

THURSDAY, 25 FEBRUARY 1993

Mr SPEAKER (Hon. J. Fouras, Ashgrove) read prayers and took the chair at 10 a.m.

PETITIONS

The Clerk announced the receipt of the following petitions—

Community Legal Centres

From **Mr Beanland** (84 signatories) praying that the Parliament of Queensland will continue to fund community legal centres.

Southport Spit

From **Mr Borbidge** (62 signatories) praying that the Southport Spit be retained in perpetuity as a public open space environmental park and that an open forum be conducted with a view to forming a management strategy for the Spit.

Child Molesters

From **Mr Bennett** (8 830 signatories) praying that the parole period be removed when sentencing child molesters, that offenders are given and serve maximum sentences and that their names be released for publication.

A similar petition was received from **Mr Hobbs** (302 signatories).

Petitions received.

STATUTORY INSTRUMENTS

In accordance with the schedule circulated by the Clerk to members in the Chamber, the following documents were tabled—

Agricultural Chemicals Distribution Control Act—

Primary Industries (Variation of Fees) Regulation 1993, No.9

Agricultural Standards Act—

Primary Industries (Variation of Fees) Regulation 1993, No.9

Associations (Natural Disaster Relief) Act—

The Capricorn Country Club Inc. (Natural Disaster Relief) Amendment Order
1992

Brands Act—

Primary Industries (Variation of Fees) Regulation 1993, No.9

Carriage of Dangerous Goods by Road Act—

Transport Legislation Amendment Regulation (No.1) 1993, No.17

Chemical Usage (Agricultural & Veterinary) Control Act—

Primary Industries (Variation of Fees) Regulation 1993, No.9

Dental Technicians and Dental Prosthetists Act—

Dental Technicians and Dental Prosthetists Amendment By-law (No.1) 1993, No.12

Dental Act—

Dental Amendment By-law (No.1) 1992, No.3

Electricity Act—

Electricity (Articles of the Queensland Electricity Supply Industry Employees' Superannuation Scheme) Amendment Regulation (No.1) 1993, No.35

Electricity (Superannuation Scheme Determination) Regulation 1993, No.36

Electricity Amendment Act—

Proclamation—Provisions of section 11 commence on 1 March 1993, No.34

Fair Trading Act—

Fair Trading (Infant Cushions) Amendment Order (No.1) 1993, No.22

Farm Produce Marketing Act—

Primary Industries (Variation of Fees) Regulation 1993, No.9

Fishing Industry Organisation and Marketing Act—

Fishing Industry Organisation and Marketing Amendment Regulation (No.1) 1993, No.8

Gateway Bridge Agreement Act—

Gateway Bridge Agreement Amendment Order 1993, No.2

Harbours Act—

Harbours (Abbot Point) Amendment By-law (No.1) 1993, No.30

Harbours (Distribution of Revenue) Regulation 1993, No.31

Harbours (Hay Point) Amendment By-law (No.1) 1993, No.29

Health Act—

Health (Movement of Drugs of Dependence Calendar) Notice 1993, No.1

Poisons Amendment Regulation (No.1) 1993, No.20

Marine Parks Act—

Marine Parks Amendment Regulation (No.1) 1993, No.38

Marine Parks (Moreton Bay) Order 1993, No.37

Meat Industry Act—

Meat Industry Amendment Regulation (No.1) 1993, No.7

Nature Conservation Act—

Proclamation—Provisions of Divisions 4,7 and 8 of Part 4 and section 122 of the Act commence on 12 February 1993, No.26

Plant Protection Act—

Plant Protection Amendment Regulation (No.1) 1993, No.32

Plant Protection (Declaration of Palm Leaf Beetle Pest Quarantine Area) Notification 1993, No.14

Plant Protection (Palm Leaf Beetle Quarantine) Notification 1993, No.15

Primary Producers' Co-operative Associations Act—

Primary Industries (Variation of Fees) Regulation 1993, No.9

Primary Producers' Cooperative Associations (Declaration of Primary Producers) Order 1993, No.6

Primary Producers' Organisation and Marketing Act—

- Primary Producers' Organisation and Marketing (Rice Marketing Board) Regulation 1993, No.18
- Prostitution Laws Amendment Act—
Proclamation—Certain provisions of the Act commence on 1 February 1993, No.11
- Queensland Building Services Authority Act—
Queensland Building Services Authority Amendment Regulation (No.1) 1993, No.25
- River Improvement Trust Act—
River Improvement Trust (Haughton River Improvement Trust) Order 1993, No.24
- State Development and Public Works Organization Act—
State Development and Public Works Organization (Vesting and Divesting of Land) Order 1993, No.4
- State Transport Act—
Transport Legislation Amendment Regulation (No.1) 1993, No.17
- Statutory Bodies Financial Arrangements Act—
Haughton River Improvement Trust (Loan Borrowing) Order 1993
Order in Council 17 December 1992 guaranteeing loan of Townsville Thuringowa Water Supply Board
Statutory Bodies Financial Arrangements (Investment) Order 1993, No.28
- Stock Act—
Primary Industries (Variation of Fees) Regulation 1993, No.9
- Sugar Industry Act—
Sugar Industry Amendment Regulation (No.1) 1993, No.23
Sugar Industry (Assignment Grant) Guideline 1993, No.27
- Tow-truck Act—
Transport Legislation Amendment Regulation (No.1) 1993, No.17
- Traffic Act—
Traffic Amendment Regulation (No.1) 1993, No.16
- Transport Infrastructure (Roads) Act—
Transport Infrastructure (Roads) Amendment Regulation (No.1) 1993, No.5
- Vocational Education and Training (Industry Placement) Act—
Proclamation—Certain provisions of the Act commence on 29 January 1993, No.13
Vocational Education and Training (Industry Placement) Regulation 1993, No.21
- Water Resources Act—
Water Resources (Proston Rural Water Supply Area) Agreement Regulation 1993, No.10
Water Resources (Outstanding Water Charges) Amendment Regulation (No.1) 1993, No.19
Water Resources (Yambocully Water Board) Amendment Regulation (No.1) 1993, No.33.

PAPERS

The following papers were tabled—

Minister for Health (Mr Hayward)—

Primary Health Care Policy

Primary Health Care Plan

Background Issues Paper—Towards the Development of a Queensland
Aboriginal and Torres Islander Health Policy.

MINISTERIAL STATEMENT

Gurulmundi Secure Landfill Site

Hon. P. J. BRADY (Rockhampton—Minister for Police and Emergency Services) (10.02 a.m.), by leave: Because of a number of media reports last month concerning the secure landfill site currently under construction at Gurulmundi, 40 kilometres north of Miles, I want to set the record straight about the absolute confidence of the Government in the safety of the site. Honourable members will recall that the Government endorsed Gurulmundi in October 1991 as suitable for use as a secure landfill for the disposal of solid treated paints, pesticides and solvent wastes. This followed approximately six months of an unprecedented public consultation program which supported the impact assessment study. This extensive independent site assessment was undertaken by the internationally reputable firm of geotechnical and hydrogeological consultants AGC Woodward-Clyde during 1991. In March last year, the House passed unique legislation called the Gurulmundi Secure Landfill Agreement Act 1992 which enshrined the terms of a landmark tripartite landfill management agreement and established a landfill management committee which enables the Brisbane City Council, as site operators, the Murilla Shire Council, as the host local authority, and the Queensland Government to plan and monitor the design, construction, operation and management of the landfill.

Dr Habermehl of the Australian Geological Survey Organisation—AGSO—formerly the Bureau of Mineral Resources, based in Canberra, was quoted in the *Courier-Mail* on 12 January this year as being critical of aspects of the impact assessment study which was conducted on Gurulmundi. This unnecessarily raised public concern about the integrity of the impact assessment study process and the safety of the Gurulmundi site. For this reason, I wish to take the opportunity to inform the House of the facts concerning this important regional project. Dr Habermehl's work was important to the impact assessment study but should be viewed in context. This was a multi-disciplinary study involving contributions by a range of experts from several different organisations and considerable public input. This complex study was not based on a single issue.

The suitability and safety of the Gurulmundi site had already been addressed in the final impact assessment report following work carried out by three independent groups, namely Lance Grimstone and Associates—exploration, mining and engineering geologists—AGC Woodward-Clyde—geotechnical and hydrogeological consultants—and the Water Resources Commission. However, because the issue of concern to local residents, as well as rural groups such as the United Graziers Association, was fear of contamination to the Great Artesian Basin, the Government, on its own initiative, decided to seek another opinion to allay public concern. The Commonwealth Government's Bureau of Mineral Resources—BMR—was contacted and asked to conduct an independent assessment of the stratigraphy of the Gurulmundi secure landfill site. This was fundamental to whether the site was located in a recharge area of the Great Artesian Basin. I seek leave to table correspondence between the Bureau of Emergency Services and the then Bureau of Mineral Resources dated 6 September 1991 so that it can be incorporated in *Hansard*.

Leave granted.

Bureau of Emergency Services
Forbes House,
30 Makerston Street, Brisbane Qld 4000
G.P.O. Box 1425 Brisbane Q 4001

Phone 227 7111
Fax 227 4100

6 September, 1991

The Director,
Geology and Geophysics,
Bureau of Mineral Resources,
G.P.O. Box 378,
CANBERRA, ACT 2601

ATTENTION: Mr RAY EVANS

Dear Sir,

The Queensland Government by the Chemical Hazards and Emergency Management (CHEM) Unit of the Bureau of Emergency Services has undertaken a search for a secure landfill site in Southern Queensland. The site is to be used for the disposal of treated and solidified aqueous hazardous wastes generated by industry in the formulation, manufacture or use of paints, pesticides and solvents.

A preferred site has been identified at Gurulmundi which is approximately 390 km from Brisbane and 33 km north of the Town of Miles. As part of a wider process of site selection an Impact Assessment Study (IAS) is being conducted by the Government's consultants AGC Woodward-Clyde. A draft Impact Assessment Study Report (enclosed) was prepared for public comment for the period 16 July-13 August and comments received are currently being considered and extra work undertaken where required.

I refer you to Section AA5 of the draft Impact Assessment Study Report and the geological issues in Appendix II "Criteria for Selection of a Secure Landfill Site" Sections 3.3, 3.4, 4.1 and 4.4.

During the period of geotechnical and hydrogeological investigations into the Gurulmundi site by the Government's consultants the Queensland Water Resources Commission (WRC) raised concerns regarding possible contamination of the Great Artesian Basin (GAB) from the proposal.

The Government's site selection consultants Lance Grimstone and Associates had identified the area as being in the Orallo formation and a probable aquiclude warranting more detailed investigation. The Commission's view was that the location of the site in the GAB stratigraphic ocquence was not clearly established and this information would be necessary to assess any effect on the Basin.

Consequently the Commission was asked to undertake any work it considered necessary to determine the stratigraphy and their work on this issue is presented in Appendix VI of the Impact Assessment Study. The Commission's work involved consultation with geological staff of the Queensland Resource Industries Department. The Commission concluded that the area was not a major intake area for the Great Artesian Basin and that the Gurulmundi site and its relationship to the Great Artesian Basin would not in any way affect the sites suitability as a secure landfill site.

Since the preparation of the Commission's report polynological data has become available providing greater detail on the stratigraphy. Several submissions to the draft IAS have raised the issue of contamination of the Great Artesian Basin and there appears to be confusion among local residents in interpretation of the older geological mapping which shows the Gurulmundi region to be a recharge area. The WRC is currently reviewing all data and submissions to prepare a supplementary report for the final Impact Assessment Study report.

The Queensland Government considers this issue to be of major importance to the proposal and that considering the complexity of the issue, the public should be provided with independent and corroborated professional assessment of the stratigraphy of the site. Any assessment must be made by consideration of all available data on the actual site and the region.

A request is therefore made that the Bureau of Mineral Resources conduct a review of all data and the conclusions of the Queensland WRC and provide an independent opinion on the issues. The Queensland Government would cover all costs incurred in this review.

An early consideration of this request would be greatly appreciated as the final copy date for the Impact Assessment study is 20 September. Please do not hesitate to contact the CHEM Unit should there be any queries on this matter. The contact officer is Scientific Advisor Mr Greg O'Brien (Telephone No. (07) 2274142).

Yours sincerely,

(Sgd)

HOWARD BAKER

Director

Mr BRADY: The Bureau of Mineral Resources agreed to conduct the review and nominated Dr Habermehl to complete the work. This review, which was reproduced in full in the final impact assessment study report, confirmed the findings of the Water Resources Commission. It stated—

“ . . . the Site is not considered a major intake bed for the Great Artesian Basin.”

On 18 December 1992, Dr Habermehl wrote to the Electoral and Administrative Review Commission in response to an EARC request to provide a chronology of his involvement in the secure landfill issue. Sections of this letter were printed in the *Courier-Mail* of 12 January out of context. Regrettably, the newspaper did not seek any comment from my department or my office before publication.

The Australian Geological Survey Organisation, for which Dr Habermehl works, wrote to the Director of the CHEM Unit, Mr Michael Kinnane, explaining that the statements attributed to Dr Habermehl in the *Courier-Mail* article had, and I quote—

“ . . . been taken out of context and arranged to maximum effect to represent a point of view which neither represents AGSO's position nor the views of Dr Habermehl. The specific implication that Dr Habermehl was prevented from canvassing wider issues clearly misrepresents the contractual relationship between AGSO and the Bureau of Emergency Services.”

Furthermore, the Australian Geological Survey Organisation released a media statement on 13 January stating that Dr Habermehl had addressed the “specific issues for which his expertise was relevant”. I seek leave to incorporate both documents in *Hansard*.

Leave granted.

AGSO

Australian Geological
Survey Organisation

Mr M. Kinnane

Director

Chemical Hazards and Environment Unit

Bureau of Emergency Services

GPO Box 1425

BRISBANE QLD 4001

Dear Mr Kinnane

I refer to your request for information relating to the article in the Brisbane Courier Mail (12 January) which reports comments attributed to Dr Habermehl of AGSO critical of the establishment of the Gurulmundi Secure Land Fill Site.

Our understanding is that the article is largely based on the documents made public by the Queensland Electoral and Administrative Commission relating to the Gurulmundi Case Study. Late last year Dr Habermehl was asked to provide a history of his and AGSO's involvement in the Gurulmundi Impact Assessment Study. In so doing he also stated his views on the importance of other issues beyond the scope of his original review of aspects of the Draft Environmental Impact Study Report. At the time that he provided written information to the Commission, Dr Habermehl was unaware that it would be made public.

The Brisbane Courier Mail interviewed him briefly on 11 January regarding the statements made in the written material provided to the Commission.

The statements attributed to Dr Habermehl in the article have been taken out of context and arranged to maximum effect to represent a point of view which neither represents AGSO's position nor the views of Dr Habermehl. The specific implication that Dr Habermehl was prevented from canvassing wider issues clearly misrepresents the contractual relationship between AGSO and the Bureau of Emergency Services. A Press Release setting out AGSO's position on the matter is attached.

On behalf of AGSO I wish to sincerely apologise for any embarrassment caused by the use which has been made of Dr Habermehl's comments. If I can provide any additional information or be of any further assistance please do not hesitate to contact me.

Yours sincerely

(Signed) Trevor Powell
Dr Trevor G Powell
Acting Associate Director
Minerals and Environment Group
13 January 1993

AGSO

Australian Geological
Survey Organisation

MEDIA RELEASE

PIE 93/01 AGSO

13 January 1993

CORRECTION OF COURIER MAIL ARTICLE OF
12 JANUARY

The article "Toxic dump site 'mistake' Restrictions put on review, says expert" (Brisbane Courier Mail—12 January) reported comments attributed to Dr Habermehl of the Australian Geological Survey Organisation (AGSO) critical of the establishment of the Gurulmundi Secure Land Fill Site.

AGSO is not challenging the Environmental Impact Study process for the Gurulmundi Land Fill Site.

AGSO was contracted by the Queensland Bureau of Emergency Services to provide a second opinion on specific geological aspects of advice prepared by the Queensland Water Resources Commission for the Draft Environmental Impact Study. These aspects related to the stratigraphy of the site and the possibility of contamination of the Great Artesian Basin. They represented only a small but crucial portion of the material considered in the Draft Environmental Impact Statement.

Dr Habermehl conducted the review and confirmed the findings of the Queensland Water Resources Commission in respect to the matters referred to him. Dr Habermehl's work was not constrained, but rather he was asked to address the specific issues for which his expertise was relevant.

Other aspects of the EIS, notably the engineering studies, were not part of AGSO's brief nor does AGSO, and specifically Dr Habermehl, have expertise in this area.

The specific implication that Dr Habermehl was prevented from canvassing wider issues clearly misrepresents the contractual relationship between AGSO and the Bureau of Emergency Services and the role of Dr Habermehl's supervisor.

The statements attributed to Dr Habermehl have been taken out of context from documents provided to Queensland Government agencies and arranged to imply a point of view which does not represent AGSO's position or the views of Dr Habermehl.

* * *

For further information contact Dr Trevor Powell, Acting Associate Director, Minerals and Environment Group, AGSO, Phone 2499471, After Hours 2514128, Fax 2574614.

Mr BRADDY: Nonetheless, the manner in which Dr Habermehl's comments had been reported had raised community concern about the safety of the Gurulmundi secure landfill. Because of this concern, I instructed my departmental officers to go to Canberra to meet with officers of the Australian Geological Survey Organisation and Dr Habermehl in order to discuss his concerns and provide any further information to satisfy him regarding the integrity of the IAS process and the suitability of the site. This meeting, which was held in Canberra on Friday, 22 January, was also attended by representatives of the CHEM Unit, Brisbane City Council, AGC Woodward-Clyde and the Water Resources Commission.

During this meeting, additional information was provided to Dr Habermehl on the engineering of the site, such as containment measures and data held by the Water Resources Commission, which further confirmed the suitability of the site. Dr Habermehl acknowledged that the issues he had raised had been addressed by others in the impact assessment study process and the detailed design stage of the project. Dr Habermehl was concerned that his comments to EARC had been taken out of context and said that he would write to EARC to clarify any misunderstandings. This letter was sent to the Director of the CHEM Unit on 25 January. Furthermore, Dr Habermehl's supervisor at the AGSO in 1991, Mr Ray Evans, also wrote to EARC on 27 January 1993 and forwarded a copy of his correspondence to the CHEM Unit. I seek leave to have these letters incorporated in *Hansard*.

Leave granted.

AGSO
Australian Geological Survey Organisation
FAXED
25/1/93
Mr D Solomon
Chair
Queensland Electoral and
Administrative Review Commission
PO Box 349
NORTH QUAY QLD 4002

Dear Mr Solomon

GURULMUNDI SECURE LANDFILL

Following the controversy that has resulted from the publication of parts of the letter from AGSO of 18 December 1992 to the Queensland Electoral and Administrative Review Commission (EARC) concerning the Secure Landfill at Gurulmundi, Qld, I wish to clarify possible public misunderstanding that may have arisen. Unfortunately, comments made in that documentation from AGSO which related specifically to the geoscientific issue investigated have been widely quoted out of context to apply to the whole Gurulmundi Impact Assessment Study.

Discussions have been held in Canberra on 22 January 1993 between officers from the Australian Geological Survey Organisation (AGSO) and officers from Queensland Government Departments and geotechnical consultants to clarify any misunderstanding in relation to the AGSO letter to EARC, in particular any reference construed as meaning that the Impact Assessment Study process was deficient or that the Gurulmundi site was unsafe or unsuitable.

As indicated in the Report (Appendix XIII) by the Bureau of Mineral Resources, Geology and Geophysics (BMR, now AGSO) published in the Final Impact Assessment Study Report Secure Landfill Gurulmundi, October 1991, the Gurulmundi Secure Landfill Site is

located within the Orallo Formation which is not considered a major intake bed for the Great Artesian Basin at the site, and therefore poses no threat to the Great Artesian Basin. The Conclusion in AGSO's letter to EARC of 18 December 1992 that—

The restricted brief for the review carried out by BMR severely constrained, and predetermined to some extent, the outcome and conclusions of the review referred only to the specific subject matter of the BMR review—ie, the stratigraphy of the Gurulmundi Secure Landfill site—and arises only because a second opinion was sought to confirm a geoscientific interpretation. There was no interference or constraint in the conduct of the above review.

Based on the information available, it is clear that the outcome of the review was not predetermined.

Any assumption that the Conclusion in the letter to EARC of 18 December 1992 means that the outcome of the entire Impact Assessment Study process was predetermined is wrong. Several of the issues of concern listed in the AGSO letter to EARC of 18 December 1992 have been the subject of detailed design studies subsequent to the Draft Impact Assessment Study.

Additional information was provided during the meeting on 22 January 1993 by the officers of the Queensland Government and by geotechnical consultants, particularly in respect of—

additional geotechnical and hydrogeological investigations,
detailed design and conformity to EPA standards,
provisions for the environmental monitoring program.

As a result of the discussions and the information provided, I am satisfied that the Gurulmundi site conforms to the Geological Considerations of the Criteria for Selection of a Secure Landfill Site, listed in Appendix II of the Final Impact Assessment Study Report.

I understand the AGSO letter of 18 December 1992 has been included in EARC's Report on the Gurulmundi Secure Landfill, and therefore I would like to request that this letter also be included to complete the record.

Yours sincerely

(Signed) MA Habermehl

Dr MA Habermehl
Principal Research Scientist (Hydrogeology)
Environmental Geoscience & Groundwater Program
AUSTRALIAN GEOLOGICAL SURVEY ORGANISATION
25 January 1993

cc : Mr Michael Kinnane
Director
Chemical Hazards and Emergency Services Unit
Bureau of Emergency Services
GPO Box 1425
BRISBANE QLD 4001

Alderman Pat Vaughan
Chair
Landfill Management Committee
GPO Box 143
BRISBANE QLD 4001

AGSO
Australian Geological
Survey Organisation

FAXED

27/1/93

Mr D Solomon
Chair
Queensland Electoral and

Administrative Review Commission
 PO Box 349
 NORTH QUAY QLD 4002

Via facsimile : 07-237.1990

Dear Mr Solomon

EARC REVIEW OF GURULMUNDI LANDFILL ISSUE

In 1991 I was the acting Head, Groundwater Program, Bureau of Mineral Resources. During that time I was involved in negotiations with the Chem Unit, Bureau of Emergency Services, Queensland, concerning the provision of independent advice on aspects of the Gurulmundi landfill Site Environmental Impact Assessment. As such, I was the direct supervisor of Dr MA Habermehl, and worked closely in co-ordinating his work according to the terms of reference for our part of the study.

At no stage during the discussions leading up to the study, or during the study, did any Queensland Government agency interfere in any aspects of our work. The directions concerning aspects of the study, from the Queensland Government, were clear and concise, and left no doubt as to what were our contractual obligations. In delivering the results of our part of the Gurulmundi Assessment Study, I was confident that BMR had clearly met its contractual obligation in an honest and independent manner.

Some issues were raised in discussions between myself, Dr Habermehl and the Chem Unit, but, as I understand, agreement was reached that BMR did not have qualified officers expert in those fields, and it was left to the Chem Unit to pursue these issues elsewhere. I was confident, and still am, that Dr Habermehl addressed those issues for which he was expertly qualified.

With these comments in mind, it is clear that the outcome of the BMR part of the Gurulmundi Assessment Study were not predetermined in any way, either by myself or by any outside agencies. I was satisfied that Dr Habermehl had provided independent, professional advice on an issue for which he was qualified.

I hope that this better clarifies some issues of the recent public debate. I would be happy to discuss any of these issues with you. I can be contacted by telephone (06-249.9368) or by facsimile (06-249.9985).

Yours sincerely

(Signed) R. Evans

WR Evans
 Principal Research Scientist
 ENVIRONMENTAL GEOSCIENCE & GROUNDWATER PROGRAM

27 January 1993

cc : Mr Michael Kinnane
 Director
 Chemical Hazards and Emergency Services Unit
 Bureau of Emergency Services
 GPO Box 1425
 BRISBANE QLD 4001

(via facsimile : 07-227.4466)

Mr BRADY: Both letters clearly refute claims that the impact assessment study was predetermined or in any way inferior. The letters highlighted—

that the Gurulmundi site is located within the Orallo Formation, which is not considered a major intake bed for the Great Artesian Basin at the site and therefore poses no threat to the Great Artesian Basin;

that Dr Habermehl's earlier comments should not be construed as meaning that the impact assessment study process was deficient or that the Gurulmundi site was unsafe or unsuitable;

that the outcome of Dr Habermehl's review was not predetermined;

that the Gurulmundi site conforms to the selection criteria; and

that Dr Habermehl addressed those issues for which he was expertly qualified.

Unfortunately, the selective reporting of this issue has caused anxiety in the local area.

In view of recent public reports, I want to emphasise that the waste for disposal at Gurulmundi is dry, solid, treated waste, not liquid waste. Because of the natural geology of the site, together with the special engineering of the pit, which has been endorsed by the Landfill Management Committee's technical sub-committee, and furthermore by an independent assessment undertaken by Professor Charles Shakleford, Colorado University, no waste will escape into the local environment. The local water supplies will be protected. To put these matters beyond further doubt, and in particular to address claims about the quality of the base of the pit, the Queensland Government has supported a geological investigation of the Gurulmundi pit by independent consultants nominated by the Murilla Shire Council. This investigation should provide significant factual information about the pit structure for future reference. The report of the consultants will be made available to the Landfill Management Committee shortly. Local residents continue to have an input into the design, construction and environmental monitoring of the Gurulmundi site via the involvement of the Murilla Shire Council in the Landfill Management Committee.

I should also remind the House that the whole process of selecting and establishing a site for a secure landfill in southern Queensland was begun by the previous National Party Government, following a request by the Liberal Party-led Brisbane City Council in 1985. When material is transported to Gurulmundi after May this year, this process will be successfully completed and has the full support and confidence of the Queensland Government.

MINISTERIAL STATEMENT

Telephone Hotline to JP and CDec Policy Officer

Hon. D. M. WELLS (Murrumba—Minister for Justice and Attorney-General and Minister for the Arts) (10.10 a.m.), by leave: It is with pleasure that I am able to inform the House that, as of today, a dedicated telephone hotline is available to members of Parliament and their staff direct to a JP and CDec policy officer charged with the responsibility of personally assisting members of Parliament with their inquiries. There has been an overwhelming response by the community to the justices of the peace and commissioners for declarations reform program. To date, 507 existing justices of the peace have transferred to commissioners for declarations; 3 267 new commissioners for declarations have been appointed by Governor in Council; and 469 justices of the peace (qualified) have been appointed by the Governor in Council.

