reality and I judge this by the fact that many taxi drivers speak good English and are ex-businessmen so the boom times are definitely not here yet. Many low income families have only a delicate grasp of self-support and self-respect, do not take the risk of damaging that, please.

Kris