The success of the program and the number of people involved has led a number of members in this House to indicate to me the need to obtain a quick answer to questions which arise as a result of their dealings with the JPs and CDecs and candidates for those positions. This new service will enable them to obtain that personalised service quickly, thus increasing their convenience and the capacity of honourable members to assist their constituents. The dedicated telephone line will ensure that all members of Parliament and their staff will have prompt access to the justices of the peace section of the department. I have written to all honourable members to provide them with the hotline number. I trust that this additional service will be of assistance to honourable members.

MINISTERIAL STATEMENT

Normanton TAFE Centre

Hon. M. J. FOLEY (Yeronga—Minister for Employment, Training and Industrial Relations) (10.11 a.m.), by leave: I wish to advise the House of a significant advance in

vocational education and training and employment opportunities for some of Queensland's most remote communities. I am speaking of the lower Gulf of Carpentaria region and a combined State and Commonwealth project to build a million-dollar TAFE centre at Normanton, as a campus of the Mount Isa College of TAFE. The construction of this campus is physical evidence of the Commonwealth and State Governments' commitment to people in remote communities. At State and national levels, Labor Governments share a belief that everyone, no matter who that person is or where that person lives, is entitled to reasonable access to Government services, including health and education. The Commonwealth has committed half a million dollars towards construction, and the Queensland Government a further \$580,000.

The new Normanton centre will service the lower gulf, which includes the communities of Normanton, Karumba, Mornington Island, Burketown, Doomadgee and Croydon. Previously, the 110 000 people who live in the Shires of Mornington, Burke and Carpentaria have only been able to access either hobby-type TAFE courses or limited subjects for secondary school students at Normanton and Doomadgee State High Tops. For those seeking vocational training in a bid to broaden their skills and their employment opportunities, the nearest TAFE facility was at Cairns, around 730 kilometres by road and two hours' flying time away, or Mount Isa, more than 530 kilometres away.

The communities of the lower gulf formally began their drive for a TAFE facility in 1991 with the formation of the Normanton TAFE advisory committee, under the chairpersonship of the Reverend Bob Walker. The committee has had strong support from the State member for Cook, Mr Bredhauer, and the member for Mount Isa and Minister for Minerals and Energy, Mr McGrady, as well as the Federal member for Kennedy, Mr Rob Hulls. Mr Bredhauer's personal representations in particular on behalf of the committee have led to the locating of the centre at the preferred site near the airport.

An Opposition member: You're wasting your money.

Mr FOLEY: I am astonished, Mr Speaker. The Opposition asserted by way of interjection that this was a waste of money. I am appalled to hear that suggestion made about people who are so disadvantaged in their access to vocational education and training. The committee has been an asset in the process of consultation between my department and the communities of the lower gulf. Its chief issue so far has been the siting of the centre, but now it will be integral to the detailed planning of course requirements and other issues. From now on, consultation will centre on the training needs of the people in those communities, which will of course influence the design of the centre. The centre itself will have its own teachers and administrative staff. As well, teachers will come from the parent college at Mount Isa to meet special requirements.

Based on preliminary discussions with the people of those communities, it is expected that courses could include computing, bookkeeping, trade preparation, welding, literacy, handicrafts and artefacts, as well as continuing hobby-type courses. Construction is scheduled to begin later this year, and the centre should be ready to take its first students in 1994. This TAFE centre will provide opportunities for some of the State's most disadvantaged people, including Aboriginals and Torres Strait Islanders and others disadvantaged by their remoteness from major population and service centres.

MINISTERIAL STATEMENT

Government Business Information Service

Hon. J. P. ELDER (Capalaba—Minister for Business, Industry and Regional Development)(10.15 a.m.), by leave: One of the most distinguishing factors between the conservatives and the Government is the Government's willingness to help business and

industry. Under the Goss Government, the number of people working in manufacturing industries in Queensland has increased by 22 per cent. When one travels around the State and talks to representatives of the business community and industry as I do, one discovers that many of those people are very grateful indeed for Government assistance through programs such as the National Industry Extension Service. That program has helped more than 1 000 Queensland companies, but the conservative side of politics is committed to abolishing it. That is very clear, and it is spelt out in Fightback.

The Opposition's silence on this matter is deafening. I know that many of the members opposite support this program. Recently, I spoke at a meeting on the Gold Coast and made the point that the program has helped 85 companies in that region. No-one from the Opposition defended John Hewson and Fightback; in fact, the silence was deafening. When it comes to Fightback, members opposite are jellybacks. The Government's approach to business enhancement is to help those people and businesses which help themselves.

Mr FITZGERALD: I rise to a point of order. Mr Speaker, I appeal to you to make a ruling on whether this is a ministerial statement or whether the Minister is debating the issue.

Mr SPEAKER: Order! I call the Minister.

Mr ELDER: The Government offers a hand up rather than a handout. It approaches matters from a business point of view. Business people told the Government that there was no single point of reference to access support programs available from both the State and Federal Governments. Unlike the conservative side of politics, the Government is not into grand marketing schemes, big announcements or glossy magazines. It would rather spend the money on programs.

Today, I am delighted to announce that the Queensland Government, in partnership with the Federal Government, will be setting up a Business Information Service as a single access point for information on Commonwealth and Queensland Government assistance programs. It is to be co-located at the Queensland Business Licence Information Centre. Its mode of operation and delivery of service will be similar to that of the QBLIC. People currently running a business in Queensland or those intending to run a business will be able to contact the centre from anywhere in the State and to obtain a list of assistance measures available to them. They can access general information on the aim of assistance measures, associated eligibility criteria and the telephone number to contact for responsible staff in relevant administering departments or statutory authorities. As part of the Government's commitment to regional Queensland, access to the service will be via a 008 toll-free number. Information will be available immediately over the phone, with the option of obtaining a hard copy to be forwarded the same day. I stress that the centre will cover assistance programs from both the State and Federal Governments. In recognition of that fact, the Federal Minister for Small Business, David Beddall, has committed \$200,000 from Commonwealth funds to complement the Queensland Government's contribution of \$300,000.

I understand that the Queensland model will form the bases of similar models in other States. It is the latest move in a line of initiatives from the Government designed to make life easier for business. This Government recently approved the removal of 15 regulations from the food processing industry—regulations which were placed there by conservative Governments. Among others, a regulation that will be removed is that requiring businesses to paint their premises every five years. Members opposite are very good at complaining about regulation but have done nothing to cut it back. Dr Hewson's latest initiative in this area is to set up a 008 number so that small businesses can complain about how regulations affect them. No commitment is given to abolishing the regulations, and no program has been outlined for cutting them back. Dr Hewson figures that if he talks about it, it will happen automatically; it will go away.

In conclusion, I am proud to announce the establishment of the Business Information Service, to be known as GOBIS. That service will be up and running by the middle of the year. It is an initiative which will make life easier for productive businesses in this State. It represents the Labor Party getting on with results rather than rhetoric.

GENERAL BUSINESS—NOTICES OF MOTION

Hon. T. M. MACKENROTH (Chatsworth—Leader of the House) (10.20 a.m.), by leave, without notice: I move—

“That notwithstanding anything contained in the Standing Orders, for the remainder of this session, all General Business—Notices of Motion (called ‘not formal’) appearing on the business paper shall be deleted from the business paper after the expiration of one month from the day on which they are called ‘not formal’.”

Motion agreed to.

GOODS AND SERVICES TAX

Hon. T. M. MACKENROTH (Chatsworth—Leader of the House) (10.21 a.m.), by leave, without notice: I move—

“That so much of the Standing Orders and Sessional Orders be suspended to enable a debate to take place forthwith on a motion relating to the goods and services tax.”

Motion agreed to.

Hon. W. K. GOSS (Logan—Premier and Minister for Economic and Trade Development) (10.22 a.m.), by leave, without notice: I move—

“That this House notes the adverse and damaging effects that the Federal coalition’s Fightback scheme would have on Queensland, in particular—

1. the \$370m cut to the State Budget through a reduction in financial assistance grants, unfair compensation for payroll tax, stopping Building Better Cities projects, abolishing the Commonwealth/State Housing Agreement and curtailing the urban public transport program;
2. the potential \$220m cut to public hospital funding in Queensland;
3. the imposition of an 18c a litre road user levy as proposed by the National Road Transport Commission and endorsed by Fightback; and
4. the personal hardship of a new 15 per cent tax on almost everything Queenslanders use and buy.

Mr Borbidge interjected.

Mr SPEAKER: Order! Honourable members, I expect that the debate today will be lively—and it ought to be—as it is an important issue. We should listen to members from both sides of the House with some degree of tolerance.

Mr W. K. GOSS: Mr Borbidge may not want to sing “O Canada” during this debate, but by the end of it, he will be so exposed that he will be grateful for a maple leaf to cover his embarrassment. Over the next couple of months or years, the Government will sheet home that embarrassment to him and whoever his deputy will be. If the coalition wins, month after month, year after year, we will sheet home the responsibility and embarrassment to him and his deputy. Since we came back to work and Parliament, Ministers have been champng at the bit to get into members opposite, and into the package. However, I said to them “No. Hang on, wait for the challenge.” Yesterday, we reeled in Mr Borbidge. In this debate today, we will have the most comprehensive outline of how Fightback and the GST will impact on the Queensland Budget right across-the-board.

Mr Stoneman interjected.

Mr SPEAKER: Order! I warn the member for Burdekin under Standing Order 123A.

Mr W. K. GOSS: The GST will impact on every aspect of the daily lives of average Queenslanders. This motion will be seconded by the Deputy Premier, who will deal in particular with the effect that the GST will have on the average person. He has a very interesting list. I will not steal his thunder, but he tells me that these patriots will even tax the flag. A GST on the flag! Shortly after the election was called, I issued a challenge to the Leader of the Opposition to seek five guarantees from the coalition in respect of the impact that Fightback will have on Queensland. On Tuesday, the member for Surfers Paradise revealed his "Dear Rob" letter. In reality, it is a "Dear John" letter, because it contains no comfort for Queensland, no hope for its future under a Hewson Government and no joy for those thousands of Queenslanders whose jobs and pay packets are at risk because of this package. I understand that the letter was written by Duncan Fairweather from Dr Hewson's office. Members may be interested to know that Mr Fairweather's previous occupation was working for the tobacco lobby in telling people that smoking was not harmful to their health. He has gone from saying that cigarettes do not cause lung cancer to saying that Fightback will not hurt Queensland. His credibility has not improved.

Dr Hewson's letter contains one simple message: if he is elected on 13 March, then that day is the use-by date for much of Queensland. It is the use-by date for quality education, the use-by date for the free hospital system and the use-by date for a host of major projects, including the Gold Coast rail link. The Nationals ripped the railway line up once, and now Mr Borbidge is trying to rip it up again. It is the use-by date for public housing in Queensland. It is the use-by date for thousands of teachers and nurses, and hundreds of police who are dependent on funding from Canberra. I am not going to make any apology for standing up for Queensland while the wimps opposite sell out this State because a Liberal in Canberra tells them to come down and sign a document.

For the benefit of members opposite who might have been misled by some of the comments that have been made about a range of things, including payroll tax, before I outline Fightback, I want to make a couple of preliminary points. Payroll tax makes a substantial contribution to the funding of police, health, education and welfare services that are provided by this Government. If payroll tax is reduced or eliminated, those services will need to be reduced drastically, or an alternative form of taxation will need to be introduced.

Mr FitzGerald interjected.

Mr SPEAKER: Order! The member for Lockyer will cease interjecting.

Mr W. K. GOSS: That is the point that the Opposition ignores. If an alternative form of taxation was introduced in substitution, there is no real point in reducing or eliminating payroll tax. The Opposition has not accepted that point.

Mr Connor: Because one is rebateable on a business and the other isn't.

Mr W. K. GOSS: Is the honourable member challenging that? I am interested to hear a prominent member of the front bench challenge that proposition. I understand that he also speaks for the coalition on business matters. The statement that I just made is a direct quote from the National Party *Handbook* from its conference of 1988. The statement that I just read, which the honourable member challenged, is a direct quote from Mike Ahern. The National Party 1988 *Handbook* states—and I repeat it—that if an alternative form of taxation was introduced in substitution, there is no real point in reducing or eliminating payroll tax. Mr Ahern and the National Party *Handbook* go on to say about this issue that employers benefit substantially from Government services. They benefit through the education and training of employees and have and do receive State education establishments, free outpatients—and the statement goes on. It states further that it is only reasonable, therefore, that employers make a direct contribution by

paying payroll tax. The honourable member challenges that. It comes out of the National Party *Handbook*. Is this a split between the Liberals and the Nationals?

Mr Borbidge interjected.

Mr SPEAKER: Order! the Leader of the Opposition will cease interjecting.

Mr W. K. GOSS: I refer to the "Dear Rob" letter. Firstly, Mr Borbidge has shown himself to be the Luke Shaw of public debate. When he made his speech in this place, he did not table it. Secondly, he got this letter for the Queensland Government, but he did not give the Government a copy. Thirdly, he released it to the press gallery so late in the afternoon that members of the press gallery could not check the small print. They could not check the cuts that are contained in the document, which will cut \$87m from projects associated with the Building Better Cities program. What he got was a guarantee to cut Queensland funding in a number of respects.

Another aspect of the letter is that most of it—certainly the first couple of pages—represents a lot of electioneering rhetoric designed to hide the fact that the Federal coalition would put a 15 per cent tax on newspapers, clothes, a pie and chips lunch from the corner shop, haircuts, the water that we use—and on and on it goes. The "Dear Rob" letter fails to point out that under Fightback, Dr Hewson's tax police will be taxing us everywhere that we go. As the singer Sting might have said, "Every move you make, every step you take, I'll be taxing you." Rob's hand will be in one pocket, and John's hand will be in the other pocket. Once we get past the electioneering in that statement, we come to the slick and slippery tactics of someone who promised a no-lies campaign. The guarantee was—

"I can guarantee that Queenslanders will not suffer from any cut in financial assistance grants to the State Government outlined in Fightback."

The letter states further—

". . . because people will be better off because of a host of alleged benefits . . ."

It is a wonder that Dr Hewson did not promise a free shoeshine, as well. This might be a fine sentiment, but it belies one fundamental aspect of the Australian way of life. We have a mixed economy that includes a public school system, a public health system and infrastructure that is provided by both the public sector and the private sector. Many thousands of Australians and Queenslanders depend on that activity and the funding for it, particularly in relation to education, railways and hospitals. What does Dr Hewson propose? He proposes to slash our financial assistance grants alone by \$150m. Just like that! According to Tim Fischer, the States will have no say in it, and it is not open to negotiation. What the Federal coalition ignores is that things have been tight for some years. The States, including Queensland, have been kept under pressure. But there has never been a cut of this magnitude. Why does he not ask Mike Ahern about the Premiers Conferences and the pressure on the States and their Budgets? As I said, there has never been a cut of this magnitude; it has always been a matter of negotiation. But not in this policy; there is just no compensation, and that is it. It represents an arrogant, high-handed attitude of people in Canberra who are zealots and out of touch with the average person and the reality of State Budgets and what they deliver. In the past three years, I have fought hard with the Prime Minister and the Treasurer to get a good deal for Queensland. We have not hesitated to speak out publicly on issues such as fiscal equalisation, tertiary places and a range of other issues, including high interest rates. We have said that publicly. But I would never—and nor would people such as Nicklin, Bjelke-Petersen, Ahern, Knox or Austin—slip down to Canberra or Sydney and sell out Queensland and the National Party.

Mr Borbidge interjected.

Mr SPEAKER: Order! The Leader of the Opposition will cease interjecting. I warn him for the last time.

Mr W. K. GOSS: As I said yesterday, this is the first step to the Liberal Party swallowing up the Nationals, because they do not have the guts to stand up for

themselves and this State in the way that they used to do in the past. The Federal coalition wants to kill off our free hospital system. Those hypocrites, who complain and use memos to complain about the funding of the Queensland health system, want to cut \$220m from the public hospital system. Today, I shall release a series of questions that underline the holes, the outs and the cuts in Dr Hewson's letter to the Leader of the Opposition. Firstly, if all Queenslanders will be so much better off that they do not have to worry about reductions in financial assistance grants, will the Leader of the Opposition support the Government when it comes to making the necessary reductions in services or increases in taxes and charges to compensate for that \$150m hole—and that is the minimum—in the Budget? He might as well support it, because I will make sure that he gets the credit throughout this State, especially in the National Party backblocks. Secondly, will he detail what \$150m of savings can be made by contracting out services, as stated in Fightback? Dr Hewson slickly sidesteps a guarantee that we will be fully compensated for the abolition of payroll tax. Although he was asked to guarantee full compensation, he did not do so. What he says about payroll tax leaves more questions than answers. We will pose those questions and release them today. They will be detailed by the Treasurer. They begin with—

“Will Queensland be adequately compensated for any adverse impact through the Grants Commission—that is fiscal equalisation—process following any abolition of payroll tax?”

There is a total of nine questions. I will not trouble the House with them all at this stage. The Treasurer will detail them. It will be interesting to see whether members of the coalition have any answers. We know that they do not. We know that they have sold out the State for another \$150m on payroll tax.

As to the Building Better Cities program—again we got a slick answer. The Federal coalition has promised us full coverage and a full guarantee. But when one reads the small print of the document, which was released too late in the afternoon for the press gallery to get onto what Dr Hewson was really up to, one finds that it covers only signed contracts. Dr Hewson's excuse to slip out of that again is to say, “Why do you not sign the contracts?” This relates to work that runs into 1995-96. Dr Hewson says, “You will sign those contracts progressively when the work is done.”

We have an agreement, signed with the Federal Government, for \$139.4m in projects for Building Better Cities. What does the Federal coalition have? It has an agreement for about \$57m, meaning that funding to Queensland will be cut by \$86m or \$87m. That is a disgrace. The slick way in which Dr Hewson did that in the Parliament, and later in the press conference, shows what those characters are up to. I ask: can the Federal coalition guarantee that the Building Better Cities agreement signed between the State and Commonwealth Governments for funding of projects totalling \$139.4m over the full five-year period to 1995-96 will be honoured in full, or is he giving us only a halfway or one-third of the way guarantee? Secondly: if not, what explanation does he give to the communities of the Gold Coast, Brisbane, Townsville, Mackay and those in the Inala-Ipswich corridor who stand to lose valuable employment from those projects? Thirdly: will he guarantee that any funding provided to the State for projects under Building Better Cities will not be sourced out of our share of the Federal coalition's proposed Rebuild Australia Fund?

I turn now to the Commonwealth/States Housing Agreement. The Fightback document is robustly—even proudly—anti-public housing. We will be detailing how Queenslanders will lose out on that and once again pose questions that show the real agenda and the real cut. As to cheaper petrol prices—Fightback also proposes a road user charge based on figures produced by the National Road Transport Commission as a user-pays approach to road funding. The commission—the NRTC—has proposed a levy of 18c a litre. What a con on people at places such as Longreach! We will make sure that we tell those people what Opposition members have signed them up for. We will pose questions on that proposal which once again show the real agenda.

I turn to the public hospital scam. An amount of \$220m is our best calculation of Queensland's share of the proposed \$1.3 billion cut to the public hospitals system. That is an absolute disgrace. Queensland has a good public hospital system. Every year, the Government has increased its budget. Next year, the allocation will be increased. As well, we have added to that regular budget \$1.5 billion in capital works over this decade to repair and renew a hospital system that was neglected and badly run down by members opposite who are nothing more than champions for greedy surgeons who want a 60 per cent pay increase for themselves and who have no regard for the rest of the work force. Opposition members propose an American-style hospitals system—pay or leave, pay or die. That is not part of the Australian way of life. We do not want that American private enterprise system in this country.

As to Medicare—despite the rhetoric, the real agenda of the coalition is to abolish Medicare. What a shame it will be if Australia reaches a situation in which, during the middle of the night, a mother goes to ring for the doctor because she is worried about a sick child, and then she puts the phone down because she does not have the cash up front and the green and gold plastic card does not work any more. If the coalition Government is elected, that is what will happen. Millions of people will be taken off Medicare and not have access to bulk-billing. Mothers will not seek medical help because they will not have the money up front to visit the doctor. That is what Opposition members propose. It is callous. It is designed to widen the gap between the haves and have-nots in this country, a gap that is too wide already. It is against the very egalitarian and democratic way of life that we have in Australia that makes it such a great country; the sort of life that we have in Queensland that makes it such a great place. We will see a redistribution of services, a redistribution of income and a redistribution of access and equality of opportunity away from the general member of the community, away from the average Australian, away from middle-class families, people on lower incomes, people on fixed incomes and the disadvantaged—away from them to the haves and to the business community.

I have with me a host of quotes from current affairs programs over the past 24 hours. In particular, I have a report of the events overnight in Canada which reveal that the GST has not worked. Yesterday, I spoke with a butcher from New Zealand who said that the GST was an absolute disaster and a huge toll on the small business community, as it has been in Canada. One cannot trust the coalition not to increase the GST if it gets into Government. Fightback is anti-Queensland and the GST is anti-Queensland, and we on this side of the House have the guts and the commitment to stand up for this State and fight that package. If Opposition members sell out Queensland, we will make sure that they wear the badge of guilt and the loss that flows from it day in, day out, year in, year out until the next election—until the National Party is no longer in this State.

Hon. T. J. BURNS (Lytton—Deputy Premier, Minister for Administrative Services and Minister for Rural Communities) (10.41 a.m.): I second the Premier's motion. On behalf of all Queenslanders, I should congratulate him on standing up for Queensland against the proposed sell-out of the State by Opposition members. Over the past few weeks, I have had the opportunity to talk with people in rural and provincial centres and also to look at various impacts of the proposed GST. The warning that I issue today is not directed just to the country areas of this State but to Queenslanders as a whole. The only definite thing that can be said about Fightback is that it means higher prices, less money for Government services and no guarantee that people will be better off. Legitimate questions about whether it applies to this service or that service are met with "don't know" or "can't say".

Last week in Perth, John Howard let the cat out of the bag. He said that he, or the Liberals and the Nationals, cannot explain the GST. But Rob Borbidge—the Victorian, the carpetbagger—and Joan Sheldon are going to do today what a senior coalition shadow Minister and a former party leader cannot do. Could we really believe them? Recently, the Opposition's local government spokesman, Senator Ian Macdonald, said that the GST did not apply to water and sewerage components of rates—then he said it did. He said, "If I am pressed, I must say that it does." Then he attempted to muddy the

water, because he knew he was caught. Every person who owns a house and every pensioner in this community will pay through the nose because of GST on their general rates, their water rates, their sewerage rates, their garbage collection rates and the cost of recycling. All those bills will be subject to charges that Opposition members are supporting. Borbidge and Sheldon have said that people who live in houses in Queensland will pay extra so that Hewson can assist Packer and the yuppies at the high end of the income scale.

In recent weeks, we have all seen Hewson in his funny hats and taking choreographed street walks. We have all heard him talk about Fightback and how he would not change it. A year ago, he said that Fightback would not change, that he would never give in. However, when the polls were against him in December, he changed it. He said that he would not remove the GST off food. Then he announced he would remove it from food, but he did not take it off all food. He lied, conned and connived. He did everything, but he did not take the GST off all food; he lifted it off some food and left it on the other. When he is put on the spot, he says that he cannot make policy on the run; that it is a matter that he should discuss further with interested groups. Yesterday, he changed his policy again on timed local calls. Dr Hewson has become the Fairlie Arrow of Australian politics. Members will remember that Fairlie Arrow pretended to be abducted in order to receive publicity. Well, Hewson is Fairlie Arrow in drag. He will say and do anything to get a cheap headline, or to have his face in the paper or on TV. In common with Fairlie Arrow, what he says is not necessarily anywhere close to the truth, as long as he gets up there. I am reminded of Jeff Kennett and his promise in writing before the last election that was broken in the first week after the vote. We just cannot trust the Tories. That slogan has never changed.

Fightback is a vicious attack on Australians and the Australian way of life. It will savage family budgets, and it will have a particularly harsh effect on people living in Queensland country and provincial centres. That is the saddest part of this—to see the National Party throw away its old Country Party outlook and not stand up for rural communities. No longer are members of the National Party interested in looking after people in the bush. Why else would they promote a policy that will make life harder for those living in the rural and remote parts of the State? Why would they support a tax that will push up the already high cost of living in remote areas? Why would the National Party support a GST that will not only hit people in metropolitan areas, but also widen the gulf between city and the bush?

The GST that the Liberal Party and National Party propose is their economic centrepiece and is the deadliest tax of all. It is a death tax in the true sense of the word. It is a callous tax without compassion that will pursue people into the crematorium and the cemetery; from the cradle to the grave. It will apply to funerals—burials and cremations. If Hewson wins, on a basic cremation costing \$2,155, it will cost an extra \$323 to cremate a Queenslanders. A burial in a cemetery will cost an extra \$409. What kind of tax reaches into the grave when Queenslanders are mourning the loss of a loved one? What the Liberal Party and National Party are saying to people is: they will be taxed when they are alive and they will be taxed when they are dead. As people pass through the pearly gates, John Hewson will be there with his hand out-stretched demanding 15 per cent. If people go down below, Peter Reith will be there collecting it. Even before death, people will be taxed for drawing up a will. That is what the Liberal Party and National Party plan for this State is—a vicious, uncompromising tax that will follow Queenslanders through their lives day-by-day, from the cradle to the grave. That is what Rob Borbidge wants and it is what Joan Sheldon wants—an uncompromising tax that will tax people from the pram right through to the grave. They want a tax that will haunt everyone from the nappy to the coffin; from birth to death; from the delivery ward to the funeral parlour. It will hit disposable nappies for babies. Someone suggested that parents in big families will use both sides of the nappies—the only way to save money under the Liberals. As kids grow up, the pram and the cribs will be taxed. It will apply to the baby-sitter if a person uses a baby-sitting agency. It will make it harder on the parent, and it is a heartless tax. There will be GST on school needs. All parents are

aware of how much it costs to send kids to school. It will cost more each year to buy new books, uniforms and equipment. GST will make all those things dearer. There will be a tax on the schoolbag, on the school uniform, on the tuckshop, even on the flavoured high protein milk. It will be imposed on swimming lessons and other sport training.

John Hewson is a scrooge. Let us talk about country shows and the Ekka. Dr Hewson is such a scrooge that he even wants to tax entry to the Brisbane Ekka and the dozens of other rural shows that are held throughout the State. Fancy hitting the kids with a 15 per cent tax for a day out at the show! Fancy the National Party sitting back and letting it happen! It just goes to show how irrelevant the National Party is to country Queenslanders. When youngsters go to the Ekka or one of the provincial shows, the GST will be there on the charge that they pay to get into the showgrounds. It will be on sideshow rides, sample bags, fairy floss, dagwood dogs and waffles. Can honourable members opposite understand why there is talk about the black economy in Canada? Can they understand how they are ever going to account for those sorts of taxes? It will be applied to the ice creams with two strawberries on the top that have been part and parcel of the Ekka for years. That is what the National Party voted for. That is what they want to see happen to the young kids at the country shows. For sideshow operators and others, it will mean a close decision as to whether kids go to some of those shows or not—whether it is worth while any more. It will mean the end to a great day out for the kids.

Food is not exempt. If I go down the Pacific Highway to Yatala and buy a hot pie and peas, I will pay 15 per cent tax on that pie. But if I buy a Victorian frozen pie—Four 'N' Twenty, I think is the brand—there is no 15 per cent tax. Can honourable members opposite imagine what will happen to a publican in the bush who has a pack of frozen pies in his fridge and a bloke comes in and says, "Give me a hot pie"? The publican shoves the pie in a microwave, gives it to the bloke and charges him 15 per cent. Do they think the publican is going to put it down as a hot pie or do they think that he might put it down as a cold one? Do honourable members opposite think that he is going to say to the Government in Canberra, "I bought 30 pies. I sold 15 cold and 15 hot"?

Mr W. K. Goss: What he'd say is that it is so hot up here they like them cold.

Mr BURNS: Yes. What about a frozen chicken? It will be tax free, but for a cooked one the GST is charged. How many honourable members have bought a hot chook recently? They will be 15 per cent dearer under Hewson. Why? What the ruddy hell are we up to—cold chooks and hot chooks? What about cooked prawns? A raw prawn—a green one—is not taxed. The Liberal Party and the National Party are coming the raw prawn on Queenslanders. There is no other way to describe it. There will be a 15 per cent tax on everything, including restaurant meals. Members of the Liberal Party and the National Party complained about the fringe benefits tax on restaurant meals; but it is not just going to be 15 per cent on business lunches, it will be 15 per cent on every restaurant meal. Members opposite voted for the tax; they support it. It is what Rob Borbidge and Joan Sheldon want. It is what the Liberal Party and the National Party want.

Let us consider health and talk about bulk-billing in the bush. Firstly, how many towns have a private doctor? Secondly, how many of those private doctors bulk-bill? By abolishing bulk-billing, many people will be forced to pay up front when they go to the local doctor—that is if they have one, because a lot of doctors will not go to the bush. It will be another challenge faced by people living with the rural recession. Members opposite did not worry about the rural recession when they voted for the GST. They never thought about the drought and the effect that the tax will have on rural people. Families will face very serious health problems because of a lack of early detection of an illness. People will not go to the doctors unless it is absolutely critical. While talking about private hospitals, Dr Hewson said in his letter to Rob Borbidge that there will be shorter hospital queues as the private sector takes in more public patients. Where are the private hospitals in the bush? Name the towns in Queensland that have

private hospitals that will take all those people under Dr Hewson's scheme! He is saying that people have to join the private hospital scheme—pay the extra money. But then there is nowhere to go. Talk about throw the money down the drain. Country people will be forced into a system that will not give them any returns at all. After people pay extra for their doctor—remembering that most doctors in the bush do not charge the scheduled fee—there will be an extra 15 per cent for prescriptions. There will be an extra 15 per cent for cough medicines, contraceptives and even sunburn cream.

Mr Perrett: What about 20 per cent on toilet paper?

Mr BURNS: I had better not comment on that because I want to stay in the Chamber. Apart from making prices even higher than they are in rural centres, the GST will reduce the quality of life of people in country Queensland by increasing the cost of basic communications. The GST is anti-family, anti-bush, and anti-Queensland. Communications are vital in rural areas. Recently, I visited flood-bound areas of northern Queensland and spoke with all those people who just wanted to ring up and make contact with their friends. It will be 15 per cent dearer for them to make those calls during cyclones or floods. That is what the National Party has voted for—15 per cent extra on phone calls. Put simply, families who live in the bush will find it much dearer to visit or keep in touch with friends or relatives in other parts of Queensland, Australia or overseas. The cost of sending a letter or a parcel will be 15 per cent dearer throughout Australia. Country people are the ones whom the National Party professes to represent and the telephone is their communication system. They cannot walk down the road and catch an electric train in the same way as Brisbane people can. They depend on the telephone, and the cost of telephone connections under GST will rise, as will the cost of telephone calls. STD phone bills will go through the roof, and all of this will happen even if Telecom is not sold. What will happen if Telecom is sold? In the first place, Hewson is not going to receive the sort of revenue he thinks he is. He started off at \$15m, then \$20m and now he is down to about \$8.5m that he thinks he can get out of Telecom.

Mr W. K. Goss: Billion.

Mr BURNS: I am sorry—billion.

A Government member interjected.

Mr BURNS: Yes, I would have bought it for \$8.5m, to tell the truth. When Telecom is sold by the Liberal Party and the National Party, life for people in the bush will be even worse than it is now because there will be no community service obligation at all. The only services that Telecom will run will be those that return a profit. It will be similar to the situation with the airlines that only want to run flights on the very profitable routes between Sydney and Melbourne or Brisbane and Sydney. Telecom will not want to provide services for some of the outback places in Queensland. For a while, Dr Hewson was unsure about timed calls. Suddenly, he discovered that it might be an issue, so now he is against it. But the people who buy Telecom will make up their own minds whether they service Betoota or Bedourie, Boulia or Mount Isa, or communities in the gulf region. They will make up their own minds because it will be a commercial decision based on making a profit. Anyone who buys Telecom will make up his or her own mind about the future of those services in far-flung areas of the State.

Rural tourism is one of the great growth areas in outback regions. Many people are putting faith in the idea of bush tourism. The Matilda Highway is a big tourism feature. I am sure that when Bob Gibbs speaks during this debate, he will give the details of the effects of GST on bush tourism. With commodity prices so bad and life in the bush being so tough, the tourism dollar has been one of the good things that has happened in rural areas. Most of the industry is made up of small operators who do not pay wholesale sales tax or payroll tax anyway. Tourist operators will not gain from the lifting of taxes. Having to pay 15 per cent more will not help them. They will pay 15 per cent more for the goods they buy and they will have to charge 15 per cent more for the tickets they sell. Look at how many of those towns now depend on tourism. What will happen to places in the bush such as the Workers Heritage Centre and the Stockman's

Hall of Fame. GST will affect them. It will hit them fair in the pocket. Hewson's tax on inbound tourists will mean that a lot of the tourists who arrive at Sydney or Melbourne will not move out of those cities because it is just that much more expensive to do so. Travel costs are already high in rural areas, and GST will make it dearer. Bus fares, air fares and rail fares will all cost more under Hewson, yet members of the National Party who voted for GST are supposed to be looking after people who live in rural areas. What about the ABC? We all complain about no coverage of football and no coverage of cricket in some of the rural areas, but Hewson proposes a 10 per cent cut in the vitally important area of broadcasting. The problem will not be obtaining extra services in rural areas; the problem will be that the present services will be reduced by 10 per cent. The ABC will be hit very hard by Fightback.

Country councils will also be hit very hard. The Australian Local Government Association has estimated that the tax will add an extra \$400m to rural and isolated shires because a major proportion of their expenditure is on road construction and maintenance which will be hit by the goods and services tax. Higher charges and rates will result in some of the very small places, such as those that have only 83 ratepayers, experiencing financial difficulties. So any extra charges in those areas during tough times will mean that local government authorities will not be able to raise revenue. When that happens, they will have to start sacking employees. Members of the National Party would know what happens when councils start to put staff off—the towns start to drop back.

GST is anti-Australian as far as it relates to sports. It will be applied to many items and services that have never been taxed before. Tickets to sporting events and take-away food consumed by spectators will be taxed. Even the half-time beer and a pie will not be on. The pie will be dearer and the beer will be dearer, too. That used to be the way people enjoyed themselves at sporting events, but that will all be gone. GST represents an attack on the Australian way of life. What about farmers and their families? A great deal of agricultural plant and equipment was formerly exempt from sales tax but will have a 15 per cent on-cost in the form of a goods and services tax.

Opposition members interjected.

Mr BURNS: National Party members can say that farm inputs will be rebated to the farmers, but the fact that farmers pay it throughout the year and that it is only rebated on the sale of crops will have a major impact on farm cash flows.

An Opposition member interjected.

Mr BURNS: No. It will only be rebated on the sale of crops. What about the bloke who does not have any crops this year?

Mr FitzGerald: He does not pay it, and if you are exporting crops, you make a hell of a profit.

Mr BURNS: How many farmers would that apply to? Only a small percentage of farmers are exporting. They are not exporting the crops themselves; other people are exporting and are making a quid out of it. Many are not in export industries. Farmers represented by the National Party are being ripped off by the system that the National Party has voted to have laid down. Peter Reith has admitted that a lot of the taxes that are supposed to be cut off will not be paid. He stated very clearly that as far as sales taxes that presently apply are concerned, there could be no guarantee if a Federal coalition Government is elected that the cuts in tax would be passed on to the consumer. That is a fact of life that he has admitted and that members of the National Party should admit, too. GST is an additive tax. People will still be paying income tax and they will be paying GST on top of that.

What effect will GST have on the arts? What do the Liberal yuppy mates of National Party members think about that? With GST, a ticket to an Elton John concert will cost an extra \$7. *Joseph and the Amazing Technicolour Dreamcoat* will cost an extra \$8.40. A concert for oldies like me by Tom Jones will cost an extra \$5 under GST. The Hilton Hotel classic, George Benson's cabaret show, will cost an extra \$20. The Russian

Cossack dancers show will cost an extra \$4.40 under GST. If a person goes to the movies, a ticket that costs \$11 at the cinema will cost an extra \$2 under GST. Members of the National Party have voted for all these increases. The Liberal/National coalition raised its hand in approval for this tax. When people have to pay all those extras and when that starts to affect their pocket, they should remember who sent those taxes to them, and that is Rob Borbidge, Mrs Sheldon and all the others members of the National/Liberal coalition. Terry Mackenroth will remind them. That is not all. On top of that, when people go to the movies and buy a packet of snack food or take-away food, they will pay 15 per cent more for that. What about country areas? Because Dr Hewson will cut back State grants, less money will be available to be spent on country areas. The Liberals will even tax animals. GST will apply on veterinary fees and veterinary medicines. All those things will be taxed.

The GST is a nightmare for small business. In summary, the GST will get people wherever they go and whatever they do. At the hairdresser, people will not escape. A barber will be clipping people's hair and Hewson and Borbidge will be clipping their pocket. GST will be charged on wedding rings and marriage celebrant charges. GST will be charged on the products that go into the family home. GST will be charged on phone calls. The tax will be charged on bus and rail fares, shoes, shoe repairs and stationery. If people have a holiday in Australia, they will pay tax on it. People will pay taxes everywhere they turn. Is it any wonder that people around the world are turning against the GST?

Who will win? Dr Hewson and Kerry Packer will win. They will end up paying the same tax on goods as that paid by the poor bloke and the drought-stricken farmer. The only real winner that I could find is a sunburnt nudist, even though he will have to pay GST on his sunburn cream. He will have to be a nudist, because he will have to pay GST on clothes. Because he will have to pay GST on all those household goods, he will have to live in a cave. He will eat only frozen pies. He will never go to the movies or to the footy. He will not play sport. He will not write a letter, use the phone, catch a train or catch a bus. He will have to be a straight-out hermit living in one of those caves in Oodnadatta. It is the only chance he has.

Mr Hamill: And no safe sex.

Mr BURNS: And no safe sex, because contraceptives are taxed, too.

Mr BORBIDGE (Surfers Paradise—Leader of the Opposition) (11.01 a.m.): I move the following amendment—

“That all words after ‘That’ be deleted and the following words inserted—

‘this House condemns the Queensland Government's support for the failed economic policies of Paul Keating and censures the Premier for supporting the retention of payroll tax, fuel tax, wholesale sales tax, customs duty, the training guarantee levy and lump sum superannuation tax, and condemns Labor's secret consumption tax of 10, 20 and 30 per cent and, furthermore, this House rejects Labor's discredited economic policies.’ ”

Mrs SHELDON: I second the amendment.

Mr SPEAKER: Order! The Deputy Leader of the Coalition can second the motion when she speaks after the Leader of the Opposition.

Mr BORBIDGE: We received advice from the Clerk.

Mr W. K. GOSS: I rise on a point of privilege. Mr Speaker, I want your ruling. Is this in order or does Mrs McCauley want to take a point of order?

Mrs SHELDON: Mr Speaker, we received advice from the Table Office that that is the way we were to go.

Mr SPEAKER: Order! Honourable members, I am still the Speaker for the time being and I suggest that we do it my way. The Deputy Leader of the Coalition may second the motion after Mr Borbidge speaks.

Mr BORBIDGE: We will do it your way, Mr Speaker.

Mr SPEAKER: That is great! I appreciate that!

Mr BORBIDGE: The debate has nothing to do with the Premier's alleged concern for the future of the people of Queensland. This debate is not about the GST. It is not about the Federal coalition. It is not about John Hewson or the Fightback package. This debate is about the Premier lining himself up, lock, stock and barrel, behind the Federal Keating Labor Government. This debate marks the return of whingeing Wayne, the biggest-spending Premier in Australia—bigger than John Cain, bigger than John Bannon, bigger than Carmen Lawrence. The debate is about the Princess Di of Queensland politics going in to bat for his Labor mates just as he did in Melbourne when, on behalf of the taxpayers of Queensland, he donned the jogging shoes and the campaign singlet and did his bit for Labor. He strolled down to the shopping centre with that other great Labor success story, Joan Kirner. We remember the Premier in Western Australia with Carmen Lawrence. How coincidental that he had to be dragged kicking and screaming to debate in Queensland the effect of the Federal coalition's plans on the Queensland economy. The Premier can go to Melbourne, okay; he can go to Western Australia, but he did not want a bar of a debate in Queensland.

We are glad that the Premier is home and we are glad that, today, we have the opportunity to reply to his scumbag full of lies with a few simple facts, such as the fact that, in 1989, the Premier told the *Business Review Weekly*, and I quote the words of Wayne Goss—

"I supported the consumption tax at the tax summit because it is so efficient. That sort of tax could sweep away a number of inefficient and expensive ways to collect taxes."

Has not the Premier worked overtime to distance himself from that comment? It is a bit like his other famous quote. Do honourable members remember the assertion that the Premier wants to do for Queensland what John Cain did for Victoria and what John Bannon did for South Australia? The Premier now says that his 1989 comments in support of a GST are no longer relevant because, since 1989, there has been significant reform of the tax system. What rot! The sentiment that the Premier expressed on that occasion was clear, unambiguous and unconditional. What about the recent comments by the Premier in *Business Queensland* when he rated the goods and services tax as a third-rate issue? It is a third-rate issue when Labor is in front in the polls, but it is propelled to a first-rate issue when his mates start slipping behind.

The job of demolishing Labor's scumbag full of lies is made even easier when the Premier is assisted in his task by the Gordon Gecko of Cairns, the Treasurer. Yesterday in this place, the Treasurer tabled what purported to be a Treasury document detailing the impact of the abolition of payroll tax in Queensland on the State's financial assistance grants. That is the document on which the Premier's argument is based. That is the document on which he has hung his coat. That is the document on which the Premier's argument falls apart. I refer in particular to point 1.5, which states—

"The above shortcoming could be overcome by fixing the pool of payroll tax abolition grants as a percentage of the goods and services tax base."

Contrary to the fistful of fibs perpetrated by the Premier, the document signed in Sydney by all conservative leaders addresses that very point almost to the very word. For the benefit of the Treasurer, I point out that that document stated—

"The abolition of payroll tax will be accompanied by payroll tax abolition grants to refund the money forgone by the States. The payroll tax refund will be sourced from GST revenue thereby providing the States with a more stable revenue base."

It goes on—

“The amount of each State’s grant so calculated would be expressed as a percentage of the GST base. This process would ensure that payroll tax abolition grants grow automatically with the economy and will be distributed equitably.”

So what you want is what you get! What Treasury asked for yesterday is what the Liberal Leader, Joan Sheldon, and I and all the other conservative leaders delivered in Sydney two weeks ago. The Treasurer did not even know it. It is word for word out of his Treasury document. He should read it and learn, if he is capable of that.

The basis of the Treasurer’s argument has been agreed to by Dr Hewson and all other conservative leaders. It is another example of the Treasurer’s confusion and failure to come to grips with the concept of Fightback. He is also confused as to how the Fightback package will impact on Queensland. Let us get it straight: the Queensland Treasury is not Queensland. Queensland does not begin and end between floors 4 and 9 of the Executive Building. The Treasurer bases his arguments totally on self-interest, on an overriding preoccupation not with the interests of Queenslanders but with the need to ensure the continued flow of even larger amounts into his own bank account. It is money that is needed to prop up the Government’s own spending programs. It is money that is needed to pay for the Government’s 13 per cent increase in spending in the public sector, the biggest increase of any State Government in Australia in the middle of the worst recession in 60 years. There is a wages bill which, when all the cosy deals the Government has worked out with its union mates are taken into account, will add more than \$1.5 thousand million to public sector wages here in Queensland. This is the real story.

Let me take a moment to again address claims made by the Treasury about Queensland’s so-called Fightback black hole. Queensland will not lose from the abolition of payroll tax. We have delivered what Treasury has asked for, and it is signed and sealed with a personal guarantee from the next Prime Minister of Australia. That personal guarantee is exactly what Treasury has asked for. As I said before, compensation will be tied to GST collections. It will grow as GST grows. Queensland will not lose from an end to the Better Cities Program or the Commonwealth/State Housing Agreement or, for that matter, in respect of urban transport systems. Yesterday, the Transport Minister—and again today, the Premier—referred to the Gold Coast rail link which he said would not continue under a Hewson Government. What a cop-out! The Better Cities Program did not exist when we were in Government and when our Government committed itself to the project, including the bulk of the land resumption and the forward planning.

Mr Hamill: And no money! Empty promises!

Mr BORBIDGE: What we are hearing are lies. They cannot be substantiated. They have never been substantiated. In respect of a cutback in State grants, I acknowledge that, on Treasury estimates, Queensland Treasury will lose about \$147m, taking into account a 5 per cent cut. That is 1.47 per cent of the Government’s total budget of \$10 billion—1.47 per cent!—and the Government cannot handle it when it is increasing the public service wage bill by \$1,500m. This is a small sacrifice for the Queensland Government to make when one considers the sacrifices forced on ordinary Australians by arrogant Governments from one end of this nation to the other. It is not a black hole. The only black hole we have in this Parliament is the one between the ears of the Treasurer. It is a pothole that any half-competent Treasurer should be able to drive around. It is an even smaller sacrifice when one considers that the Federal coalition is prepared to cut its own cloth by 10 per cent. It need not even be a sacrifice at all. Under the Rebuild Australia Fund, \$3 billion in funding is up for grabs. On a per capita basis, Queensland could expect \$600m of this fund, if only the Premier and the Treasurer got to work. If they have been too slow, too slack and too lazy in nominating projects, that is their fault; it is not my fault and it is not John Hewson’s fault.

In response to the Minister for Transport, who interjected earlier, I ask: what about the \$50m injection each and every year into Queensland Rail as a result of the abolition of diesel excise and payroll tax? Treasury did not even look at that. Let us take some

time to consider some of the benefits contained in Fightback for average Queenslanders, the people the Premier could not care less about. For individuals and families, these include a 25 per cent cut in income tax and an end to petroleum excise, which alone will reduce the cost of an average tank of petrol by \$11.40 and put more money into Queenslanders' pockets. Labor's secret consumption tax, its wholesale sales tax at 10 per cent, 20 per cent and 30 per cent, will be abolished. There will be no GST on food, so with the abolition of sales tax many items will in fact be cheaper. There will be a doubling of the family allowance for families on incomes of up to \$30,000 and a 50 per cent increase for incomes up to \$40,000. There will be rebates of \$800 for private health insurance; an 8 per cent increase in pensions; a 6 per cent increase in social security benefits and access to pharmaceutical benefits cards for self-funded retirees. There will be shorter hospital queues. There will be up to 60 000 university places, and up to 100 000 TAFE students presently unable to get places will be able to do so. First home buyers will benefit by up to \$2,000. There will be a \$3 billion commitment to better education. The bottom line is that the average one-income Queensland family with two children will be \$56 per week better off, and a Queensland couple on a pension will be \$30 a week better off.

Labor claims that it can do it better. The economic champions who gave us an exposure in Compass; who lost \$40m on the Indy Car Grand Prix; who have exposed the taxpayers to a \$7.1m debt on the Gondwana Rainforest Sanctuary and have built a \$400m park over the river—the most expensive gardens in the world—say that they can do it better. A Federal coalition Government will see \$1.9 billion in personal tax cuts going into Queensland pockets; \$1 billion in payroll tax being removed from Queensland business; and \$1.1 billion in petrol excise being stripped from Queensland exports. Despite that, Queensland's Premier and Treasurer support those taxes and talk up those taxes. Queensland has a Premier and a Treasurer who are pro-payroll tax, pro-superannuation guarantee levy, pro-customs duty, pro-training guarantee levy and pro-Labor's secret consumption tax of 10 per cent, 20 per cent and 30 per cent.

What about the effect that Fightback will have on Queensland's key industries? Mining will benefit from the abolition of petroleum products excise, the abolition of payroll tax, the abolition of wholesale sales tax, the removal of customs duty, the zero rating of exports for GST and moves to free up the waterfront. Last year, the mining industry employed 23 000 people in Queensland and produced \$5 billion in commodities. The mining industry is in the front line to benefit, and so is Queensland. Fightback will mean more jobs and more export revenue.

Primary industries will benefit from the abolition of petroleum excise, cost reductions in land transport of about 30 per cent, no GST on business inputs, and waterfront reform. Those initiatives will bring badly needed and broad-based relief from the high interest rate policies of the Keating Government, drought and depressed commodity prices brought about in large measure by corrupt world markets. Queensland's peak rural industry groups have all—each and every one of them—endorsed Fightback.

Tourism is the third of Queensland's big three industries. It, too, will do extremely well. The same raft of tax abolition and microreforms that will benefit all industries will benefit the tourism industry particularly. As Queensland is Australia's premier tourist destination, it is poised to benefit most. It should not be overlooked by the Minister that the great bulk of the tourism industry is still reliant on interstate and intrastate travel by families using their own cars. With petrol \$11.40 a tank cheaper under Fightback, the largest sector of the tourism market can only grow. In those three major industries alone, the positive impact of Fightback on Queensland will be immense. We will see more profitable mines, more profitable farms and a more profitable tourism industry.

During this Federal election campaign, considerable attention has been directed to the policies of the Federal Opposition. Quite rightly, this Parliament has concerned itself with the impact of coalition policies on the State of Queensland. However, what the Premier failed to address and what other Labor members will forget to address is the

policies of the alternative. Labor does not have a plan for Australia. Therefore, by definition, Labor lacks a plan for Queensland. For 10 years, it has failed to address the fundamental problems facing this country and this State. Now, at five minutes to midnight, Labor places before the people of this nation and this State a couple of mouldy old bandaids to cover a gaping wound. It puts forward as its chief salesman a man who, more than any other, has sought to retard the genuine aspirations of Australia; who gave us the recession that we had to have; who gave us one million unemployed, record debt, an unbalanced balance of payments, the prospect of a new flag and an Australian republic. Today, that man has been championed by the Premier. During the course of this debate, he will be lauded by other members of the Goss Government. The Premier stated that today he was going to nail a wimp. I say to the Premier: if Opposition members achieve but one thing from this debate, it will be to nail him fairly and squarely to Keating's lapel. In the days leading up to 13 March and beyond, Opposition members will cart both of those men from one end of the State to the other. We will tell the people of Queensland that Mr Goss is just another Labor Premier who props up the most discredited Prime Minister in the history of Australia. During the State election campaign, Mr Goss did not want to know Mr Keating. At a function held at South Brisbane, Mr Keating sat at one end of the table and the Premier sat at the other. They would not even pose for a photograph together. But now they are back in; it is all okay; mates have to stick together.

The Government claims that it can spend money better than the private sector. It claims that, by spending, spending and spending, it will spend us out of recession—just as other Labor Governments have! The Government wants money that belongs in the pockets of the taxpayers of Queensland to be in its pockets. This Premier is building up an agenda. He has destroyed the largesse, the inheritance of 32 years of conservative Government. He has whittled it away. The Government has its own tax agenda. It will introduce a fuel tax. The Deputy Premier has promised a 10c per litre fuel tax. When John Hewson makes it to The Lodge, the Government will claim that it is all John Hewson's fault. It will not be his fault, because Fightback gives this State an opportunity to become the leading State, as it should be, whilst the Government's policies are taking it back into a sea of mediocrity.

Mrs SHELDON (Caloundra—Leader of the Liberal Party) (11.21 a.m.): I second the amendment moved by the Leader of the Opposition. On Monday, 22 February, the Prime Minister was in town on the campaign trail. He gave us a graphic example of the problems with Australia's future and some of the confusion over the Fightback package. Mr Keating was a guest on the Brisbane radio station B105, a high-rating station which caters to the younger set. During Mr Keating's guest appearance, a young woman from Raby Bay won a radio competition, which carried a prize money of \$1,000. The Prime Minister of Australia interrupted the broadcast with an urgent message for the competition winner. He told her and all the other listeners that if Dr Hewson was in power, there would be a 15 per cent goods and services tax on her prize money. The Prime Minister told the B105 audience that the policies of the Liberal/National coalition would rip out \$150 of that prize money. That was a deliberate, barefaced lie. The Prime Minister knew that he was lying. He knew that the radio station caters to Queensland's younger set, yet he lied like a pig in mud. But then, of course, Mr Keating knows a bit about pigs.

This is the man who stands up in Federal Parliament and cries crocodile tears about violence and sexually explicit material on prime-time television. This is a Prime Minister, from Canberra the porn capital of Australia, who sought to score political points by sanitising the airwaves to protect young Australians from gratuitous violence and offensive language. Yet Labor's Mr Keating will lie deliberately to those same youngsters. What an example to set! The coalition's Fightback package says in black and white that the GST does not apply to prize money of any sort, whether it is on the racetrack, or from poker machines, a lottery coupon or a radio competition. By his barefaced lie, the Prime Minister abused the hospitality of radio station B105 and

betrayed the trust of his young audience. He also denigrated the high office of Prime Minister. But then, he hijacked the Prime Ministership; he never earned it.

That incident highlights Labor's major campaign tactic—lies and deceit. As I said earlier in the sittings, many of Labor's local lies are based on the facile document that was produced by the Treasurer, Mr De Lacy, in November last year. One lie is the \$370m black hole in the Budget if the coalition wins. During the Matters of Public Interest debate in this Parliament on Tuesday, I thought I had demolished comprehensively that fictitious argument about the black hole. I have always realised, as has every coalition leader in Australia, that the original formula for compensating the States for the abolition of payroll tax was flawed. It was flawed because it took a normal Grants Commission type formula as a basis of compensation. It was flawed because Labor's recession was deeper and longer than anyone realised. That is understandable, because year after year, the former Labor Treasurer—and now Prime Minister—lied about the extent of the recession. He told the same lies about the light at the end of the tunnel—remember that one—and a lovely set of numbers—another classic.

Mr Connor: The J-curve.

Mrs SHELDON: Yes, of course, the J-curve, as Australia slipped from recession into the worst depression in 60 years. Of course, compensation for the abolition of payroll tax in Queensland could not be based on collections during three years of depression. I hope that the Treasurer is listening to this because, by heavens, he has not understood it up until now. Of course, Queensland's natural and human resources mean that we will forge ahead of the other States out of this depression, but only when the dead hand of Labor is eliminated from Government in Canberra and in Brisbane a couple of years down the track. It is only a matter of time. That is why two weeks ago Rob Borbidge and I joined other coalition leaders in Sydney to agree on a changed formula based on GST collections in an expanding, non-Labor economy. That same day, I issued a press release that highlighted the changed formula and I urged the Queensland Treasurer to do a new set of sums, which he has not done, on the positive implications of State funding under a Liberal/National coalition in Canberra from 13 March. Yet the entire Labor Ministry, from the Premier down, has continued to argue on the old set of figures—that spurious document cobbled together in Mr De Lacy's office in November last year. The Treasurer liked his black hole theory so much that the entire Goss Ministry kept churning out public statements on figures that were wrong for the most part, and based on a superseded formula in the vital area of Federal grants to cover the abolition of payroll tax. Do not forget that we are talking about an expected \$817m this year, rising to \$1 billion and more in a few years time.

On Tuesday, during debate in this Parliament, I again pointed out to the Treasurer the error of his ways. Yesterday, the Treasurer tabled in this Parliament a document dated August 1992 titled "The impact of the abolition of payroll tax in Queensland on the State's financial assistance grants".

Mr De Lacy: You haven't answered any of those questions. You haven't addressed them.

Mrs SHELDON: The Treasurer should just listen to what I have to say. Yesterday, he quoted an outdated and outmoded document which purports that if what John Hewson said would be put in place was put in place, it would be good for the State. That is what has been put in place. It is here in the Treasurer's document. Yesterday, the Treasurer actually tabled this document. Unbelievable as it sounds, this six-month old document points out the problems with the now discarded payroll compensation formula. The Treasury paper then goes on to suggest a different formula. It is exactly the one that was endorsed in Sydney two weeks ago by the leaders of all the Liberal and National Parties in Australia. Members may recall that that was the meeting which the Premier denounced yesterday as a sell-out for Queensland's vital interests.

For the benefit of members, I will again read to House the vital paragraph from the coalition's jobs communique. It states—

"The abolition of payroll tax will be accompanied by payroll tax abolition grants to refund the revenue forgone by the States. The payroll tax refund will be sourced from GST revenue, thereby providing the States with a more stable revenue base. The amount of each States' grant so calculated would be expressed as a percentage of the GST base."

Remember, that is from the coalition's job communique that was negotiated and signed with considerable pride by Rob Borbidge and me a fortnight ago. I now quote directly from page 5 of the Queensland Treasury document on payroll tax formulas, which was drawn up in August last year and tabled in this House yesterday by Mr De Lacy—

"An alternative means by which the changed arrangements with respect to payroll tax could be reflected in Commonwealth/ State financial arrangements is by treating the payroll tax abolition grants in a manner analogous to the treatment of HFG's. Such an alternative would be favourable to Queensland and would have many desirable features. It would enable the nexus between the level of payroll tax abolition grants and the GST base (or collections) to be maintained. Secondly, it would ensure that the total level of assistance available to each State (through a combined pool of FAGS, HFG's (Hospital Funding Grants) and payroll tax abolition grants), was not influenced by the policies of that particular State. Furthermore, this treatment would be consistent with the principle of horizontal fiscal equalisation."

I am starting to wonder whether the Treasurer is capable of absorbing new information. I honestly wonder if he understands the first thing about Federal/State formulas, because tabling that Treasury document yesterday in Parliament was the act of a real mug. It indicates that he has not even read the 10 February document, which we signed in Sydney. Particularly since 10 February, I have been trying to work out whether Mr De Lacy is derelict in his duty by not studying financial formulas that will be introduced in just a couple of weeks by an incoming Federal coalition Government, or whether he is just a dill. On the evidence provided in this Parliament since last Tuesday, I am forced to the latter conclusion, that he is a dill who could not handle a newspaper round. The \$150m loss, about which the Premier and Treasurer keep talking, simply will not happen. The coalition leaders, including Mr Borbidge and me, have seen to that.

The Queensland Government will benefit by major funding boosts in the vital areas of education, housing, health, electricity generation and transport reform. Queenslanders will also benefit from \$1.7 billion in tax cuts. But the evidence does not bother this Labor Government. The Goss Ministry believes that it can lie in the face of the facts and still get a good run in the media. For a start, the goods and services tax—and I ask Government members, including the Treasurer, to listen to this—does not apply until October 1994. But part of the compensatory benefits, especially as they apply to pensioners and families, cut in from 1 July this year—that is, 1993—in just over four months' time. From that date, half benefits will be paid on pensions, family allowances and tax cuts for low-income partners. It is already a matter of record that the average family will be better off by \$56 a week when the coalition package is in place next year. There will be lower taxes, increased benefits and the flat-rate GST. I ask members not to forget how pensioners and retirees, who have been the most disadvantaged under the 10 years of Labor, will benefit from Fightback. The age pension is increased by \$25 per fortnight, and the pharmaceutical benefits card will be made available not just for pensioners but all retirees. The effective tax-free threshold for both retirees and pensioners will be lifted to \$10,060. Of course, there is no GST on health care, food, financial services or maintenance fees in retirement villages.

In marked contrast to Labor, which has not yet delivered any of the 50 000 child-care places that it promised at the 1990 election campaign—and I hope that the women in the Labor Party are listening to this—in its first term a Hewson Government will provide a further 8 000 places by substantially increasing financial support for family day care and outside school hours care. Keating's \$30 a week home child-care subsidy is another Labor shame. I ask Labor members opposite to listen to this. That subsidy

replaces the dependent spouse rebate, which is currently about \$26 per week. That means that Keating's grand plan is nothing other than a tiny \$4 a week increase for home-based mothers, not \$30. Under Fightback, the coalition will increase the dependent spouse rebate by \$300 a year, or about \$6 a week. This means that the Hewson Government will actually give mothers who stay at home with their children \$32 to \$33 a week more than Keating's sham policy. I repeat that so that it sinks in: Hewson will give mothers who stay at home with their children \$32 to \$33 a week more than Keating's sham policy. Keating also stole the Federal coalition's policy for the extension of the relief for occasional care. Why did he not announce that at the time of his own child-care policy? The Federal coalition will also extend fee relief for long day care, after school hours and vocational care, helping 25 000 more women than Labor would assist.

I am sure that Labor will go on about the overnight news from Canada. These are the facts: Mulroney showed how not to introduce a GST. His problems bear no comparison to those of Australia. He did not introduce personal income tax cuts or scrap the petrol excise and the payroll tax until two years after he introduced the GST. The Federal coalition starts phasing in its tax cuts and benefits increases in June 1993, more than 12 months before the introduction of the GST. The Federal coalition's cuts to personal income tax and the scrapping of petrol excise and payroll tax will be brought in well before the GST under the Federal coalition. Mulroney also did not tell the electorate that he was introducing the GST until after he was elected—rather like the Labor Ministers in Canberra. I really cannot do better than to quote from the conclusions—

Honourable members interjected.

Mrs SHELDON: Mr Speaker, may I have your ear? I would like to be able to be heard.

Mr J. H. Sullivan interjected.

Mr SPEAKER: Order! I warn the member for Caboolture under Standing Order 123A.

Mrs SHELDON: Thank you, Mr Speaker. I really cannot do better than to quote from the conclusions drawn last night on Channel 7 at the end of its three-part series on the GST. I shall read into *Hansard* the conclusion of the program—

“Seven Nightly News asked tax expert Alan Boys and his firm of accountants Horwath and Horwath to calculate what various income tax payers would save under the Hewson scheme.”

The Treasurer had better listen to this—

“Under the tax promises that would come into effect in October 1994 a worker earning \$460 a week would pay \$21 less tax each week, a yearly saving of just over \$1,000. On a weekly wage of \$540 a tax saving of \$28 or \$1,400 a year. On a weekly wage of \$570 a \$30 a week saving or \$1,500 less tax each year. Someone earning \$1,640 would save \$36 a week in tax or \$1,800 a year. And on gross weekly wage of \$660 the weekly saving would be \$37, which is \$1,900 over a year. It is designed to encourage people to save money.

...

People on social security have already been promised catch up money if G.S.T. makes life harder for them.

We are told the axing of sales tax would bring some prices down, even with a G.S.T. added on. Because we are already paying more than 15% on goods from softdrinks to toilet paper.

But nobody can say for sure how each person and each family would fare under combined deal. It all depends on what we spend our money on. Horwath and Horwath—expert—believes Australians would be better off by shifting taxation from income to consumption. He sees it as more jobs—

remember that we have one million unemployed under Keating—

“more exports, and a chance to reduce the nation’s debt through savings.”

Those findings are supported by one of Australia’s most respected financial writers, Trevor Sykes, in this week’s *Bulletin* magazine. The Treasurer might like to read that article, but those facts do not stop Labor.

Mr Borbidge: He can’t read.

Mrs SHELDON: Perhaps he cannot read. I am beginning to believe that that is a fact. Last week, Tom Burns threatened a petrol tax of 10c a litre as a penalty on all Queensland motorists if they dare vote for jobs and prosperity instead of Labor’s depression. Then the Education Minister predicted the closure of up to 120 schools and the sacking of more than 3 000 teachers if Queensland supports the coalition, which is pretty strange even by Labor’s standards of truthfulness. The De Lacy document, which set out to tell the biggest fibs imaginable about coalition policy, had to concede that Fightback meant another \$3.3m in normal education funding for Queensland and an \$11.25m boost to our TAFE system. The fact is that the Hewson plan guarantees a quarter billion dollar boost for Australian education during the coalition’s first year in office and a extra \$3 billion in funding during the first Parliament of a coalition Government. So why was the Education Minister dragged into the lie? Since he is titular head of education in Queensland, responsible for the early development of something like half a million children, why did he allow himself to get involved in this grubby campaign of lies? He not only misrepresented education funding under Fightback; he even differed dramatically from the Treasurer’s acknowledgment of the massive increases for education in the November document. I do not think Mr Comben even believed himself.

Then we come to the Housing Minister, Mr Mackenroth, whose past history suggests that he would not know how to tell the truth even if he wanted to. But his contribution to Labor’s misinformation campaign is typically Terry. He tries to stampede home buyers with his story of a \$600 rise in the price of a house because of a GST on various legal fees and finance charges. All finance charges are specifically exempt from the GST. He forgot to mention that Labor’s industrial relations laws at the State and Federal level are estimated by the Housing Industry Association to put up new home prices by an incredible \$15,000 on average. According to Labor, that is the price that we must all pay for the compulsory unionisation of subcontractors and the overregulation of the building industry through a raft of laws introduced in Canberra in the dying days of Labor’s last Parliament in 1992. Terry forgot to mention that the coalition will help low income families into their first home by reinstating the \$2,000 grant under the first home buyers scheme. That is a very important grant. It is understandable that Terry did not mention that, because he does not start counting money as real unless it amounts to \$5,000, and it has to be in cash. We will wait a long time to hear any Labor liar admit that they abolished the first home buyers scheme in favour of a typical Labor policy. We can easily tell, because it is big on bureaucracy and small on housing benefits to small income families.

Terry also forgot to tell us that the coalition encourages couples saving for a home, whereas Labor taxes home savings accounts at the top marginal rate when interest reaches a measly \$100. By contrast, families saving for their own home will have a tax-free holiday under the coalition until the interest return on deposits reaches \$1,000, and even then it will be taxed at a much reduced tax rate. At current interest rates, to earn \$1,000 in interest a family has to have something like \$22,000 on deposit. At the moment, an average Queensland family can buy their own home by committing 32.1 per cent of take-home pay to mortgage repayments. Under the taxation and housing policy of the coalition, the dream of buying a family home can be realised on 29.9 per cent of take-home pay. To the average Queensland family, that represents a saving of \$1,882 per year, which can be diverted to household needs or invested in a more rapid repayment scheme.

Just yesterday, we had the mother of all lies peddled by the Tourism Minister, Mr Gibbs, about a 16c a pot increase in the price of beer because of GST. The story quoted a report by the Queensland Hotels Association to authenticate the story and quoted the Labor Minister to give it the political spin. Queensland's major newspaper dutifully gave the story prominence on its front page.

Time expired.

Mr SPEAKER: Order! Honourable members, in case there is any misunderstanding, I advise that, in accordance with established practice, I will allow a debate to take place which may include both the Premier's motion and the Leader of the Opposition's amendment. Honourable members may debate either issue.

Hon. K. E. De LACY (Cairns—Treasurer) (11.42 a.m.): I rise with alacrity to support the motion moved by the Premier and to oppose the amendment moved by the Leader of the Opposition. Today, I principally want to talk about the payroll tax proposal which is contained in Fightback, because it raises some very important concerns for the State of Queensland. However, firstly, I will make a few general comments about Fightback and about the Federal election. Last week, I was in the United States and saw what has happened there after 12 years' of Hewson-style, Right Wing, anti-worker Government of Ronald Reagan and George Bush. The United States has changed from the greatest creditor nation in the world to the greatest debtor nation in the world. It has a debt of \$3 trillion—that is, \$3,000 billion. It has \$17 trillion worth of unfunded liabilities—mostly social security liabilities. It has an annual Budget deficit in excess of \$US300 billion. In the United States, 18 per cent of the Federal Budget goes into debt servicing, 30 million Americans have no health cover at all and 36 million Americans live below the poverty line. That has occurred in the United States of America after 12 years of Hewson-style politics. As an individual, I care very much about the outcome of the Federal election for a whole range of reasons. Apart from the ones I have just spelled out, I am concerned in three principal areas. Firstly, I am concerned about health care. Australia has the best health-care system in the world.

Dr Watson: There are 100 000 people on the waiting list.

Mr De LACY: The honourable member should see what is occurring in the United States, which has a system based on private health insurance where the costs are determined by the doctors. There are 30 million Americans with no health cover at all. It is eating up 14 per cent of their GDP, as opposed to 8 per cent of GDP in Australia. That is the kind of health system that John Hewson and the Liberal Party want to impose on the people of Australia. Only the Liberal Party would know why we would give away the best health system in the world for that sort of arrangement.

The second point is consensus on industrial relations and a whole range of other areas. We all recognise that we need to have a more efficient, internationally competitive economy, but there are two ways of doing it. There is the Labor way of doing it, when everybody agrees and we keep moving ahead with consensus, or we have the Jeff Kennett or the John Hewson way where they demolish consensus and reintroduce the class war. Would we really make progress? Honourable members will have to compare Queensland with Victoria in two years' time, three years' time or 10 years' time to see who will still be in front. In Queensland, we will do it the right way and they will do it the non-consensus way.

Finally, I turn to the tax system. John Hewson is offering Australia a radical change in the tax system. As Treasurer, I know and understand that we have a cake. All we can do is redistribute; all we can do is reallocate. We know what he is on about. If anybody believes that the poor or the middle income earners are going to be better off, than they are the people who believe in the tooth fairy, because he is all about redistributing and that redistribution will go from those who are worse off to those who are better off. That is an absolute fundamental that nobody ought to lose sight of.

I will make a point that might surprise honourable members. As Treasurer, I do not care who is in Canberra. My only concern is Queensland—who is best for Queensland

and who will do the most for Queensland and assist us to deliver the services that we were elected to deliver. As the Premier said earlier today, we have a mixed economy. We have a private and a public sector, and the public sector does provide a whole range of important services such as health, education and law enforcement. That glib, ridiculous assertion from the Liberal Party that says, "We want to put the money in your pocket instead of the pocket of the public sector" is a nonsense assertion. We need the money to deliver those vital services that make a more equal society and a better society.

I said that I do not care if it is a Liberal/National Party or a Labor Party Government in Canberra; I am interested in Queensland, but the more I look at Fightback, the more apprehensive I am; in fact, the more absolutely terrified I am for the future of Queensland. Nothing that those opposite said today, on Tuesday or on any other day has led me to change my assessment of the impact of Fightback on the Queensland Budget—\$370m. Mr Borbidge says that we have to live within our means. We will live within our means; we always live within our means in Queensland. We not only live within our means, but also we have been reducing the debt burden that those opposite left us with—about \$200m a year off the debt burden that we inherited from the National Party Government. We have been reducing it. We will continue to live within our means. But, if we lose \$370m, to live within our means we have to cut expenditure or increase revenue or, perhaps, a bit of both. The Opposition has told us to live within our means. We will live within our means, but we will nail to the mast the people who have made us cut those expenditures or increase those revenues.

Let us consider payroll tax. Of course everybody supports the abolition of payroll tax. I can remember the survey "Do you support higher taxes?" Ninety-nine per cent of the people said, "No, we want lower taxes". I do not support the abolition of payroll tax if it is done largely at the expense of our Budget or of our capacity to deliver services. I certainly do not support it if it is done in such a way that dramatically discriminates against Queensland. On that basis, Fightback is a failure. It potentially discriminates against Queensland in a very dramatic way. The Queensland Opposition has so lost its way that it has gone into bat while vigorously promoting an arrangement that clearly advantages New South Wales and Victoria at the expense of Queensland. This is the Queensland Opposition, and it is supporting that kind of an arrangement!

I will spell it out on four grounds. Everybody knows that in Queensland we levy payroll tax at a lower rate and with a higher threshold than applies in every other State in Australia. That has been because of our commitment to low State tax to foster economic growth and job creation. When the National Party was in Government it charged 5 per cent, and every other State charged 5 per cent. Now, with us in Government every other State charges 7 per cent and we are still at 5 per cent. The National Party should not think that it had any competitive advantage. The competitive advantage has occurred in the last three years. The trouble with Fightback is that it is going to compensate Queensland at the lower rate. It will penalise us for keeping our taxes down and encouraging business—the sort of thing that Fightback was supposed to be all about.

If we levied payroll tax at the same rate as it is levied by the Liberal/National Party Government in New South Wales, instead of receiving \$817m per year, we would receive \$1,077m per year. In other words, if we levied payroll tax at the same rate as New South Wales, we would receive an extra \$260m—money which is now in the pockets of Queensland business. What is Fightback going to do? Fightback is going to penalise us for that. Under Fightback, we will lose our competitive advantage that the lower payroll tax rate affords us; we are going to be compensated at a much lower rate than is New South Wales and Victoria; yet Queenslanders will pay 15 per cent, the rate paid by everybody else around Australia. It is manifestly unfair and it discriminates against Queensland. It is not just one-off. This will be the base—\$260m a year or \$87 per capita below the New South Wales rate, year in year out. That is the rate, and it will be indexed. Queensland will be down \$260m compared to New South Wales, year in and year out, which is absolutely outrageous discrimination. I challenge the Opposition

to say whether it is going to sit back and accept this outrageous discrimination against Queensland, or will it go to Dr Hewson and insist on an equitable compensation package? I wait with bated breath for the answer.

The second point I wish to make is one to which I drew attention earlier this morning. I tabled the Treasury's analysis of the impact of the abolition of payroll tax in Queensland on the State's financial assistance grants. That is how we came up with the figure of \$150m that it will cost Queensland in the distribution of financial assistance grants. I was hoping that members of the Opposition would respond to that issue. They made a few glib comments but missed the substance of the document. The analysis that has been done by Treasury, not by me, states that there are two ways that the payroll tax abolition grant can be treated by the Commonwealth Grants Commission, which is the body that determines the distribution of financial assistance grants from the Commonwealth Government to the States. They can be treated as a specific purpose payment or as the hospital funding grants are now treated. It is regrettable that Mrs Sheldon has run for cover out from the Chamber because this is the guarantee that I was trying to extract from the Opposition. If it is treated in the same way as the hospital funding grants are treated, then Queensland will be okay because it will not lose the \$150m. But on the bases of what members of the Liberal Party and the National Party have said and agreed to and on what the Fightback package contains, the reasonable assumption is that it will be treated as a specific purpose payment. If Opposition members can give me the guarantee which I seek, then I will be happy; but honourable members will notice that the Shadow Treasurer, Mrs Sheldon, refused to respond to my questions and my interjections. Therefore, the question still remains. Can they guarantee that the payroll tax abolition grant will be treated in the same way as hospital funding grants are treated? If they can, I will be happy and I will remove \$150m from the equation. I have not been given the guarantee yet, but I am asking for it now.

If the grant is treated as a specific purpose payment, matters become very complex. When the Commonwealth Grants Commission decides on the basis of its formula how much funding is available for distribution as financial assistance grants, it will mean that New South Wales will receive an additional \$171m; Victoria will receive an additional \$111m; and Queensland will lose \$152m. Theoretically, this will happen because New South Wales and Victoria have a larger capacity to raise payroll tax and would be disadvantaged more because of its removal. However, here we have a situation in which New South Wales, for example, will be doubly compensated by a higher payroll tax abolition grant because that State has a higher rate of payroll tax and a larger financial assistance grant. In contrast to that, Queensland will be doubly penalised. This State will be short-changed by \$260m on compensation and will be short-changed by \$150m in financial assistance grants distribution. This is my very clear question: is that the case? If members of the Opposition give me the guarantees which I am seeking, I will accept them if they are written by Dr Hewson—although I do not know whether I would accept them, even then. However, what I am looking for is an indication from Dr Hewson whether that is or is not the way in which the matter will be handled. I cannot believe that Mr Borbidge and Mrs Sheldon would be supporting arrangements that so obviously discriminate against Queensland. Mrs Sheldon is more Mexican than the Mexicans. Some people wonder why they call her Mexicali Rose.

The third point I wish to make is that there are two other areas of discrimination. According to Fightback, the payroll tax abolition grant will be based on an average of actual payroll tax collections for the last three years. In 1990-91, Queensland's collections amounted to \$760m. In 1992, they amounted to \$787m. This year, they are forecast to amount to \$817m. The average is \$800m. Therefore, Queensland potentially stands to lose \$17m. The question is: does that make Queensland worse off than the other States? The fact is that it does. Every other State has had declining collections over the last three years because of their declining payrolls and the decline in employment numbers. Queensland is the only State in Australia with employment growth. We have had increases in our payroll tax. By going back to a three-year average, this State will be disadvantaged whereas New South Wales and Victoria are

given an advantage once again. I do not know whether or not I am paranoid or whether every single bit of the Federal Opposition's proposal discriminates against Queensland, deliberately or otherwise.

Mr Beanland: You are just plain wrong.

Mr De LACY: Then the honourable member should answer my question. The fourth point I wish to make is that, in Fightback, there is a lack of provision for Queensland's superior economic and population growth. According to Fightback—and the position has not changed, judging from what Mrs Sheldon has had to say this morning—the payroll tax abolition grants are to be estimated by the growth in the GST tax base. However, this does not recognise Queensland's relatively greater growth. My question is: can the coalition guarantee that Queensland will not be disadvantaged through the application of a national growth formula? We have to be compensated under the national growth formula, even though Queensland's economy is growing quicker than is the economy of the other States. More importantly, will Queensland's real per capita share of payroll tax abolition grants be reduced even more because of population increases relative to the population increases in the rest of Australia? That is what Mrs Sheldon and Mr Borbidge addressed today, but they did not address it properly. Instead, they glibly skated over the issues. I might say that it is one of the minor points in Treasury's analysis, but they still glibly skated over it. Is Queensland to be compensated on a per capita basis, or will this State be compensated upwards from the base that already exists? Unless Queensland is compensated on a per capita basis, once again Queensland will be discriminated against. Honourable members will be able to see why I am so concerned about Fightback's treatment of Queensland. It represents gross discrimination against this State. I would be very pleased if a member of the Opposition were to rise and refute my arguments. However, they have not done so yet, and I doubt that they will.

I do not know whether that discrimination against Queensland is by omission or commission, but we do know that members of the State coalition have, at best, been totally inept in their representations on behalf of Queensland or, at worst, malicious and Machiavellian in the sense that they support proposals that are against the best interests of Queensland, and they are doing that because they want the Queensland economy to suffer so that they can carry on with their whining, whingeing and knocking for which they have an international reputation.

On Tuesday, Mrs Sheldon—and I hope that she is listening to this—raised the issue that Queensland will be compensated in the payroll tax abolition grant for payroll tax that the Government levies on Queensland public servants. She said—

“There is then the \$228m that this Government”—

that is us—

“levies in payroll tax on its own employees. Fully 28 per cent of the \$817m from payroll tax this year is levied on Government departments and statutory authorities.”

She went on to say—

“So much for Labor's scaremongering over the past few weeks! . . . the \$228m tax on public servants”—

will be—

“transformed from a book entry to additional State income.”

My challenge to Mrs Sheldon is to get a letter from Dr Hewson confirming her assertion that Queensland will be compensated for payroll tax levied on State public servants. If she cannot get that letter, she must stand up here, apologise for misleading the House and admit that the coalition's whole argument on the payroll tax fiasco is based on shonky figures. That is my challenge to Mrs Sheldon. She should get a letter from Dr Hewson confirming her interpretation of Fightback that Queensland will be compensated to the extent that the Queensland Government levies payroll tax on State

public servants. I see that Mr Lingard is listening. He should ask Mrs Sheldon to provide that letter. The Government wants that confirmation. If she cannot give the Government that confirmation, she must stand up and apologise to the House.

Mr LINGARD (Beauesert—Deputy Leader of the Opposition) (12.02 p.m.): Once again, we have heard the Treasurer saying, "What can this Government get out of business? What will we lose in Fightback?", but never once saying, "What is business going to gain itself?" Surely, that is very, very typical of an ALP attitude and an ALP Treasurer. Businesses will certainly benefit from the implementation of a GST as compared to payroll tax. Surely, the Treasurer himself would have to accept that, for business, taxation compliance costs include the professional fees of advisers, such as accountants. Those costs include the time taken by internal staff to maintain necessary documents and the time taken to complete tax forms. Government members know that, in broad terms, any business liable for either wholesale sales tax or payroll tax should typically have lower compliance costs under a goods and services tax. Surely, the business itself is the one that will benefit.

Based on the experience in New Zealand, there is no doubt that the larger businesses will gain from a GST, as their GST compliance costs as a percentage of turnover may be up to 300 times lower than those of the smallest compulsorily registered businesses. The Treasurer knows as well as I do that there will be a benefit for business. We are not necessarily talking only about Government or the money that the Government can take out of businesses. The businesses will benefit; therefore, the employment situation also will benefit. We will not see one million people on our streets. The political situation is such that on 13 March we will see a landslide victory for the coalition. Members of the Opposition can see it. The public can see it. The political situation is exactly the same as that in Victoria under Kirner and in Western Australia under Lawrence. In Victoria, we saw massive debts, massive unemployment and, near the end of the term of the previous Government in Victoria, massive pork-barrelling. In Western Australia, we saw a similar situation. Massive fallouts came from Western Australia Inc, when the public saw the way in which the ALP received its money.

With two weeks to go till the next election, let us have a look at the position at the Federal level. We are \$160 billion in debt. We owe more than \$200 billion. Because of discussions such as these, the public knows what that massive debt is. Australia has massive unemployment—one million people. The school leavers are about to be added to those figures. At least one million people are underemployed. We know that, in addition, there are massive numbers of people such as those people in Queensland who were retrenched by the State Government. At the recent Cabinet meeting in Townsville, Cabinet members were skiting and laughing about the fact that, over the past two years, the Government put 3 000 people in the railways out of work and caused no industrial disruption. Because they were retrenched, those 3 000 people are not recorded in the unemployment statistics. They were forced to take extra payments and they were forced out of the work force.

We saw last week in Townsville and we saw in Monday's document—a document that the Government kept quiet—a proposal to get rid of 467 workers in Townsville immediately and, in the long term, 764. The Government said that those people would not be sacked; they would only be retrenched. The Government has already removed 3 000 workers from the railways. They were not sacked; they were only retrenched, so they do not appear in the unemployment figures. The public knows that there is the potential for a landslide on 13 March. We have seen pork-barrelling in the Federal sphere, exactly the same as that in Victoria and in Western Australia.

Members of the Opposition welcome the discussion on Fightback because we now know that Mr and Mrs General Public understand that they have been paying wholesale sales tax. If honourable members had asked people two or three weeks ago, I can guarantee that they would have found that not everyone understood that he or she pays sometimes 30 per cent, sometimes 20 per cent and most times 10 per cent wholesale sales tax. However, they know it now and they will know it on 13 March. The

Government has made a mistake because Mr and Mrs General Public know what they have been paying, up till now, as disguised taxes. They know that statements such as the one made yesterday by the Minister for Tourism that beer will cost extra money are an absolute lie. People know that they now pay 20 per cent wholesale sales tax on beer. They know that, after that 20 per cent is removed, 15 per cent will be added and therefore that beer will cost less. It is simply because all of this is being presented to the public, that what we are going to see on 13 March is, as I say, a massive landslide.

Today, we heard the Deputy Premier trying to tell us that rural and provincial Queensland are not being affected. Anyone who has toured northern and western Queensland, as we on this side did recently, knows how regional and rural Queensland are being affected. In the past decade, provincial Australia has been under siege. Its core industries of farming and mining—farming in particular—have been battered. It is losing both its people and its infrastructure. Two vital components of Australian society—the traditional family farm and the country town—are now facing ruin and, in many cases, extinction. Regardless of what the Deputy Premier said—and we heard some ridiculous analogies this morning about cold pies and dirty nappies—never has there been so much pressure on provincial Australia. Whilst at the same time some areas of provincial Australia, such as the coastal corridors, are growing, without a substantial policy change most of provincial Australia is about to collapse. The onslaught has come from all sides. It has come from world trends; it has come from both international and domestic economic problems; it has come from the climate; and last, but far from least, it has come from the Australian Government's policy and this State's ALP policy on rural and provincial areas.

This morning, we heard the Deputy Premier talking about Arts Council funding. He spoke about Tom Jones. How ironic that this State Government, in its funding to provincial and rural areas, has cut Tom Jones completely from its Arts Council funding. One of the ones the Deputy Premier has cut from funding is Tom Jones. He put Jeff Usher in. He put the Gladstone City Council in. He put Pop Popularity going to Ireland in, and he put an Aboriginal group in. But he cut Tom Jones from funding. He cut that one completely. Yet he stood in this place today and said that, because of Fightback, people could not go to see Tom Jones. No-one in provincial and rural Queensland can now go and see Tom Jones because the Deputy Premier has cut the funding. He did not increase any funding for the Arts Council.

When one talks to rural people, they say, "We know what is happening. You are cutting funding from rural areas. You are cutting funding from provincial areas. You are putting in a great South Bank and therefore you are getting the votes of Brisbane. You are putting in a great upgrading of the Gabba, but look at what you are doing to our sporting centres. Look at what you are doing to our police." I will cite the case—and it appeared in the *Courier-Mail* just recently—of a private person who one night had two of his tractors stolen. The next day, he found a tractor camouflaged in an adjoining paddock. He tried to get the police to come back and stake out the paddock. The police refused because they did not have the funding for overtime in country areas. Last night, that farm went up in flames. That happened simply because only one policeman could afford to come back and stake it out. Three men came back to take the tractor but only one was caught. I am not making any implications about who may have started the fire on his farm last night. Nevertheless, it has gone. The police must take some sort of responsibility for that. The Government must take some responsibility for what it is doing to rural areas.

I refer now to QGAPP. The Government cut courthouses and police stations in country areas and then provided QGAPP. Let me refer to what happened in the Beaudesert area. The QGAPP staff started to sell third-party insurance policies and they took the profit. Last week, a person was sacked because of the Government's policy in relation to rural areas. I am saying that Fightback will overcome the worries of people in provincial and rural areas. The Federal Government is doing nothing with One Nation, and members opposite know it. Similar situations exist in relation to schools. Members

opposite can see what is happening to small schools in Queensland as a result of the Government's rationalisation scheme.

Most Australians are familiar with the reasons for these losses. Increasing domestic costs imposed by the ALP have often been borne beyond the farm gate, but have strongly impacted on farmers' terms of trade and competitiveness on export markets. We have seen the high interest rates of the 1980s, which sucked both the savings and the income from the farming sector. We have seen the collapse of the wool market. We have seen the corruption of the world market for many agricultural products, especially wheat. We have seen cruel seasons which robbed many growers of recovery crops at vital times and, as a result of all of those, a write-down in farm capital values. What we see, therefore, is something which is not easy to measure but which has been a vitally important part of the equation, namely, a run-down in the capital base of farms. One has only to look at machinery on farms at present to see how old it is. A recent survey carried out in regard to tractors showed that the average age of tractors is now 10 years.

According to the ABARE farm surveys, average farm cash income fell from \$46,600 in 1989-90 to \$21,800 in 1990-91, and further to \$20,500 in 1991-92. At the same time, farm business profit fell from \$6,405 in 1989-90 to a loss of \$23,590 in 1990-91, and further to a loss of \$29,100 in 1991-92, the lowest ever recorded. And what does One Nation do? One Nation pork-barrels. One Nation puts plenty of money into specific issues but it does nothing for the rural areas. It does nothing for the provincial areas. Of course, a \$29,000 business loss for the year is a chilling indication that the farmer has no hope of meeting all of his demands and that he is certainly working for nothing. Farmers' terms of trade are in decline. Historical ABARE figures reveal that total rural indebtedness has almost doubled since 1986. When other shadow Cabinet Ministers and I went out to Charleville, we could see that places around Charleville had an average debt of \$500,000. They have no equity in their properties. No-one wants to buy the properties. In the olden times, neighbours bought the properties. That is not the case now. One can imagine what a person feels when he is \$500,000 in debt. The average return is a loss of \$29,000 per year. Property owners cannot sell their properties but still they have to continue under Federal ALP and State ALP policies.

In March 1992, the Labor Government claimed that the rural sector would begin to recover by the middle of that year, but within a few months it began to appear that this assessment was based more on hope than on fact. Now, at the opening of 1993, it is clear that last March's prediction was all hope and is clearly confounded by fact. Many years earlier, in March 1986, the then Prime Minister announced the formation of a special country task force, the object of which was to listen to, assess and report on issues of importance to country people. Notwithstanding that broad brief, it is difficult to find just what matters of substance have been reported to either Labor Prime Minister. It is even more difficult to identify what initiatives have taken place to address the real problems facing both rural and provincial Australia. It is clear that, while country Australia has waited, it has continued to battle under a series of Labor policy measures singularly inappropriate or poorly managed to meet the sector's needs.

Labor cannot escape the charge that it has made policy aimed at its voting base within the cities and in many ways has forgotten the people of provincial Australia. New members who represent electorates outside the Brisbane City area know that this is true. The people in western Queensland and northern Queensland know that Labor's policy affects their schools, railways and other facilities. Continually, money is poured into Brisbane City areas, because that is where the people who vote Labor reside. When Labor deregulated the banking system, it managed the introduction of market rates for the private housing sector, but did nothing to manage the huge change in lending culture that faced rural Australia. Despite the findings of its own investigation, the Martin inquiry, Labor has left the painful, sometimes tragic, residue of that change to the farm and finance industries to clean up as best they might. That has come on top of Labor's use of interest rates as a cruel weapon of economic control.

The major reason for the problems now faced by many farmers has been Labor's priorities. Although Labor has talked about micro-economic reform, structural improvement and infrastructure development, it has shown little real commitment to them. Australia's transport and export systems are still well behind the world's best. Country workers are still shackled to national employment awards. Those awards uphold the myth that working and living conditions in industrial Melbourne are the same as those in rural Roma or Longreach. People in Melbourne make decisions that have an effect at a national level. Supposedly, they can decide on conditions which will suit rural towns such as Longreach and Roma.

As a result, the coalition has resolved to review the anomalies arising from the application of a fringe benefits tax, especially in isolated areas. Through Fightback, the coalition Government brings to policy making a keen appreciation of the reality of provincial Australia. It recognises that Australia can—and indeed must—use as the foundation for future growth the essentially strong primary industry that it developed over its first 200 years. The coalition's policy is not to reject that industry and to try to start again in the cities. It recognises also the proper role of Government in providing the framework and the freedom of endeavour on which ordinary Australians can build their own futures. That is the real basis of Fightback. It includes an industrial relations policy which allows employers and employees to establish a proper working contract that suits their own needs as well as providing real tax reform and other related measures.

One of the obvious questions which farmers ask is how the GST will benefit them. The *Queensland Country Life* dated 25 February 1993 contains an article written by Ian Wearing, who is a rural business management consultant from Canberra. The article is titled "Will the GST help farmers?" Rather than express a political attitude, I wish to quote from that article. To answer the headline, the article stated—

"The short answer is, 'yes'."

The article further stated—

"How much?"

The short answer is 'about \$1025 million a year' for the rural sector as a whole, or an average gain of \$8200 per farm per year."

That is the benefit of GST to farmers. Ian Wearing further states in that article that the main gains will come from—

"Abolition of fuel excise which will reduce the price of petrol by 26c a litre for business purposes and 19c a litre for personal vehicle use.

The cost of transport will fall, as will the cost of aerial agricultural work, as the excise on avgas is removed.

The overall cost saving is estimated by Treasury to be \$697 million.

Removal of wholesale sales tax on all farm inputs—including trucks, utilities, spare parts, tyres and so on.

This will save agriculture \$288m; payroll tax abolition which will save \$166m from lower cost supplies such as fuel, fertiliser, chemicals, fencing materials, etc; and

Relief from capital gains tax where a business is sold and rolled over into a like business, and where the disposal price does not exceed \$5m. Also, there will be no capital gains tax on the sale of a farm by retirees aged 60 or over where those gains are up to a value of 10 times average weekly earnings.

No capital gains tax will apply to a sale of up to 10 times average weekly earnings by non-retirees.

...

The benefits from removing the burden of fuel excise, wholesale sales tax and payroll tax alone amount to \$1151m.

This is offset by a GST cost of \$126m, so the net gain is \$1025m for agriculture.”

If they can provide the figures, I would like to hear Government backbenchers point out where Ian Wearing is wrong when he claims that farmers will benefit by \$1,025m. The article further states that there will be benefits because there will be—

“No GST on health or education;
Increased remote area allowance and zone rebate by 25 per cent;
Abolition of the assets test for the scheme to assist isolated children;
Increased boarding allowances for isolated children;
Special Austudy payments for families suffering hardship;
Double family allowance for families with incomes less than \$30,000; and
No asset tests for retirees living on the family farm.”

The potential for a landslide victory exists, the same as it existed in Victoria and in Western Australia.

Time expired.

Hon. R. J. GIBBS (Bundamba—Minister for Tourism, Sport and Racing) (12.22 p.m.): The dateline is Tuesday, 16 May 1989, and it states—

“Minister for Tourism and Small Business, Rob Borbidge, said today the call for a consumption tax by the Federal President of the Liberal Party, John Elliott was both irresponsible and potentially dangerous to the tourist and small business sectors.”

Mr Borbidge went on to state—

“A consumption tax would be carried by small business and tourism in more ways than Mr Elliott can imagine.”

He states further—

“VAT”—

which, of course is now GST—

“could prove to be extremely detrimental to intensive tourism and small business localities such as the Gold Coast, and the National Party is completely opposed to its introduction.”

Not only today but also over the last few weeks, the Leader of the Opposition has displayed in this Parliament absolute hypocrisy. He has pouted and postured his way through Queensland defending the policies of John Hewson and Mr Fischer. However, when he made that statement in 1989, he was definitely correct on one front when he spoke about the devastating effects that this tax would have in relation to the tourist industry.

During the period January 1992 to November 1992, over 2.3 million overseas travellers visited Australia. That represents an increase of 9 per cent on the number for the previous year. By the year 2000, the Australian Tourist Commission has as its target 6.8 million visitors annually. If that target is achieved, based on 1992 prices the total expenditure by tourists will exceed \$13 billion. If the coalition GST is introduced, growth of this measure will simply not be achievable.

A few minutes ago, the Leader of the Liberal Party, who is the Deputy Leader of the Coalition, launched an attack on me in relation to a statement that I made yesterday. The statement that I made yesterday was not a statement made by Bob Gibbs; it was a statement that was made as a result of a fax sheet that was issued by the Australian Tourist Industry Association—ATIA. Part of ATIA is the Australian Hotels Association, of which the Queensland Hotels Association is an affiliate. I understand that this document came to the Parliamentary Library as a result of the library ringing the offices of the QHA in Queensland and asking for information relating to what effect the GST would have on

the tourism and hospitality industry. This document came from the Queensland Hotels Association, which, through the Australian Hotels Association, is affiliated with ATIA. I do not need to remind Opposition members that the current national chairman of ATIA is no other than Sir Frank Moore, who is the leading light for the National Party and has been for many years a wheeler and dealer for the coalition and the National Party in this State. He is a former chairman of the Queensland Tourist and Travel Corporation. He has condemned the introduction and the effects that this tax will have on the tourist industry.

The simple fact is that the initial effect of the GST would be that domestic tourist prices would be increased overnight dramatically. It will mean that Queensland and Australia will lose the competitive edge that we have currently over our international rivals. As I have mentioned, ATIA commissioned Ernst and Young to report on this matter. The report that was released estimated that restaurant meals and motel accommodation in Australia—but I will confine myself to Queensland—will increase by between 10 per cent and 14 per cent. The GST will hit an industry that is finding times hard already. The price of alcohol will increase by between 4 per cent and 8 per cent and accommodation costs ranging from five-star hotels to three-star hotels will increase across-the-board by between 10 per cent and 13 per cent. Mr David Jull, the Federal Opposition spokesman on Tourism, has claimed already that reduced costs through the removal of payroll tax are false. In fact, he has conceded that 85 per cent of the tourism and hospitality industries in this State fall below the payroll tax threshold. Therefore, the removal of payroll tax will have absolutely no effect on them whatsoever. In addition, currently, very few goods and services in the tourism industry are subject to wholesale sales tax.

I believe that everybody in the tourism industry shares my concern about the effect that the GST will have on international tourism. The fact is that higher domestic prices in this country will act as a disincentive to overseas visitors who would consider holidaying in Australia. Once this tax is introduced, the efforts that the State Government and Federal Government have put into deregulation of the airline system in this country will be murdered completely overnight. For example, the Australian Tourist Commission has predicted that overseas arrivals to Australia will fall by 125 000 a year. If that loss is converted to dollars and cents, that means approximately \$250m a year. It must be taken into consideration that Queensland has a proud reputation of attracting at least 50 per cent of Australia's overseas guests. If that figure is converted to dollars and cents, that will mean a massive loss to Queensland's economy of between \$125m and \$187.5m a year. I might add that that view is shared by the inbound tourist operators. They have also estimated losses of \$375m, 6 000 jobs and a 10 per cent loss in international visitors to Australia.

The bread and butter of our tourist industry is domestic tourism. It accounts for upwards of 75 per cent of Australian tourism. Obviously, if that figure is interpreted across-the-board, it counts for almost 80 per cent of Queensland's tourism market. Whilst I concede that international flights will be exempt from GST, I have already indicated that domestic flights will not. As I said, it will affect the effort that everybody has put into the deregulation of the airline system in this country. Conservative estimates by ATIA indicate that we can expect domestic air fares in this country to rise probably by anything up to 8 per cent. That means that it will become economically irrational for Australians to seek overseas holiday destinations. The debate today in the Chamber appals me. It is notable that the member for Southport is not here to defend his electorate during this debate. The GST will mean that areas such as the Gold Coast, Cairns, reef resorts and offshore islands will all feel the effect of the introduction of that form of taxation.

Let us not forget the Federal Opposition's policy in relation to industrial relations. If it has its way, and penalty rates and the leave loading are removed, that will have a further devastating effect on the pockets of average domestic travellers in this country. That will mean that they will not be travelling to the same extent as they do now. Their annual holidays will be spent at home. Thus, the tourist industry will suffer further. The

original Fightback package offered very little comfort for the tourist industry. In summary, the changes include no recognition of tourism as an export industry. Sure, an additional \$10m would be provided during 1993-94 and 1994-95; but after that, there would be zero increases for the Australian Tourist Commission and tourism per se. In other words, no money would be provided to boost the further promotion of inbound or international visitors. This compares to what the Federal coalition would do, that is, give our overseas competitors a bonus almost in the vicinity of \$200m each year in tax breaks. Again, that would have a dramatic effect on our system in Australia.

As I have mentioned, zero-rated food will make restaurants less competitive relative to home-prepared meals. That means that people simply will not be eating at restaurants, they will be staying at home. The changes in Fightback Mark II were simply a token effect in response to an outcry by the tourism industry. Again, ATIA has labelled the moves as small, short-lived and missing the point that tourism exports should not be subject to this form of taxation. The GST would also have a dramatic effect on future development projects of our great tourist industry here in Queensland. Every day we read about the concern within the industry, particularly with the number of inbound flights that we have been able to attract to Queensland and the effect that that can have in relation to a shortage of hotel rooms. But this taxation would mean that capital development would be severely curtailed because new resorts and attractions would be taxed not once but twice under this proposition. The cost of tourist operations would also rise as building supplies become subject to the 15 per cent GST. Members should make no mistake about it: once established, those operations will be forced to apply the GST on all services charged to everybody involved in the tourist industry.

The interesting aspect of all this is that initially ATIA was very vocal on this subject, but the silence from it lately has been deafening. However, it did call for a zero rating to be given to tourism packages pre-purchased by foreign visitors and for tours pre-purchased by Australian travellers to be taxed. This proposition has been supported by none other than Mr Geoff Carmody of Access Economics, who was one of the brains trust and the think-tank behind preparing that package for the coalition in the first place. On the one hand, Carmody says, "We will do this project for you. We will show you how a GST can work in the best interests of this country." But after he has put it forward, he is now disowning the very product that he was responsible for putting into the hands of the Federal Opposition. Carmody said—

". . . a GST would seriously threaten revenue from tourism and is against Australia's national interest.

The result would be a significant reversal of the strong growth rates currently being recorded in the tourism industry.

Higher prices will lead to a reduction in demand in both the domestic and international tourism market."

The interesting figure that comes from this at the end of the day is that the experience which the Federal coalition likes to hold up as the hallmark in all of this is that New Zealand's outbound tourism exploded by 112 per cent when the GST was introduced in that country. Tourist agents even went to the extent of promoting GST-free tours to improve their overseas markets. The inbound tourist market fell dramatically in New Zealand, and it has still not recovered. If that is not frightening enough for the tourist industry, what should terrify all international and domestic tourists in this country is that, at the end of the day, when they have been clipped by everybody in relation to GST, and when they think that their worst nightmare is finished and they go to bed with their travelling companions, the evil troika will even be between the sheets with them, because they will be going to bed with Dr Hewson, Robbie Borbidge and Mrs Sheldon. The simple fact is that if one uses a condom, or one's partner is using any form of contraception, including the pill, that will also be subject to 15 per cent GST.

I turn to another subject which this lot will be responsible for ruining absolutely. I am talking about the racing industry. The effect on owners in that industry will be devastating. Owners are the heart of the racing industry. It is quite simple: no owners,

no racing. It is estimated that the average cost of owning a horse is between \$6,000 and \$8,000 per annum. This cost would rise sharply if it were subject to GST. For example, stallion fees would increase by 15 per cent; the cost of yearlings purchased at auction would increase by 15 per cent; and gear repairs, track fees, jockey fees, training charges, nominations and acceptances would all increase by 15 per cent. There is no sales tax on any of those items at present.

Amateur owners would receive no rebate on vets' fees or training costs. All costs would be subject to GST. However, I believe that amateur owners would receive their right to full prize money. As 90 per cent of the industry consists of amateur owners and breeders, it is likely that the fall-off in ownership would have a snowballing effect throughout the industry. Jenny McAlpine, secretary of the New South Wales Bloodhorse Breeders Association, also argues—correctly so—that the “extra book-keeping work . . . will be a burden on country race clubs, small trainers, and small studs.” Mr David Bay, federal secretary of the Bloodhorse Breeders Association, has stated that similar taxes in other countries have completely ruined and decimated the thoroughbred racing industry.

Many of the added costs incurred by professional owners as a result of the GST will be fully rebated. On the other hand, professional owners will have to pay 15 per cent on any prize money won. If registered professional owners win a black tie race in this country such as the Golden Slipper, the GST will take 15 per cent of the prize money. But one should not forget that many amateur owners are also involved. It will be an administrative nightmare trying to sort through the mishmash of paperwork. The GST will also affect the dog racing industry and the harness racing industry equally as devastatingly.

Mr Beanland: What about the dogs? There is a 20 per cent sales tax.

Mr GIBBS: The honourable member would know about the dogs. On the first night at Albion Park, I offered him a start out of box one and he turned it down. The GST will provide an extra incentive to SP bookmakers. Next week, we will be debating legislation that has been brought forward to try to curb the activities of SP bookmakers. The GST will mean that SP bookmakers will have another advantage. In addition to operating illegally, they will be able to offer tax-free betting.

Industry reaction to the GST has been very interesting. An article in today's newspaper under the headline “GST to kill racing” states—

“Doc tips big cost climbs.”

Dr Chapman is quoted as saying—

“The GST will be the death knell of the amateur (hobby) owner.”

The article states further—

“Outspoken racehorse owner and trainer, Dr Geoff Chapman, has suddenly become a radio star, making ALP election advertisements condemning the 15 per cent GST (goods and services tax) proposed by the Coalition. It would harm the racing industry, he maintains, and he feels so strongly about it, he'll be voting Labor for the first time.”

Although he has been a Liberal voter all his life, Dr Chapman will be voting Labor because he is terrified about the devastating effect that the GST is going to have on that industry.

Leading racehorse trainer Bart Cummings stated—

“The Opposition is treating the racing industry with contempt.”

He describes the tax as obnoxious and has called for the Opposition to disclose everything that it is going to tax in the racing industry. Harry Lawton, who is the greatest syndicator of bloodstock in this country, has predicted fewer buyers if the tax is introduced. He stated—

"That will mean every share I sell in a horse will be subject to an extra 15% on top of the original share price."

Closer to home, Gold Coast trainer Cliff Sims, whom I know well, has recently quit the National Party over the GST issue. He stated—

"It will ruin a number of small country clubs and put racing back 30 years in Queensland as it did in New Zealand."

Mr Sims faxed a letter to me in which he stated—

"Bob, the Turf Club wouldn't let me put this in the Race Book each Sat. until the 13 March. So I'll put it in the Racing Section of the Bulletin."

He stated further—

"Please don't let a Federal Government undo all the good work of the Late Russ Hinze and the present excellent Minister, Mr Bob Gibbs, who is in the process of modernising the Racing Industry of the 20th Century."

Mr Sims highlighted the points that I have already outlined.

Where is the Queensland Turf Club which involved itself so much when the Government was reforming the industry in Queensland? It hired buses to transport industry people from all over Queensland to Eagle Farm and provided them with free beer and sandwiches. I challenge the Queensland Turf Club to do the same thing on this occasion and stand up and tell the people in the industry of the devastating effect that the GST will have on them.

Mr SANTORO (Clayfield—Deputy Leader of the Liberal Party) (12.42 p.m.): It is instructional to remind members opposite what we are debating today. I will take members through the parameters of the debate. We are debating the decaying record of a 10-year-old Labor Government led by Keating and a fresh, dynamic, visionary plan called Fightback, Jobsback and hope. It is instructional that Government members be reminded of what the outcome of their performance for 10 years has been. They should look carefully at the system that has been operating for 10 years, supported by Labor Governments throughout Australia, and which they do not want to change. In 1983, the unemployment rate was 9.5 per cent; today, it is 11.3 per cent—a 19 per cent increase. In 1983, youth unemployment was 24 per cent; today, it is 30.9 per cent—25 per cent worse. In 1983, there were 580 000 teenagers with jobs; today, there are only 528 900—which is 51 100 fewer jobs. In 1983, foreign debt was \$35.9 billion; today, it is \$201 billion—which is 450 per cent worse. In 1983, the Australian dollar was worth US91.28c; today, it is worth US68.23c. In 1983, there were 5 154 bankruptcies; today, there are 16 880. I heard the Minister for Business, Industry and Regional Development say that bankruptcies had been decreasing, but the number has tripled to 16 880. In 1983, average farm debt was \$51,849; today, it is \$108,700. That is the hard, cold economic record of this Government—of Keating. We should not forget that, these days, he tries to get everybody to forget that he was the Treasurer. We are looking at the Treasurer's and the Prime Minister's record.

Let us take a much closer look at the statements of the Prime Minister as he described his record, Budget after Budget. In the 1983 Budget, he said—

". . . the Fraser Government left Australia with an horrendous overseas debt of \$9 billion."

In the first year of Labor, our foreign debt rose to \$23 billion. In 1984, when introducing his Budget, he said—

"The Government's policies are now on track."

That year, the foreign debt rose to \$28 billion. This is what this fellow, who tries to leech credibility from every dishonest statement, said. He stated further—

"I've produced a new strategy for this coming year—it will be very successful financially."

And the foreign debt bounded to \$51 billion. In the 1986 Budget, he said—

“My plan for this year is a more robust economy.”

Foreign debt reached \$75 billion dollars. In the 1987 Budget, he said—

“. . . our economic strategy has begun to bear fruit.”

A lemon with \$83 billion. In the 1988 Budget, he said—

“Our foreign debt has begun to fall.”

Can we believe that, Mr Veivers? He said our foreign debt is about to fall.

Mr Veivers interjected.

Mr SANTORO: Yes, that is right. He is either cross-eyed or he has lost his senses, because it rose to \$92 billion and we cracked. In the 1989 Budget, he stated—

“There will be no recession. Our economic structure is improving.”

This is before he said, “The recession we had to have.” The debt rose to over \$100 billion. That barrier was cracked. Then, in the 1990 Budget, he said—

“This year our financial situation will markedly improve—employment will pick up—there will be no savage recession.”

We owed \$124 billion. In the 1992 Budget, he stated—

“My Government will accelerate recovery from this recession.”

Foreign debt is now \$162 billion. For the information of those members on the other side of the Chamber—sincere as they may try to be from time to time—unemployment cracked the one million mark. Do not forget that that figure represents only the people who are officially registered.

Mr Veivers: School leavers aren't included in that.

Mr SANTORO: I take that interjection from the honourable member for Southport. They fear that Wednesday before the election. I hear members opposite saying, “Hewson has peaked.” But they should wait to see what is coming. There will be a comprehensive policy speech, and the Wednesday before the election the unemployment figures will be out again. That will be no great joy for us. Do not accuse us of being happy and joyful. It will be a damning condemnation of the lack of performance for 10 years by the Treasurer and Prime Minister. That is the record that we are debating. It is within that record that we must look at what is on offer. They say, “Let's stick to what we are doing because there's hope. At least it is a plan and it has not worked anywhere else.”

I turn now to international comparisons. Let us talk about the nations within our most immediate region. Let us have a look at the New Zealand experience. The honourable the Minister before me quoted a lot of opinion including the opinion of accountants. I will tell honourable members what Robin Oliver, the tax partner in Arthur Andersen New Zealand, had to say. I hope that honourable members will indulge me by allowing me to quote just as the Minister did. This was an independent assessment by Mr Robin Oliver, a tax partner with Arthur Andersen, contained in the 1992 World Competitiveness Report published by the Swiss-based IMD and World Economic Forum.

Mr Veivers interjected.

Mr DEPUTY SPEAKER (Mr Palaszczuk): Order! The member for Southport will cease interjecting.

Mr SANTORO: He stated—

“Implementation of the reforms have incurred a high political cost. The 1984-90 Labor Government politically tore itself apart under the strains and was defeated in one of New Zealand's largest election landslides.”

Mr Budd: Tell us about Canada.

Mr SANTORO: I will get to Canada in a moment. The statement continues—

“The current and future competitiveness, placed New Zealand in 15th place, just behind France and Britain.

However, when measured according to future competitiveness”—
honourable members should listen to this—

“New Zealand was ranked in number one spot with 65.6 points out of a maximum score of 100. Australia was well down the list with only 12.8 points.

This is backed with hard data demonstrating that results are being achieved. Examples are:

Inflation in 1991 was a mere 1%, the lowest rate in the OECD.

Manufacturing productivity has improved 30% between 1985 and 1990.

The country has produced its first current account surplus since 1973.

The economy has grown by 3% in the past nine months and the Reserve Bank expects this rate of growth to continue.

Manufacturing exports are now increasing by 20% per annum.”

This morning, the Premier came into this place and had the audacity to say, “New Zealand isn’t working.” I have given him the statistics.

Mr Barton interjected.

Mr SANTORO: We will keep talking about the New Zealand experience because members of the Opposition have been there and looked at the record. I was challenged to talk about the Canadian experience. I will tell honourable members opposite about the Canadian experience. The big difference between Mulroney and Hewson is that Mulroney did not abolish all the other taxes that Hewson will abolish. He did not abolish payroll tax or sales tax. He did not abolish all the other taxes which form the crippling burden that Labor Governments have placed on our industry. The other point that I am prepared to place on the record is that Mulroney did not go to the people and say to them, “I’m going to introduce a GST.” He did not display the supreme courage after a year-and-a-half out, placing on record a detailed plan called Fightback, the most visionary and comprehensive policy package. Hewson placed it on the table and said, “Please review it.”

Mr Hamill: And then he changed it.

Mr SANTORO: The members on the opposite side of the Chamber came to power on the promise of consensus and consultation.

Government members interjected.

Mr SANTORO: Mr Deputy Speaker, are you going to afford me some protection, or are you going to let members carry on in this way?

Government members: Ha, ha!

Mr SANTORO: I do not need it.

Mr DEPUTY SPEAKER: Order! The member will continue his speech.

Mr SANTORO: I was named under Standing Order 123A this morning for a lot less than that. As I was saying, Labor members came to power on the basis of consensus and consultation. When somebody such as Dr Hewson consults and engages in the policy of consensus, he is condemned for the ideal and principle that was elevated by members of the Labor Party to the highest pinnacle of all in their policy statements. What hypocrites! What frauds!

The Canadian experience is in no way equivalent to what is happening in Australia. I hope ABC reporters are listening to me because the ABC should be condemned for its bias. This morning, it dedicated 20 minutes to examining the GST experience in Canada, which has nothing to do with the GST issue in Australia. I do not give a damn if those

people never report me again—invariably, I do not get reported anyway—but I place on record that that particular piece was a disgrace because there is no basis for comparison.

Mr Hamill interjected.

Mr SANTORO: Do not do it, or you will be warned under Standing Order 123A and you may be thrown out. The Minister for Tourism has said that Queensland's tourism industry will be badly affected. However, Fiji recently introduced a GST. Is there any economy in the south-east Pacific that is more dependent on tourism than Fiji?

Mr DEPUTY SPEAKER: Order! I warn the honourable member. He must address his remarks through the Chair. He is being grossly insolent by turning away from the Chair.

Mr SANTORO: Of course, Mr Deputy Speaker. I will address my remarks through you, Mr Deputy Speaker. Is any country more dependent on tourism than Fiji is? Let me take another example of an island State that is highly urbanised and economically developed. Singapore is about to introduce a GST. What is the difference between Singapore and Australia? Let me cite the examples of other nations such as Britain, Italy, Germany, Japan and the Scandinavian countries. There are only one or two tin-pot economies in South America that do not have a GST. Mr Deputy Speaker, I ask honourable members opposite: if all those nations have got it right, why have we got it wrong, particularly when it is being introduced with the most comprehensive reform package that anybody could imagine?

Let me examine a few other specific examples, such as sales tax collected by this Government, and discuss what it is doing to the racing industry and the tourism industry. In the first place, GST does not apply to business travel because it is a business input. Therefore, all the points that are being made by Government members—sincerely, I hope—certainly do not apply when it comes to a GST on business travel expenses. I regret that the Minister is not in the Chamber to listen to what I am saying. Obviously, the Minister is not aware of what happened at the beginning of this year. If he is aware, he stands condemned because he has not made a single, solitary statement against it. He will not tell us that under the sales tax regime of the current Keating Government, a 20 per cent sales tax has been imposed on tourist information booklets and magazines that were previously exempt. That is how much Mr Keating cares for the tourism industry. However, I have not heard one word from the Minister for Tourism on that point. All brochures such as *Brisbane Style*, *Wining and Dining*, and the *Dining Out and Entertainment Guide* for the Gold Coast and Brisbane will all be slugged 20 per cent. So much for helping the hospitality, entertainment and tourism industries!

I turn now to discuss the effect of GST on the racing industry. Punters will not pay GST on their bets and winnings. Prize winnings from racing will not be affected by GST. Our GST arrangements on racing reflect the New Zealand experience. Honourable members should listen to what I am saying. Even though the introduction of GST in New Zealand was not accompanied by the abolition of as wide a range of indirect taxes as is the case in Australia, and even though New Zealanders did not therefore benefit from the cost reductions that are part of the Fightback package, the New Zealand racing industry was unaffected by the introduction of GST. In fact, the largest yearly increase in TAB turnover in a decade occurred in the year following the introduction of GST. The Minister for Tourism and Racing is very fond of quoting people from New Zealand and people involved in the racing industry in Queensland, including Dr Chapman. I wish to quote the Chairman of the New Zealand Racing Industry Board, Mr Tom Williams, who said—

“The impact of the GST has been minimal on racing in New Zealand. It does not represent an impediment to the industry's development.”

That statement has been made by someone who has had to live with a GST and who has derived none of the benefits that will be derived from the abolition of other taxes

that are proposed according to the Australian model. That comment was made by someone who has actually lived with a GST, but the Minister for Tourism, Sport and Racing chooses to very, very selectively quote the facts and figures that suit him.

Yesterday and this morning, members of this Parliament have said, "Let's have a look at individual effects." David Holdings Limited, food wholesalers, did an independent study. This study was not done by politicians or by the Women's Electoral Lobby, which is publicly funded by the ALP to undertake its hackwork. This study was done by an independent wholesaler who has everything to win, or everything to lose.

Mr Hamill: Is he a wholesaler?

Mr SANTORO: I will table this document. He calculated that the decrease in the price of turkey will be 6.7 per cent and that the price of tuna will decrease by 2.7 per cent.

Mr Hamill: Is he a wholesaler?

Mr SANTORO: Yes.

Mr Hamill: He is not a retailer?

Mr SANTORO: No. This is the net saving—

Mr Hamill: This is not the price that the consumers pay.

Mr SANTORO: This is the decrease in the price.

Mr Hamill: I just want to make sure you are not misleading me.

Mr SANTORO: I am not misleading the Minister; I am telling him what an independent study has shown. The price of turkeys will decrease by 6.7 per cent, tuna by 2.7 per cent, milk by 3.4 per cent, cheese by 3.4 per cent, butter by 3.4 per cent, frozen peas by 4.9 per cent and margarine by 1.9 per cent. I am happy to table that list which shows clearly that, because sales tax will be abolished, the price for food will decrease in most cases.

The whingeing Wayne Swan said that the cost of sending children to school would rise because they would be forced to pay GST. Let us consider what school children purchase from the tuckshops. They buy soft drinks at 20 per cent sales tax, bicycles at 20 per cent, musical instruments at 20 per cent, calculators at 20 per cent, exercise books at 20 per cent, toilet paper at 20 per cent, mineral water at 20 per cent, school bags at 20 per cent, sandwich bags at 20 per cent, writing pads at 20 per cent, pens and pencils at 20 per cent, pencil cases at 20 per cent and fruit juice and hair combs at 20 per cent. That is what school children are taxed every time they go to the tuckshop, and the cost of those items will decrease.

Yesterday, in a half-hour speech I dealt very, very comprehensively with my industrial relations policy, and I am waiting for the replies. I notice that the honourable member for Waterford, the would-be Minister for Industrial Relations, is not even on the list of speakers. I await his detailed rebuttal in statistical form of the information that I put on the record in this place yesterday and the previous day. I am quite happy to stand by Jobsback and to stand by the very good record of the New Zealand experience with its economy. On 13 March, when Government members would like an introduction to the next Minister for Industrial Relations, they can come and talk to me. Members of the coalition will be able to put Government members in touch with people who are not troglodytes and who are not prehistoric.

Time expired.

Sitting suspended from 1.03 to 2.30 p.m.

Hon. D. J. HAMILL (Ipswich—Minister for Transport and Minister Assisting the Premier on Economic and Trade Development) (2.30 p.m.): In regard to the Fightback policy, the Director of the Institute for Science and Technology Policy at Murdoch University, Professor Newman, stated—

"The Fightback policy of virtually shutting down public transport while continuing to subsidise car dependents, topped off with a policy of reduced fuel prices, is not a radical reform of the economy. It is just plain stupid."

That statement was reported in the *Sun Herald* of 25 October last year. I would submit to the House that the package that has been put forward by the Federal Opposition and endorsed chapter and verse by the State Opposition in this House is not just plain stupid; it is actually downright deceptive. It is a three-card trick that the Opposition is trying to pull on the people of Australia and the people of Queensland. I think all members of this House need to understand the whole scenario. When we are talking, in terms of this motion before the House, of the financial implications to the State of Queensland, it is imperative that we understand how those implications occur.

The Fightback scenario, of course, has as its centrepiece a voracious new tax—the GST—which it is considered will raise some \$23 billion of revenue. Offsetting that new, big revenue grab is an \$11 billion income tax cut that Dr Hewson has advocated and other tax cuts, including the removal of the fuel excise. That totals some \$22 billion. The outcome is a \$10 billion shortfall in public finance at the Commonwealth level. In other words, that is \$10 billion off the Commonwealth Budget. So how does the Hewson Fightback plan seek to recoup some of those funds? By screwing the States! Of course, Queensland stands to lose heavily through its endeavour to try to balance that black hole of public finance that Fightback puts forward for the Commonwealth. That is the main scenario.

I turn now to the deception. Take, for example, the fuel excise cut. I have seen a number of stunts being played out at the premises of various pliant service station proprietors around the country where fuel is being offered at GST prices. Of course, what is not highlighted at that time is that this policy has a number of other implications. For example, in the House yesterday we heard in response to a question regarding the abolition of the urban public transport program about the quisling letter—the letter of unconditional surrender—by the State Opposition in this place in which it goes along with a National/Liberal Commonwealth Government welching on financial undertakings to this State in respect of urban public transport and the Better Cities Program.

Mr Ardill interjected.

Mr HAMILL: Yes, the quislings are there, and they were well at work agreeing to the selling-off of the birthright of generations of Queenslanders yet unborn. The sorts of projects that they are prepared to see traded away are the interchange projects such as those on the Sunshine Coast, and in Cairns, Townsville and Toowoomba, and projects such as the \$70m which was flowing through Better Cities funding into the Gold Coast rail project. As the Premier correctly pointed out, they are prepared not only to emulate the excesses of their forefathers, who ripped up the track, but to make sure that the people of the Gold Coast are denied access to a public transport facility which is much needed in that area. We have been progressing with that project. Despite the fallacious claims made this morning by the Leader of the Opposition, I point out that the Opposition, when it was last in Government in this State, talked about putting back the rail link to the Gold Coast, but it did precious little about it and certainly there were no budgetary allocations to that effect in the Budget that we inherited when we came to office.

When we enter this nirvana of cheap fuel, what are the consequences? There will be more traffic congestion on our roads because urban public transport is falling in a heap. There will be an environmental impact in the cities of this country, including south-east Queensland, of congestion and the flagrant misuse of a very valuable non-renewable resource.

A Government member interjected.

Mr HAMILL: I will take the honourable member's interjection. Indeed, he is correct. Los Angeles, here we come! But more than that, there will be an increased demand for roads, particularly in the heavily populated south-east corner of the State.

Mr Stephan interjected.

Mr HAMILL: Before the honourable member interests us greatly with his acute understanding of the issue, let me remind him of a further problem that arises out of this package that has been so embraced by the Opposition. Despite the increased demand for roads which will flow from the policy, Fightback actually envisages a cut in road funding to the States.

Mr Johnson: You explain that.

Mr HAMILL: I intend to explain it, and the honourable member will wear it, because he endorses a cutback of Commonwealth funds to the State for the construction of national highways and arterial roads and funds for local authorities. In fact, the Fightback package endorses Commonwealth road funding for the States calculated on the base of 1991-92. In other words, right across Australia it will be at a level some \$700m less than the current level of Commonwealth road funding in this nation.

Let me bring this situation closer to home. I hope that Mr Johnson pays very close attention to these factors. In Queensland, instead of getting \$322m from the Commonwealth for road construction as we did this year, under Fightback, the policy that members opposite are endorsing, we will get \$212m. In other words, that is one-third less. I will put it in terms that members opposite might understand. That is one-third less roads, one-third less jobs and twice as many potholes. That is what Fightback will do for road funding in this State. Members opposite might ask, "Where do the State's roads funds come from?" As can be seen, we rely heavily on funds from the Commonwealth. About \$1 billion of the funds that the Commonwealth distributes for roads comes from fuel excise. Another \$1 billion of the fuel excise comes through into consolidated revenue and comes back to the States. Of course, that is done by way of financial assistance grants. Queensland has been unique. We have held to a policy by which we derive the funds that we use on our roads from registration charges and additional funds made available other than from the Consolidated Revenue Fund. We have not levied a State fuel tax.

Mr FitzGerald: So far.

Mr HAMILL: Under the policy that members opposite are advocating, they give us no alternative but to look for a real source of income to plug the gap that the Opposition's policy would create in road funding to this State. The trouble is that the GST, which will be levied on fuel if the Federal coalition is elected, is simply not enough to plug the \$2.6 billion gap left by Fightback's impact on Commonwealth road funding to the State. It is very difficult to pin down the Federal Opposition on the issue of vehicle registration charges and how it intends to give effect to Dr Hewson's commitment in that regard.

At the Victorian Road Transport Association conference, Dr Hewson stated—

"There is no alternative other than, in our view, to implement user-pays pricing principles for roads."

Dr Hewson stated further that he would not seek to pay for roads by imposing a fuel tax. However, the latest pronouncement by the Federal Opposition is that it endorses the principles laid down by the National Road Transport Commission. I ask members opposite: is that correct? Indeed, it is correct. Contained in those NRTC principles is an 18c per litre allocation from the fuel excise. However, the Federal Opposition claims that it does not intend to impose a fuel excise. What is the source of the money which is necessary to meet the level of spending on roads as envisaged by Dr Hewson in Fightback and by the National Road Transport Commission? The GST imposed on fuel will raise approximately 7c per litre. That is 11c per litre short of the money that must be collected if the Federal Opposition is to honour its commitment to the NRTC principles.

Even the dullard member for Gregory realises that if a fuel tax is not levied at the bowser, it will be levied on vehicle registration charges. When the Federal Opposition

reviews Fightback—as it has reviewed it once before—out will go NRTC and in will come the Inter-State Commission report. Under the Inter-State Commission report on vehicle registration charges, the member for Gregory will support a fee of \$21,400 for six-axle articulated vehicles, \$44,100 for B-doubles and \$70,200 on livestock transporters running triple-deck road trains.

Mr JOHNSON: I rise to a point of order. The Honourable the Minister for Transport is misleading the Parliament. Those facts and figures are not correct.

Mr DEPUTY SPEAKER (Mr Bredhauer): Order! That is not a point of order. The honourable member will resume his seat.

Mr HAMILL: What of Queensland motorists? Let us examine John Hewson's policy statement that he intends to implement a full user-pays system on roads. Vehicle registration charges in this State—excluding compulsory third party insurance, which would also be hit by a GST—will rise dramatically. The registration fee for a four-cylinder Laser would jump from \$141.90 to \$368.94—a \$227 increase—thanks to Fightback, thanks to the Opposition's endorsement, and thanks to its mates John Hewson and Tim Fischer. The registration fee for a six-cylinder Commodore would jump from \$219.70 to \$571.22—an increase of \$351.52—thanks to the State Opposition, thanks to Rob Borbidge, and thanks to Joan Sheldon, the member for Gregory and the rest of the Opposition members who endorse the Fightback package. That is how the funding gap will be filled.

What about the other implications of Fightback and the GST for the road transport industry? Heavy vehicle and bus operators would become tax collectors. They would all have their hands out to help Dr Hewson. At present, the vast majority of Queensland's road transport and bus operators do not pay payroll tax. Their enterprise is too small to pay payroll tax at the very favourable rate at which it is levied by the Queensland Government. After 13 March, if the coalition's Canberra mates are elected, all of those operators will be paying GST. They will all have their hands in their pockets and they will all be forking out more dough after that to hand over to a Hewson Government. They will all play a part in collecting their little bit of the \$23 billion that will be screwed out of the Australian public under the GST. In addition to that is all the paperwork for rebates and so on. The Hewson/Fischer plan for small businesspeople is six days working for themselves and one day working for Dr Hewson and Mr Fischer. The tax is levied on the services they provide.

This morning, we saw a little performance by the Leader of the Opposition in which he attempted to claim that Queensland Rail would be a great beneficiary of the Fightback package. The figure mentioned by him as the net benefit to QR through the abolition of diesel excise and the abolition of payroll tax was in the order of \$42m. He has forgotten one aspect. QR will actually have to pay more for the power that is used on the electrified lines in central and south-east Queensland. I am prepared to be fair. The Leader of the Opposition claimed that there would be a \$42m net benefit to Queensland Rail and that it would have a very significant impact on the cost of using Queensland Rail. I inform the House that \$42m represents 0.003 per cent of the operating costs of Queensland Rail, yet members opposite are prepared to put a 15 per cent tax on the end product. Such is the absolute tripe that has been peddled in relation to the impact of this policy.

I will express this in a terminology that members opposite understand. The 20-kilogram box of mangos that now costs \$9 to send from Bowen to Brisbane will cost \$10.35—an increase of \$1.35—thanks to the GST. The cost of rail freight from Townsville to Mount Isa for a 20-kilogram box of prawns will be \$23.80—an increase of \$3.10—thanks to the Opposition and the GST. The cost of rail freight from Townsville to Brisbane for a large television set will be \$44.40—an increase of \$5.80—thanks to GST.

If honourable members are not satisfied with that, I will outline other charges that will also increase. The first that comes to mind is country rail fares. An adult economy fare from Brisbane to Cairns on the Sunlander will increase by \$21; the fare on the

Capricornian, Brisbane to Rockhampton, which now costs \$86 will increase by \$13 to \$99; the fare on the Westlander, Brisbane to Cunnamulla, will increase by \$17; the fare on the Inlander, Townsville to Mount Isa, will increase by \$17. Thanks to the GST, and thanks to the Liberal/National Parties, thanks to those quislings in the House who are prepared to go along with it, the people of Gregory will enjoy paying an extra \$16 every time they hop on the Midlander. In suburban areas, weekly train fares will increase. The weekly CBD to Beenleigh fare will increase by \$3.60; the weekly CBD to Oxley fare will increase by \$2; and the weekly CBD to Cleveland fare will increase by \$3.15.

I turn now to subsidised air services. Time and time again, Opposition members argue how important it is to subsidise air services in western Queensland. Those air services use avtur; they do not use avgas. Avtur is also used by domestic jetliners. There is no fuel excise on avtur. The 15 per cent GST hangs around the necks of every passenger who uses those services. People who want to fly from Brisbane to Longreach should be prepared to pay an additional \$44 per person per trip; from Brisbane to Birdsville, an additional \$57 per person per trip; and from Brisbane to Cairns—and this is great for the tourism industry—the fare will increase from \$379 economy to \$435 economy, which is an increase of \$57. That is all thanks to the GST and thanks to the Federal coalition and Opposition members who support Fightback.

However, the tax does not end there. If people believe that they are protected from increases in transportation costs because of the GST, they should not forget that the tax does not impact only on rail and air fares; it also impacts on bus fares. Those fares will increase. All of those people in the taxi industry who installed LPG—on which there is no fuel excise—in their taxis will have to pay a 15 per cent tax. Taxi operators will have to increase their fares by 15 per cent, or they will have to bear the increased cost. Of course, if people become too frightened to use public transport or their own vehicles and they buy a bicycle, that will cost more as well. Thanks to the GST, a protective helmet will cost an extra \$4. That is the GST at work. It is not just a matter of forgetting about the Building Better Cities Program, the Gold Coast rail link, and urban public transport services in south-east Queensland and provincial Queensland. The GST affects everyday life.

The GST will not mean a reduction in the cost of petrol and, therefore, a boost to the family budget. When all the other impacts are considered, the punters are going to be the losers. Therefore, the scenario would be that the poor people who thought that they were getting benefits out of Fightback and the GST, who have been taken in by the nonsense that has been peddled inside and outside this place by the Opposition, are in for a very rude shock indeed. They thought that it was going to be good for Queensland and good for Australia. They will find that the GST—the tax on living and dying—will get them all the way through their lives right to the bitter end. They will find that the State will have no choice whatsoever. The reduction in Commonwealth funding to the State, coupled with the loss of UPT programs, the Better Cities Programs and road funding will force the Queensland Government to increase State taxation to stem the problem. There will be unemployment. The road network of this State will deteriorate.

If the member for Gregory believes that that is a fair way to go, I will remember his area when it comes to dividing up the reduced budget. When the punter decides that increased registration, State fuel tax, congestion and disintegrating roads is just too much to bear and that it is better to take it easy and take a train, let us hope that the train is still running and there is still urban public transport. However, thanks to GST, Hewson, Sheldon and Borbidge that train, if it is still there, will cost 15 per cent more.

Mr STONEMAN (Burdekin) (2.49 p.m.): I believe that most observers would not need much perception to understand what is going on today. There is a fear in the Labor Party in this State that by some fluke the Keating Government will be returned. Their salvation will be the excuses that they are now putting forward about new taxes.

I want to outline from a consumer point of view some of the processes of the impact of the GST on the ordinary user. We have heard statements and tirades, such as

from the previous speaker, about the overall impact of the GST. Of course, the positive aspects that are contained in the Federal coalition Fightback package are ignored. What has been ignored in particular is that there are already many hidden taxes. Government members have not made one reference to those taxes. No reference has been made by them to the proposed increase in funding. The Minister for Transport has been howling and screaming about the lesser amount of money that the State and Commonwealth Governments will have to spend. Is that not marvellous? The money is going to stay in the pockets of the public where it should be, instead of being wasted by socialist Governments.

I want to take honourable members through the day in the life of an ordinary family. We all acknowledge that food prices will fall and clothing price will go up. There will be some ups and some downs. I am not trying to hide that. However, the compensating processes need to be considered. Let us commence with that average family at 6 o'clock in morning when the alarm clock rings. The alarm clock has a 30 per cent tax applied to it. They turn on the bedside radio, which has a 30 per cent wholesale tax applied to it. I could call it the Keating tax. What I am saying is that the first two things that happen in the day, the alarm clock and the clock radio are both 30 per cent wholesale tax items. Those items have not been mentioned. The members of the family jump out of the bed, which already has a 10 per cent tax on it. The lady of the house turns on the tap, 10 per cent tax. She washes her hands. Soap has a 20 per cent Keating tax. She combs her hair with a comb that has 20 per cent tax. She walks out into the kitchen, which is covered by 10 per cent tiles. She switches on the hot-water jug, which has a 10 per cent Keating tax on it. She turns on the toaster. Likewise, it has a 10 per cent tax. She opens the refrigerator, and that has a 10 per cent tax. She gets out the fruit juice, which has a 10 per cent tax. The point that I am making is that these are existing hidden taxes which Mr Keating and the Labor members opposite are not mentioning. When they say in their scurrilous advertisements that the costs of items will increase by 15 per cent, they do not take into consideration any of the impacts of the removal of all those other taxes.

The lady of the house then gets out the flavoured milk for the kids. That has a 10 per cent tax. While this is going on in the normal kitchen, she feeds the cat. There is a 20 per cent tax on cat food. The dog is scratching at the door, so she has to feed him some Pal, and that is 20 per cent. Overnight, in common with most houses in Queensland, because we have a problem in the tropics, there are a few cockroaches around on the floor. She sprays them, and that is a 20 per cent tax. She has a glance at the kitchen clock, and that is a 20 per cent tax. She then says, "Oops, it is news time." So she turns on the kitchen radio, 30 per cent. Then she calls the kids. Meanwhile, back in the bathroom, dad goes to the toot. The toot has a wholesale tax of 10 per cent on it. Being a pretty normal, clean man, he uses some paper, 20 per cent.

Mr Beattie: What about the water in the bowl?

Mr STONEMAN: I thank the honourable member for raising that matter. Hot water tanks are taxed at 10 per cent. I was getting to that. He washes his hands with 20 per cent soap in the 10 per cent wash basin. He picks up a shaving brush, 20 per cent tax. He reaches for the shaving lather, 20 per cent tax. He picks up the razor, 20 per cent tax. Then he cuts himself, so he has to daub himself with a little antiseptic, 20 per cent tax. He goes into the shower recess. The cost to build that was 10 per cent. He turns on the tap, and out comes the water about which Mr Beattie was talking.

Mr Littleproud: It is a bit like the man from ironbark. Growing beards will be all the go here.

Mr STONEMAN: Exactly. The hot water that comes out of the system is taxed at 10 per cent. He lathers up, and the lather is taxed at 20 per cent. He steps out onto a bath mat, and it has a 10 per cent tax. He dries himself, uses some antiperspirant, and he is charged 20 per cent tax. After he dresses himself—and I make the point that he dresses himself in clothes which, under a coalition Government, will cost more; I am not trying to hide that fact—

Mr Beattie: How much more?

Mr STONEMAN: Between 8 per cent and 10 per cent, according to Treasury figures. He pads off down the hallway, over carpet that has a 10 per cent wholesale tax on it. He sits down at the chair and table, 10 per cent tax. Then he decides that because it is 7 o'clock, he had better watch the *Today* show. So the television is switched on, 30 per cent tax. Mr Hamill did not talk about that tax when he said that it will cost more in Longreach. He spoke only about the marginal change in the cost of transport. That fellow then has his 10 per cent fruit juice while he is watching the *Today* show. He then goes back to the bathroom and cleans his teeth with 20 per cent toothpaste. He polishes his shoes and there is 20 per cent tax on the shoe polish. He brushes his hair. As in the case of a comb, the brush has a 20 per cent tax on it. He picks up his briefcase, because he is off to try and pay for the taxes. When he picks up the briefcase, 20 per cent wholesale tax. He puts his wallet into his pocket. Wallets have a 20 per cent tax on them. He picks up an umbrella, because it is summer time. The umbrella has a 20 per cent tax on it. He goes out through the screen door, which is charged at 10 per cent. He goes over the doormat, 10 per cent tax. In common with most of us, he says to himself, "I will turn on the garden hose. It is getting a bit dry." So he turns on the tap and is charged 10 per cent. The water runs along the hose, which is charged at 20 per cent, and through the sprinkler which has 20 per cent on it. He opens the bonnet of his commercial vehicle, and finds that it needs a bit of oil. So he puts 20 per cent taxed oil in there. He gets into the vehicle. Because it is a commercial vehicle, it has a 20 per cent Keating wholesale tax on it.

Mr Ardill: It is wholesale, that is right.

Mr STONEMAN: I am absolutely aware of that. It is called WST. He gets into the vehicle, 20 per cent. He sits on a seat cover that he has had to put in there because he gets hot and sweaty. The seat cover also attracts a 20 per cent tax. Then he drives to the service station, where he has to top up the fuel in his car. The tank is nearly empty. Under Keating, he pays \$15.60 more, because under a coalition Government 26c a litre will come off the cost of fuel for that vehicle. After he gets to work, he goes up in the 20 per cent lift. I make the point that Mr Keating even tried to tax his parking space. But there was such an outrage. Then he turns on the office coffee percolator, 10 per cent. He turns on his personal computer, 20 per cent, and sits on a 10 per cent chair at his 20 per cent desk. He takes out a pen and paper. This is where the lies of Wayne Swan will start to come home to roost. There is a 20 per cent tax on every pen and pencil. He picks up a letter opener and is charged 20 per cent to open his mail, for goodness' sake. Filing cabinets, calculators and other office equipment attract a 20 per cent tax.

Meanwhile, back at the ranch, mum has got dad off to work, and now it is time to get the kids off to school. She sends her high school kid off on his bike, 20 per cent. She picks up the toys that the kids have left around and there is a charge of 20 per cent on all those toys. She gets out a roll of foil, 20 per cent, and packs the littlies' biscuits for their play lunch. Biscuits also attract a tax of 20 per cent. She puts those items into a school case, which attracts 20 per cent sales tax.

Mr Borbidge: Flavoured milk.

Mr STONEMAN: Yes. They are a healthy family, so they have had their flavoured milk. The woman then gets in the family car, 15 per cent, and runs the children to school, paying excise tax all the way as the car goes burble, burble, burble to school and back. When she returns home, she turns on the airconditioner, which attracts 10 per cent tax. When she cleans the house, all the chemicals that she uses for cleaning attract 20 per cent tax. She mops the kitchen with a 10 per cent broom, dusts the shelves with a 10 per cent duster and moves some ornaments which attract 20 per cent tax. The woman then washes the clothes in a 10 per cent washing machine using 20 per cent detergent and soap powder. She straightens the artificial pot plant, which attracts 20 per cent tax, and fills the garbage bin, which is taxed at 10 per cent. For God's sake! She then burns the family rubbish in a 10 per cent incinerator, shifts the 20 per cent hose in the backyard and puts flowers in the 10 per cent vase.

While all that has been going on, she has become hot and bothered and decides to have a shower and a shampoo, which attracts 20 per cent tax, in the Keating-taxed bathroom. She applies some talcum powder and deodorant, 20 per cent. She looks in the mirror, and even that attracts 10 per cent wholesale tax. She puts on some lipstick, which attracts 20 per cent tax. Because she is going to tennis, she combs her hair and fixes her ribbon, both attracting 20 per cent tax. As she will be in the sun playing tennis, she rubs some lotion on her skin, 20 per cent. She picks up her tennis racquet, 20 per cent, and her handbag, 20 per cent. Because her new friend has a tennis court, she consults the road map, and again there is 10 per cent tax on that map. When she arrives at her friend's house and the tennis net is put up, the net attracts 20 per cent tax. They get the balls out, another 20 per cent. After tennis they are hot and bothered, so they hop in the above-ground pool, 20 per cent, which is being kept clean with 20 per cent chemicals. Seeing the kids and dad are off their hands, they relax by listening to a tape machine. Of course, the tape machine and bits and pieces attract 30 per cent tax. When the woman gets home after picking the children up from school, she gives them an ice-cream, which attracts 10 per cent tax. They decide that the dog is dirty and give it a bath, and the dog bath attracts 20 per cent tax. They put some flea powder, 20 per cent, on the dog and take the rubbish to the tip in the trailer, which is taxed at 20 per cent.

Meanwhile, it is time for dad to leave work. He looks at his watch, which attracts 30 per cent tax, picks up his key ring, which attracts 20 per cent, and starts the car. On the way home he collects some photographs that were taken on the weekend. The photographs attract 20 per cent tax and they were taken on a 30 per cent camera. Because the baby's birthday is near, dad buys a new toy, 20 per cent, and has it gift wrapped, which attracts 20 per cent again. Dad is hot and bothered, so he stops at the local hotel to pick up some cold beer, and he is slugged another 20 per cent. Then he drives home paying excise tax, as the car goes burble, burble, burble all the way. When he gets home, he goes to the fridge, which has already attracted tax, and produces a bottle of wine for his wife, which is taxed at 20 per cent. One must wonder when it all stops. He also gets soft drink from the fridge for the children, 20 per cent, and a muesli bar for the toddler, 20 per cent. He turns on the overhead fan, which is another 10 per cent, turns on the television, another 30 per cent, and sits on the 10 per cent chair while the kids play with a game on the floor, 20 per cent tax.

After dinner, prepared in the 10 per cent kitchen while the 30 per cent record player soothes with its 20 per cent record, he decides that there is rubbish on television and reaches for the video cassette, which attracts 20 per cent tax. He turns on the video player, 30 per cent, and watches the video until it is time for bed. As we discovered earlier, the bed is taxed at the rate of 10 per cent. He cleans his teeth again with the 20 per cent toothpaste, slips between the 10 per cent sheets, throws off the 10 per cent blankets because it is a bit hot, lies back on the 10 per cent mattress, puts his head on the 10 per cent pillow and turns on the fan or the air conditioner, again 10 per cent. Before he goes to sleep, he gets out his work notepad to see what he has to do the following day. He is taxed 20 per cent on that notepad. However, I make the point that, if he were reading *Playboy* or some pornographic publication, he would not pay anything. He finally gets sleepy and reaches over to turn off the bedside lamp, which is 10 per cent. At long last, the day has gone the full circle. The only thing that this average Australian suburban couple can be secure in is the knowledge that, because Paul Keating does not charge tax on things such as Italian suits and antique clocks, he would not have the gall to institute a John Thomas tax.

The point I am making is that the Labor Party has consistently hidden all those taxes that have been applying to the average person every day. Those hidden taxes are paid on almost every purchase. They are the part of the equation that will allow Australia to redress that problem through a broadly based consumption tax. It also means that all the black money—the dishonest people who dodge tax—will come into play, so that the average honest battler such as the person to whom I have referred will not have to bear the full brunt of the taxation structure in this nation. I wrote to the Minister for Consumer

Affairs asking him to look at the atrocious, outlandish and misleading advertising undertaken in this State under the name of Mr Wayne Swan when the school year opened. To his credit, the Minister finally wrote back and said, "It seems all right, but I will look into it." I bet that we will not see a reply to that until at least 14 March. When it arrives it will say, "No, my department has had a look at it."

An honourable member interjected.

Mr STONEMAN: It said all school requisites were going to be taxed under this system and, of course, we know they already have a 20 per cent tax on them. The final suggestion I want to make is for members opposite to do their own research. Yesterday, the Government Whip talked about the cost, the estimation—if I heard his words correctly. He said that it has been estimated that, in New Zealand, the cost to business of collecting GST has been more than 25 per cent of the total revenue collected. The only occasion on which it could get to 25 per cent is if the return was \$2 and a 45c stamp was put on the envelope. For the benefit of the honourable member, I point out that, in New Zealand, in reasonable operations the cost of collection is 0.25 per cent. Sometimes it can get as high as 1 per cent, but the Government Whip is out by only a factor of 100. That has been the basis of the Federal and State Labor Party's attack on this package. It is not perfect, but it is the only way this nation and the average family have any hope of getting up to tomorrow morning with the hope that some of the tax burden will be taken off their shoulders.

Hon. E. D. CASEY (Mackay—Minister for Primary Industries) (3.08 p.m.) We have just heard a great diatribe about a hypothetical man. I am afraid this hypothetical man is not going to be much good to Dr Hewson. He has already bought everything he wants, anyhow. Today, I want to talk about hypocrisy—the hypocrisy of all those honourable members opposite in both the Liberal Party and the National Party. It never ceases to amaze me. During the lead-up to the State election last year, Mr Borbidge—not Mrs Sheldon because the Liberal Party does not know anything about the bush, anyhow—and all the National Party members ran around Queensland crying about what the DPI had done in cutting back services in the bush; crying about what the DPI had done to people in the bush, all of which was a load of imaginary rubbish that came from the National Party. This imaginary figure that Mr Borbidge and others have kept quoting does not take into account the fact that the great big black hole that we would have in our Budget in Queensland would mean that the DPI would have to take a major cut if Dr Hewson wins—a cut that will mean the disappearance of about 400 officers from my department, possibly even more. What a bunch of hypocrites! No wonder the other morning I heard on the radio young kids ringing in and saying what they thought of GST. One young, bright 11-year-old said, "GST—that stands for get stuffed Tories." He is not far off the mark.

The warning that has been issued before by those members on the other side of the Chamber—it is more than twice their highest exaggerated figure—will be the cuts that will be faced by the DPI—a DPI that is more in the bush now than it ever was.

Mr Perrett: Rubbish!

Mr CASEY: We might have lost a stock inspector from Kingaroy, but that is because the basis on which they were allocated under the National Party was in accordance with the electorate. It was what National Party members of Parliament wanted, instead of delivering the services where they were needed by the real clients on farms and in the bush. The cutbacks that my department will have to take will be at least \$25m. And they whinged about imaginary cuts! We know what they will be talking about if Dr Hewson wins the election and we have to cut back on the services that we provide.

The new extension service, which has been accepted right across the board by the rural industries of Queensland as being a great service that covers everybody; the new series of property management centres that we are opening throughout the State—they will be hardest hit. The long-term benefit and future of Queensland's rural industries is dependent upon research and the many other services that are provided by

my department. Those figures, particularly those referred to in the Fightback package, will mean that that is the area that will suffer most. The figures about what Fightback is going to do and what it is not going to do, which people in the National Party are bandying around the country areas of this State, are nowhere near as rosy as they sound. Fightback would set back a number of programs that are vital to the operation and expansion of Queensland's primary industries at a time when producers would be least able to endure that. If Dr Hewson were to win the Federal election, in addition to the effects of cuts to State funding, my department would also be hard hit as a result of Fightback's treacherous goods and services tax. Many of the department's costs—in fact, most of them—would increase by up to 50 per cent.

Mr Perrett: You will be right with sugar.

Mr CASEY: I am glad that the honourable member mentioned that. I will come back to that point later. I will show members in this House exactly what the honourable member does not know about the sugar industry. The department's extra costs will just have to be left out of the Queensland Government's Budget. It is all very well for the previous speakers to refer to imaginary, hypothetical men. Surprisingly, I have not heard much from anybody on the opposite side. Mr Borbidge certainly did not mention the bush or country areas of Queensland. Mrs Sheldon certainly did not mention them, but she can be forgiven because she does not know much about them. Other speakers have also not referred to them.

Let us consider forest products and the Queensland Forest Service. In its plantation programs the Forest Service will be paying 15 per cent on all its inputs and on plantation fees and maintenance. After 30 years of paying 15 per cent on all purchases, the logs are sold for approximately \$50 a cubic metre. They are sold to a miller who in turn manufactures them into sawn timber and probably sells them for approximately \$350 a cubic metre, plus 15 per cent. For a start, it will be plus 15 per cent on the sale of the logs and then it will be plus 15 per cent on the price of the sawn timber. Members such as the member for Maryborough, Mr Dollin, who have been engaged in this trade would know what I am talking about. The miller would sell the timber to a wholesaler who would pay another 15 per cent in turn.

Mr FitzGerald: Another 15 per cent?

Mr CASEY: Another 15 per cent on top of what has already been paid.

Mr FitzGerald: That is another 15 per cent?

Mr CASEY: The honourable member should sit back and wait. The wholesaler in turn sells it to the builder who has to put 15 per cent on to the cost of the house.

Mr Cooper: It is not cumulative.

Mr CASEY: The member for Crows Nest should be patient. He and his colleagues will learn a little bit more about this topic. When everybody starts claiming their rebates and does the paperwork, the tax will be calculated on the actual figures. It will not be a matter of everybody receiving a full rebate so that there is only a factor of a 15 per cent increase at the end of the process. Taking into account the amount people will actually pay and the amount claimed as a rebate owing to the escalation in prices, the Federal Government's take under the goods and services tax will finish up being just over \$200. That amount does not take into account the rebates that were claimed throughout the process. In the long run, the timber will probably sell at approximately \$800 a cubic metre. Because of the quantity of timber that is used in the construction of a house, the goods and services tax will actually increase the cost of a timber home in Queensland by \$4,500. The goods and services tax percentage at the end of the process is closer to thirty three and a third per cent of the total input costs all along the line in the production process. That is where members of the Opposition are missing the point. They cite the magical figure of 15 per cent as though it will be the final percentage at the end of the day, but that will not be the case. Because of the way in which the product changes hands, there will be a 15 per cent increase at each and every stage of the process. That is where the big bite will be put on the people of Queensland. This

highlights the fact that the member for Burdekin, Mr Stoneman, was talking hypothetical nonsense. Those figures make what he was saying appear to be exactly what it is—a great heap of nonsense.

Mr Cooper: You haven't got your heart in it.

Mr CASEY: The member should work out the figures. The Opposition Primary Industries spokesman, the member for Barambah, was telling this House about how the National/Liberal coalition got it right in relation to the sugar industry. I defy him to try to tell that to the people involved in the sugar industry. A press release recently put out by Canegrowers Queensland clearly stated—

“A typical cane farm producing 4 500 tonnes of cane a year could have savings in the order of just over 2%.”

That statement is based on studies that the organisation carried out.

Mr Perrett: That is an improvement.

Mr CASEY: The Opposition spokesman says that that is an improvement. The Canegrowers' press release went on to state that although that may be of help in cane-growing, “it is likely that any increase in cane farm receipts would be minimal.” Cost savings to canegrowers will flow through mainly from cuts in payroll tax, excise duty, wholesale sales tax and capital replacement. Canegrowers do not pay payroll tax. No canefarmer in Queensland, other than the large companies, would pay payroll tax. They do not pay excise duty, either.

Mr FitzGerald: The millers do.

Mr CASEY: The member for Lockyer obviously does not know about the great dispute that is presently taking place between the millers and the growers over the division of sugar moneys. That is another subject altogether, but if he thinks that the millers in Queensland will pay the amount they save in payroll tax to the canegrowers, then he believes that there are fairies at the bottom of the growers' gardens. He is talking through the top of his head. His comment highlights all the assumptions that are made in relation to the goods and services tax. Canegrowers must be applauded because it was prepared to say that it would not be press-ganged into supporting the nonsense that McLachlan is talking. It has remained very sceptical about the Opposition's goods and services tax.

Mr Cooper interjected.

Mr CASEY: The consultants hired by Canegrowers have countered some of the information that has been put forward by the team of Canberra-based economists who were hired by the National Farmers Federation to evaluate the impact of GST.

Mr Cooper interjected

Mr DEPUTY SPEAKER (Mr Bredhauer): Order! The member for Crows Nest!

Mr CASEY: It is interesting to note that members of the National Farmers Federation fought harder than anyone else in Australia to get the Federal Government to dispose of tariffs altogether. They advocated a no-tariffs policy when they were led by none other than Ian McLachlan, who has declared that on behalf of the Federal Government he negotiated the sugar package. Mr Mclachlan was forced to say something when it was announced that the canegrowing industry had accepted the package negotiated by Mr Crean and me on behalf of the Federal and State Governments. When Senator Boswell, Senator O'Chee, Mr Katter, Mr Randell and Mr Braithwaite jumped on the bandwagon—Mr Perrett had enough sense to stay out of it—and said, “Look at what we have done”, Mr Mclachlan openly said on radio in Queensland that he never received a submission from his National Party colleagues—not one.

Under Fightback, tariffs for the sugar industry will be finished after two years. An allegation has been made that we would stop it. The declaration that has been made on behalf of the Queensland Government is that the Goss Government's policy of \$55 a

tonne will stay. It was negotiated into the package agreed to by the Federal Government with the exception that if the Cairns group is successful in the GATT round of talks in 1996, it will be reconsidered. If the talks are not successful, the policy will continue.

There is only one sure thing about the McLachlan package, the Hewson package, the Fischer package, the Lloyd package—call it what you like. Members opposite can call it the O'Chee/Randell package, if they like. Whatever happens under that package, within two years tariff protection of the sugar industry will be gone. The only sure thing is that it will be gone. That is the only thing over which the Federal Government has any legislative responsibility. But did those people come to the Queensland Government and talk about whether we could keep in place all the other things to which the Government has committed itself with Crean and Keating and the Federal Government? No, no. They never came near us. All that the coalition delivered was a hypothetical package of election promises.

The cane industry of Queensland must be warned that that is exactly what it is: a hypothetical package of election promises. The only sure thing is that, after two seasons, their tariff protection will be gone, and gone forever. It has absolutely had it. Any extra money in the system that members opposite talk about does not even equate to the loss of tariff that farmers will receive by way of income. What is that income? It is about \$5,300 to each farmer in Queensland. When members of the Opposition talk about people being \$2,000 better off under the Fightback package, that shows that people are already \$3,000 worse off, without taking into account the fact that cane farmers have a lifestyle, also. They have a lifestyle on which they will now pay 15 per cent goods and services tax every time they buy something.

Mr FitzGerald: Less sales tax.

Mr CASEY: The honourable member does not know, but he should know because he has been a farmer. Maybe he missed out over the years. Most of the inputs on farm operations are free of sales tax. Wherever he goes, the honourable member will have to carry a file around with him in his car, or his four-wheel drive. He will have to get a signature on every piece of paperwork to enable him to submit his rebate claim when he makes a sale of his crop. His cash flow will deteriorate.

What else is in that cash flow? Let us consider the irrigated farms in the Burdekin area. I would have thought that the member for Burdekin would have been talking about more than his hypothetical man. The water charges for cane farmers in the Burdekin and people who live in the Lockyer Valley will increase by 15 per cent. Certainly, under the ruling made by Dr Hewson, they might be able to claim something back. Fellows in the Burnett, in Mr Randell's electorate and in the Kinchant Dam area will pay 15 per cent, but they will have to outlay their cash up-front. They then have a cash flow problem. They are already flat strap. Not only those people but also people in many other industries in Queensland have that particular problem.

In relation to the sugar package—members of the National Party should remember this: if they go down the track of adding 15 per cent to all of the charges on farmers and on farm inputs, they will have to live with it for the next two and a half years. By that time, those members will be trying to seek re-election themselves, and State Government members will tell every farmer throughout the length and breadth of Queensland that National Party members were the people who bought the McLachlan package on tariffs, that they were the people who bought the Hewson package with its 15 per cent, and that they were the people who increased the costs on everything that those farmers buy. It is a cruel hoax on farmers, and we will remind them about it. There is no question about that.

I turn to the woolgrowers, who are represented by a few of the National Party members in this House. The woolgrowers do not pay payroll tax. They pay very little tax. They pay no tax at all, because they are all on the bone of their backside.

Mr Littleproud: All the registration fees are going up, all the taxes.

Mr CASEY: Is the honourable member saying that they are doing pretty well? He should start talking to a few woolgrowers in his electorate. They will certainly tell him about the problems that they already have and the additional problems that they will have under Fightback. Members opposite are selling out the people who live in the country areas of Queensland. I will tell honourable members one cruel thing that the coalition will do. It proposes a new regulation under which, after six months, in order to receive any further unemployment benefits unemployed people must submit the names of six employers whom they approached in the previous two weeks. One member opposite said that we are talking about very little administrative cost. Throughout Australia, during an average six months, people must sign one million letters a month. That is what the Department of Social Security will have to deal with. The increase in the administrative load will be dramatic. The GST will bring an absolute mountain of administrative problems for people in the State Government, in the Federal Government and in the local authorities. Goodness me, the problems for local authorities will be absolutely dreadful. We can easily see that, under the GST, the big losers in Queensland will be the people in country areas. People in the farm sector must take into account that they are on the bottom of the list and that inflation will kill them.

Time expired.

Mrs McCAULEY (Callide) (3.29 p.m.): Over the years, this House has probably heard a lot of what I will not call lies—perhaps I should call them untruths—but today must take the cake. I heard the stories that the Deputy Premier told and the things that he said that were not true. He said them quite blatantly. It is quite depressing, but I feel better when I think that the member for Brisbane Central will get his flea powder and his worm tablets cheaper under GST. Labor's record with local authorities has not been a good one. One has only to look at what has happened to local government in Queensland to understand how Labor feels about our third tier of government. Labor has attempted to impose amalgamations and it is attempting to impose boundary changes, simply because it has a political agenda. That is what is happening in Queensland. The same thing, under a Labor Government, was attempted in Victoria, where it tried to amalgamate local authorities. State Labor Governments do not like local government, they do not support local government; they work very hard at trying to centralise it so that they can control it more easily. The facts speak for themselves. The State Government in Queensland has tried, without recompense, to shuffle off difficult issues to local authorities. As examples, one has only to look at the prostitution laws, the pool fencing laws, the liquor laws and now the freedom of information legislation, on which they have been given no assistance from Mr Wells in relation to training. Labor Governments treat local authorities very badly indeed. In fact, local authorities have fared very badly under the Federal Labor Government. One has only to go down the list of things that local authorities have had eroded under Labor Governments to know how badly they have fared. For example, financial assistance grants to local authorities have come down 6.1 per cent in the last 10 years.

Mr Beattie interjected.

Mr FitzGerald interjected.

Mr DEPUTY SPEAKER (Mr Bredhauer): Order! The member for Lockyer and the member for Brisbane Central would do well to give the member for Callide an opportunity.

Mrs McCAULEY: Yes, go outside! In real terms, financial assistance grants to local government in the year 1983-84 were \$761m, and in 1991-92 they were down to \$715m. This represents a 6.1 per cent decrease in funds. Road funding is down 20 per cent, and the impact of that decrease can be seen in many shires. Day labour gangs have been put off. Because of the decrease in road funding, shires with many miles of roads, such as the Banana Shire and the Dalrymple Shire, are having tremendous difficulty upkeeping the roads for which they are responsible. That decrease in funding has impacted severely throughout rural Australia.

Fuel tax has gone up by 120 per cent. Again, that impacts very greatly on councils with lengthy road systems because they use a lot of fuel to get around. It is something that they cannot escape. The fringe benefits tax has gone up 93 per cent, which is at least \$17m across Australia. The source for that figure is the Federal Local Government Minister, David Simmons, who wrote a letter to the ALGA on 9 December last year.

Mr Nuttall: Tell us about the GST.

Mrs McCAULEY: I am coming to that. Under Labor, in some States—for example, Queensland—there is already a payroll tax on water and sewerage. There is a sales tax on toilet seats, toilet paper, air fresheners, soap and even the glass a person uses to drink water from, as the member for Burdekin indicated so clearly.

There are some 33 services provided by local authorities which are GST exempt. They cover the majority of services, and I intend to read them all out for the benefit of those people opposite who really do not understand, or pretend they do not understand, or who are intent on not understanding, the actual situation with regard to local authorities and GST. The following are exempt from GST: municipal roads/bridges construction and maintenance, home help services, home maintenance services, parks/gardens, kindergartens, child-care centres, school vacation programs, building control, planning control, library services, municipal valuations, emergency services, family day care, beach cleaning, preschool dental, street lighting, health inspections, arbovirus control, adult day care, youth resources centre, health promotion, animal control, local government administration, central government grants, salinity control, neighbourhood houses, teenage holiday programs, services for the disabled, Aboriginal services, migrant settlement services, Meals on Wheels, and senior citizens centres.

Mr Budd: Tell us about water.

Mrs McCAULEY: I will come to that shortly. The removal of fuel and payroll taxes paid by local government represents an approximate increase in financial assistance grants of 11.1 per cent in Western Australia, which pays fuel tax only; 11.5 per cent in Victoria, and 26.7 per cent in Queensland. These are figures provided by the Municipal Authority of Victoria, and they are, of course, independent figures. This applies even taking into account the 5 per cent reduction in financial assistance grants provided under Fightback. The following figures speak for themselves. In Victoria, the current financial assistance grant is \$182m. The 5 per cent reduction under Fightback would be \$9m. The saving from the abolition of fuel tax and payroll tax would be some \$21m, which amounts to a saving of 11.53 per cent. In Western Australia, the current financial assistance grant is nearly \$71m. The 5 per cent reduction under Fightback would be \$3.5m. The saving from the abolition of fuel tax would be nearly \$8m. That would also represent an increase to that State of 11.1 per cent. In Queensland, the current financial assistance grant is \$87m. The 5 per cent reduction would be \$4m. The saving from the abolition of fuel tax and payroll tax would be a massive \$23m. That would give Queensland a saving of 26.7 per cent.

It is also interesting to look at some of the council savings as a percentage increase on current financial assistance grants, and that would occur even after the 5 per cent reduction under Fightback. Under this new package, the financial assistance grant to the Bauhinia Shire would be up 14.8 per cent. Brisbane—a 67 per cent increase. I do not know what the Lord Mayor is complaining about! Caloundra—up 16.3 per cent. The Gold Coast—up 20 per cent. Ipswich—a good Labor stronghold—up 15.2 per cent. Maroochydore—up 24.8 per cent. Mirani—up 48 per cent. All of those areas would receive an increase, whether it be a smaller increase such as 7.5 per cent for Thuringowa or a larger increase such as 21.2 per cent for Toowoomba. All of those areas would fare better under the new package.

An example of how the removal of fuel and payroll tax benefits local authorities can be demonstrated by the figures from the Brisbane City Council and the Townsville City Council. For the Brisbane City Council, the fuel tax saving is \$5,146,000. The payroll tax saving is \$6.264m. The GST on purchases is zero, because all GST is refunded. The 5 per cent reduction in the financial assistance grants comes to \$793,802. The net result is

that the council has more than \$10m than it had before. Perhaps it will put the rates down! That is equal to an increase in the current financial assistance grants of some 67 per cent. I will now cite the figures for the Townsville City Council. Townsville is a good Labor stronghold. The fuel tax saving is \$309,946.

Government members interjected.

Mrs McCAULEY: Government members might as well be quiet. I am not taking interjections. The payroll tax saving—

Mr DEPUTY SPEAKER (Mr Briskey): Order! There is too much audible conversation in the Chamber. I would like to hear the honourable member's speech.

Mrs McCAULEY: I would like to hear my speech, too. The payroll tax saving is \$210,000. The GST on purchases is zero, because all GST is refunded. The 5 per cent reduction in the financial assistance grants to the Townsville City Council is \$160,413. The net result for that council under the new package will be an increase in its financial assistance grants of some \$359,533. That is an increase of 11.2 per cent. I wonder what the council will do with that extra money? A most important aspect of Fightback with respect to local authorities is that all GST on purchases is refunded. Therefore, no GST applies to councils. As I have just demonstrated, councils will be better off under a coalition Government. In June 1992, Labor was challenged to find one council which would be worse off under this new package, and it still has not come up with one name. Labor cannot state categorically that any council will be worse off.

In addition to councils, ratepayers will be better off under a Hewson/Fischer Government. They will receive income tax cuts of more than 25 per cent; petrol will be 19c a litre cheaper; they will receive double the current family income allowances; and there will be an 8 per cent increase in pensions. Those are just a few of the benefits. Brisbane residents will save \$755m—or around \$3,000 per household—in income tax alone. The average family, after paying the GST on everything, will be \$58 a week better off. I would prefer that money to be in my pocket than in Mr Keating's!

I turn now to some areas which have been the subject of intense media speculation and misrepresentation from all vested interests. The first matter is whether water and sewerage will be subject to a GST. I quote from a letter to all local authorities sent out by Senator Ian Macdonald, the shadow Minister for local government and the ACT. That letter stated—

“It is only that part of the rate bill which pays for commercial services which will be subject to the GST.”

The letter further stated—

“We recognise that there is a great variation between States and, in some instances, within States, in the provision of services. In some instances, services are provided on a clearly commercial basis, whilst in others, they are not. It is important that there be equity in the operation of any tax, and further work is going to have to be done when we have the full resources of Government.

We would ensure that full consultation with local government is an integral part of that process. Thus, the coalition will be open to further argument from local government on what is included in this list as taxable and what is to be zero rated.”

The letter concludes by stating—

“The coalition will accept the offers made by the Australian Local Government Association, the State Associations, the IMM and the Council of Local Government Officers, to work on determining the best way to implement the policy.

To this end, we propose in Government to establish a consultative committee with appropriate representation from local government. I am proceeding to initiate discussions on the composition of this committee.”

That is a genuine commitment to consultation, unlike the brand of consultation in which the present Labor Governments, both State and Federal, indulge. That consultation takes this form: "This is what we are going to do. You tell us what you think, but we are going to do it anyway and we are not going to budge one inch from what we want to do. We are going to consult with you; we are just not going to take any notice of you." That is the Labor method of consultation, and it happens in every area. A classic example of that was Queensland Health. The officers of that department just do not consult. They do not know the meaning of the word. I want to quote from some articles on GST and local authorities. In an article in the *Australian Municipal Journal* dated May 1992, the Municipal Authority of Victoria's senior economist, Tony Pensabene, stated—

"Local government would marginally benefit from the GST proposals."

He went on to state—

"The administrative costs involved in councils running GST appears to be minimal."

Mr DEPUTY SPEAKER: Order! If honourable members want to have conversations, they should leave the Chamber.

Mrs McCAULEY: I refer now to a report released today by the Western Australian Municipal Association on where the councils in the west will stand under a Hewson Government. That report has confirmed that councils in the west will be better off under a Hewson Government. Now that Western Australians have Mr Court as Premier, they will be much, much, better off under Hewson. The report has confirmed that Western Australian councils would save an enormous amount of money as a result of the coalition's pledge to abolish Labor's 26.2c a litre fuel excise. According to the report, Western Australian councils annually use up to 30 million litres of petrol and diesel. The abolition of that tax alone will save Western Australian councils almost \$8m, which is the equivalent of an 11.1 per cent increase in financial assistance grants to local authorities. The report supports the coalition's claim that even after a 5 per cent reduction in financial assistance grants, councils in Western Australia will still be much better off—to the tune of over \$4m. That does not take into account other savings that councils will make from the coalition's abolition of six other existing Labor taxes. It is quite clear that under Mr Hewson and the GST Fightback package, councils not only in Queensland but also in Victoria and Western Australia will fare better than they do at present under Mr Keating and his shonky people.

In the last few minutes available to me, I wish to talk about the Brisbane City Council and that rogue priest Mr Soorley. I am afraid that I do not agree with what he has been doing lately. He has shown that he has no feelings for the elderly. He is engaging in scare tactics by saying that under a Hewson Government, Brisbane City Council rates—

Mrs Edmond: He's concerned for the elderly; that's why he is speaking up.

Mrs McCAULEY: He is not concerned for the elderly; he is a scaremonger of the worst sort. Mr Soorley should be ashamed of himself. He is saying that under Mr Hewson's Fightback package, Brisbane City Council rates will cost \$226 more. That is absolute and utter nonsense. His initial figures are inflated, shonky figures that are being used to frighten people. Mr Soorley is a charlatan. He combines those shonky figures with the fact that in Brisbane, 40 per cent of the total rate receipts are from commercial properties, which will be exempt from the GST. He rolls all other properties in with home-owner properties and says, "Dear, dear, your rates are going to go up by \$226." What rubbish! What nonsense! To add insult to injury he is saying that the Brisbane City Council will lose \$7m in road funding. Again, that is wrong. It has been guaranteed by Dr Hewson that the \$7m that has been promised will be forthcoming. The Better Cities Program funding of \$7.5m has also been guaranteed by Mr Hewson. Under a Hewson Government, any deals that have been committed will be honoured.

Mr Soorley has much to answer for. In fact, half of the \$1 billion Brisbane City Council budget goes on goods and services. In the final analysis, the council could save up to or even more than \$5m, because of the cascading effect of the seven taxes that are going to be abolished. I have not heard any acknowledgment of that by Mr Soorley. I believe that he is blatantly playing politics. He is an absolute disgrace. He is frightening people. He has no thoughts for the elderly and for other people who have become very concerned. He is simply telling lies. The good Lord will judge him.

Hon. P. J. BRADDY (Rockhampton—Minister for Police and Emergency Services) (3.48 p.m.): I am delighted to join in this debate, and I am particularly delighted to see that 34 members of the Opposition are on the speaking list. At this time it could be said—if there is time for the people of Queensland to read all the speeches that were made in this place prior to the election of 13 March—that this is an important debate. I certainly hope that many people will have the opportunity to read *Hansard* and make their judgment on the content of the speeches. However, I am sure that in the event of the coalition winning this election, the speeches that were made by 34 members of the Opposition will make wonderful reading in 1995. I look forward with glee to the publishing throughout this State of the speeches of the 34 members of this Parliament who sit in Opposition. They may believe that they are having their moment of excitement today. However, I assure them that they should be hoping and praying that the coalition does not win this election. In the event of a victory by the coalition, those speeches will come back to haunt them in 1995.

I find it very sad to see the passing of one of the few strong National Party traditions in this State. I am referring to the fact that the National Party in this State prided itself on standing for Queensland. During the days when it prided itself on being the Country Party, it first and foremost believed that it must argue for the people it represented—its constituents and the people of Queensland. I will be happy to read in 1995 the judgment of the Queensland people in the event that tragedy occurs on 13 March and the Nationals' colleagues are elected to Federal Parliament. National Party members know very well that the words they are using in this place will come back to haunt them. They know very well that under the old Country Party, "Black Jack" McEwen would have throttled Hewson rather than let his party be led over a cliff by a bunch of lemmings, who are now led by a man in white shoes from Surfers Paradise. That is what National Party members are doing. They have abandoned their traditional constituency and the people of Queensland to follow a member who is not representative of their party's traditions. Mr Borbidge is so out of touch that not only is he not representative of the country people of this State but also, in this debate, he is not even representative of his own constituency.

It is beyond any shadow of doubt that the travel industry is absolutely appalled by the prospect of Fightback being put in place in this country and by the prospect of a GST being introduced in Federal Parliament and becoming the taxation system for this country. Not only is Mr Borbidge standing four square against the interests of his own constituents, but also in his white shoes he has led all 34 members who will speak to this debate like a bunch of lemmings over the cliff to disaster. Well may they hope and pray that the Labor Party wins the Federal election. If it does not, in 1995 they will be doomed, and their speeches will be spread far and wide. They have lost the courage of a Frank Nicklin, they have lost the ability of a "Black Jack" McEwen, and they have surrendered to the witchdoctor—Dr Hewson; the professor, the academic, who has not worked it out.

Dr Hewson is supposed to have it all under control. He introduced Fightback II because there were lots of holes in Fightback I. He was asked about something as important as timed Telecom calls. He did not know the answer. In the morning of that day, he refused to answer the question, but left it open to the interpretation that timed telephone calls would be introduced. By midday, Dr Hewson's minders had got to him and told him what a disaster that was electorally for the Liberal Party. So in the afternoon he appeared shamefaced and white faced, shaken and uncertain, and said, "No, I definitely rule out timed telephone calls." But members opposite have the gall to

come into this Parliament and tell us that they have all their i's dotted and all their t's crossed, and that Fightback II answers all the questions and doubts. We will see about that in 1995 in the unfortunate event of Dr Hewson's becoming Prime Minister of Australia.

I refer to the news that came today from Canada, that is, the resignation of Prime Minister Mulroney, who has the lowest popularity rating of any Prime Minister in Canadian history. His party is about to suffer absolute annihilation in the elections that are due to be held by November of this year.

Mr Cooper interjected.

Mr BRADDY: We will see about that. The honourable member and his colleagues will certainly be hoping and praying that Dr Hewson does not win. Let me talk about Canada, a country that is of similar size to Australia and has similar traditions and a similar economic mix. In many ways, Canada is extremely similar to Australia. In relation to Canada—what were we told this morning by every commentator? We were told that the major reason for the resignation of Prime Minister Mulroney was the massive lack of confidence of the Canadian people in the goods and services tax. If we could compare Australia with any country on this globe in terms of traditions, the nature of the people and the economy, it would be Canada. Sure, it has differences in relation to the French tradition in Quebec, but in terms of the manufacturing and agricultural mix, in terms of the size of the country, in terms of it being a transcontinental country, and in so many other ways, Canada is very similar to Australia. Prime Minister Mulroney has been driven from office because the Canadian people are totally appalled by the goods and services tax that was foisted on them as the result of an academic exercise.

The 34 Opposition members who will participate in this debate today and tonight have jumped over the cliff. That was not a leap in the dark, because they knew what they were doing. They do not have the guts and the ability that their forebears in the Country Party had to stand up to people such as Dr Hewson and Joan Sheldon. For goodness' sake, if they do not have the ability, intelligence and courage to stand up to them, how can they believe that they will be regarded as the alternative Government in this State? They are condemning themselves and abandoning their constituents, and they know it. Many of them are ashamed of that. Many of them hark back to the principles of "Black Jack" McEwen and Frank Nicklin, but they do not have the ability and courage to put those principles into practice in 1993.

Members opposite used to talk about academics. I used to laugh about that. When I was in Opposition, I was one of the few lawyers in the House. Of course, more lawyers have entered the House since then. I remember jibes being thrown at the current Premier and me because we were academics who had pass degrees at a university. But what do we now have with members opposite? We have a bunch of lemmings following Professor Hewson because he has worked out a scheme that he believes will work. I wonder how many of those 34 Opposition members watched *Lateline* last night, and saw virtually every single commentator—no politicians—condemn the GST. The exception was Douglas from New Zealand, who was the initiator of the GST in New Zealand and he, of course, was defending his own scheme. Did they see the Canadian tax expert who knows the Canadian system inside out, has migrated to Australia and is now a professor in an institution in Melbourne? Did they watch that Canadian/Australian professor condemning in detail a scheme that clearly will not work? Because members of the Labor Party have mixed with their opponents in this place over the years, they know how deep is the fear in the hearts of members opposite in relation to this particular debate. Those members who will have marginal seats in 1995 will certainly be down on their knees tonight and during the next couple of weeks praying like mad that John Hewson does not become Prime Minister of Australia.

Let us look at some of the matters arising in relation to Fightback and the GST in areas which touch on my area of concern as Minister for Police and Emergency Services. Let us look at the hypocrisy that has been displayed in that area. This week in Parliament, we had an example of that hypocrisy. On Tuesday morning, during the

Matters of Public Interest debate, the Leader of the Opposition, talking about our Government's stewardship and use of money, said—

“The Treasurer should tell us how the Government is nearly broke because it has indulged in massive increases in spending during the deepest recession since the Great Depression.”

He went on to say—

“He should try to explain to the people how he has managed to have massive increases in spending during the recession . . . ”

That was in the Matters of Public Interest debate on the morning of 23 February 1993. That afternoon, in the Address in Reply debate, the Leader of the Opposition stated—

“Law and order is still a festering sore in Queensland, with the Police Service and other areas of the Emergency Services portfolio continually being starved of funds.”

He stated further—

“Overtime and budgetary restrictions . . . reduce the effectiveness of each and every additional police man or woman employed by the Government.”

In the morning, the Opposition Leader, Mr Borbidge, with his tongue in cheek, was suggesting that the Government is broke from massive overspending and, in the afternoon, he was castigating us for imposing budgetary restrictions in the police area. That demonstrates the total lack of integrity in the Opposition. It will seize on two arguments virtually at the same time: one that we are spending too much and, within two hours, another that we are not spending enough. The same level of hypocrisy and lack of integrity has been displayed in this debate. Government members mix with Opposition members and know what they really think. We know that they do not support the goods and services tax, that they have had it forced upon them by Canberra, by Borbidge and by Sheldon. I turn now to matters that will affect the police budget in the event of the election of a Hewson Government.

Mr FitzGerald: Seven minutes to go.

Mr BRADDY: It is a lot longer than that. We want to hear all 34 Opposition members and read what they have to say in *Hansard*. I will examine the police budget and how it will be affected by the Fightback package. Even the Opposition concedes that there will be a cut in grants to Queensland by the Hewson Government's formula. Mr Borbidge has said that it is a pothole that anyone could get around. It is not a pothole, and the amount that we would lose is significantly greater than that which Mr Borbidge has claimed—something in the order of \$370m. If the police budget has to give up its share of money because of Commonwealth cuts, we would have to cut our budget by approximately \$31.7m. It costs \$56,000 a year for each police officer who works in Queensland. In order to make our sacrifice to the cuts caused by Fightback, a reduction of 563 police officers would be required. Opposition members are castigating us for not having enough police, despite the fact that we have put on 1 200 more operational police than the Government had in 1989.

Another alternative would be to cut into our programs, including overtime, which currently costs \$10m a year, and weekend work, which currently costs \$18m a year. Since we have been in Government, we have made significant changes in the police budget. We have increased it by 30 per cent. That has enabled us to introduce new programs such as a public safety and police safety program, to improve crime clear-up rates, to employ for the first time Aboriginal and Torres Strait Islander police liaison officers in major provincial cities, and to bring in a crime reporting system called CRISP across the State to help police with the early arrest of criminals. If we do not cut police numbers by the figure I have suggested, we will have to cut into programs, including those which provide improved equipment for police in remote areas, many of which are represented by members opposite who do not understand, or pretend they do not understand, what they are doing. It is also interesting to note that the police union has

concerns about superannuation under the Fightback package. The Queensland Police Union has put out a paper to the effect that, in a test case, the coalition's superannuation policy would increase fivefold the amount of tax to be paid on retirement at 55.

Mr Cooper: The reverse is the case.

Mr BRADY: No. I have seen the reputed reply, and it is not good enough. Earlier today, just prior to entering this Chamber, I spoke with the secretary of the Queensland Police Union. At that time, he supported totally what I am saying. On retirement, the tax paid on superannuation in the test case under Labor would be just over \$12,000, but under the coalition it would be \$68,000. An attempt was made by the coalition to refute that. However, I have a letter which refutes what Mr Cooper is suggesting. The letter is dated 25 February—which is today—and was written by Mr Brummell, the general secretary of the Queensland Police Union, to Mr Richard Alston, the Opposition spokesman on superannuation and child care in Canberra. In the final paragraph of the letter, Mr Brummell states—

“Your attempts to mislead our membership have already been seen to. I can vaguely understand a politician attempting to do these things in the lead in time before an election such as the one on March 13, 1993 although this Union will not allow blatant misconceptions to lead our membership into voting for a politician grandstanding to be elected on March 13, 1993.”

The police union stands by its calculations. It is telling all police officers who are members of that union that they will pay. I can assure the House that what the police union and its accountants have worked out is far more credible than any figures that come from either Mr Alston or Mr Cooper. Whatever they say here, they will ultimately be answerable to the Australian people for what occurs. In the event of the election leading to a Liberal/National Party Government, we will see the effects. We know that what has occurred in Canada will be substantially reproduced.

I am confident that there will be a swing back towards Labor, particularly in the last week of this election campaign, as the hypocrisy and the uncertainties of the coalition are increasingly exposed. Dr Hewson cannot say one thing in the morning and another in the afternoon on something as important as Telecom and timed telephone calls, and that is another hypocrisy. Honourable members will remember that only last week the water and sewerage tax was on, and then it was not on. Ask the National Party Mayor of Gladstone what he thinks of the goods and services tax. He has released a statement calling on the people of Gladstone to vote for anybody other than the coalition.

Time expired.

Mr BEANLAND (Indooroopilly) (4.08 p.m.): In 1988, Bob Hawke, the then Labor Prime Minister of Australia, said, “By 1990, no Australian child will live in poverty.” Currently, both of the parents of some 700 000 Australian children are unemployed. What we have instead of “no child living in poverty” is 700 000 children living in families in which both parents are part of Australia's one million jobless figure. That is the sort of thing that the Labor Party supports. With that jobless figure, it is little wonder that Mr Goss will not come out and support Mr Keating in Queensland. The Labor Party can see what it is doing to the children of this nation, the future of this nation; it is destroying them. We have one million jobless because Paul Keating, our Labor Prime Minister, said, “This is the recession we had to have.” He might as well have said, “I am thrusting this recession onto this nation.” We have Labor's recession; we have a jobless figure of one million; and we have 700 000 children living in families in which both parents are part of Australia's one million jobless. It is hardly a record of which to be proud, and it is the record on which the Labor Party is going to the polls on 13 March.

This year, we have seen one Keating Labor policy after the other discredited. We had One Nation, which was going to be the ball game. It was going to bring home the bacon—or was that a Budget? A few years ago, it was a Budget that was bringing home the bacon. That was probably the Budget before the foreign debt blew out to \$200

billion or before we got to one million unemployed. Tomorrow is the first anniversary of One Nation. What have we seen? A few days ago, the *Financial Review* reported—

“. . . the Commonwealth bureaucrats can't say how much money has been spent. Most States are facing a backlog and administrative difficulties. 'One Nation' promised 800 000 jobs. Since then unemployment has topped one million.”

So much for that discredited policy!

Mr Quinn interjected.

Mr BEANLAND: Not only has One Nation sunk without a trace, as the member for Merrimac reminds me, but also its figures have been totally discredited; the figures have been totally blown out of the water. A total of 400 000 women have lost their jobs under Labor. Further, under Labor's proposed tax changes, 60 per cent of women do not get a tax cut because Labor's tax cuts do not phase in until they earn \$20,000 per year. It is little wonder that a woman came up to me on the railway station this morning to say that she hoped that the Liberal Party and the National Party win the election. She said, "I earn \$21,000 and Mr Keating is trampling all over me." By contrast, the coalition is raising the tax-free threshold—the threshold is the point at which the tax comes into effect—from \$5,400 to \$6,000 per annum from 1 July this year, and to \$7,000 in October 1994. So much for looking after the battlers! So much for One Nation! It has been totally blown out of the water because its growth figure of 4 per cent has been destroyed; it has been downgraded. Initially it was 3 per cent; now it is down to 2 per cent. We all remember the Prime Minister saying publicly on television, "If you can't have a growth figure of 4 per cent, you might as well pack up, go home and forget about it."

In the last few days since Parliament resumed we have witnessed—and we will witness in the coming weeks—the greatest display of hypocrisy and lies that has ever been perpetrated on the Australian people. One of the good things about it is that the Australian people are now starting to wake up to Labor. They are waking up to all of Labor's hidden taxes. They know that they are out there; they are starting to learn about Labor's seven hidden taxes, and they are starting to talk about them. They can see the benefits of a goods and services tax. Day after day, people say, "Now we're getting the GST, tell us more about it. We want to learn and understand more about it." They have had enough of Labor's lies and Labor's hypocrisy. I am sorry that the Minister for Police and Emergency Services is not in the Chamber—

Mr Beattie: He's over there!

Mr BEANLAND: That is wonderful! The honourable member is not in his usual place. It is no wonder I thought he had left the Chamber. For Mr Braddy's benefit, I want to read from an article in the *Business Review Weekly* of 8 September 1989. In that article, Mr Goss is quoted as saying—

"I supported the consumption tax at the tax summit because it is so efficient. That sort of tax could sweep away a number of inefficient and expensive ways to collect taxes, such as fire services levy (applied to commercial building)."

Today, Wayne Goss had to bring on this debate to prop up Paul Keating. He will not campaign with Paul Keating around Queensland, but he does not mind doing so in the Chamber. No doubt he is under instructions from Canberra to turn up the heat in Queensland.

Today's debate has been a poor effort because there has been nothing more nor less than political rhetoric spoken by members of the Labor Party. The Premier, Mr Goss, has squibbed and will not debate this issue with the Leader of the Opposition on the *7.30 Report* tonight. He does not have the courage to debate the issue in the public arena. He wants to debate the issue in this Parliament where he hopes it will not get out to the community at large. What a hollow performance! The previous speaker, the Minister for Police and Emergency Services, Mr Braddy, gave a shallow performance also. His speech was 20 minutes of pure rhetoric. It had no depth. It was all delivery style and no content—and it was a pretty poor delivery at that. He continually referred

to Canada and, of course, everyone accepts that Canada is a very poor example of the way in which to introduce a goods and services tax. Not once did he mention New Zealand and the support of the Labor Party for the introduction of the tax in that country. There are only three countries in the developed world that do not have the goods and services tax, so there must be something good about it. So much for countries that are running away from a goods and services tax!

The other point I want to mention is that although the Opposition is very pleased to engage in this debate today, it is quite extraordinary to hold it before question time. Therefore, I cannot but feel that this move reflects the Government's concern to hide the Health Minister. After all, why would the Government want to have this debate before question time? Usually, these debates are brought on after question time but, no, this Government has rushed in, hoping to get question time brought on at 3 a.m. Any time will do, as long as it is after the 6 o'clock news. That is what counts. Question time will be brought on after the 6 o'clock news so that the Government can hide the Health Minister—a Minister who has been discredited throughout the length and breadth of this State in the last couple of days. What embarrassment and failure we have seen from the Health Minister! The situation is so bad that he cannot even give a straight answer on the QEII Hospital. This Government is doing all it can to ensure that question time does not occur before the 6 o'clock television news. And no doubt because of the long speakers' list, it will be successful.

Day after day in this Chamber and in the media, Labor has attacked small business, sporting clubs and the racing industry. Labor has called hundreds and thousands of small businesspeople, sports people and racing industry people crooks, shysters and rip-off merchants. There can be no other interpretation of what is being said because, day after day, I have heard Labor members in this Chamber and elsewhere say that savings which will result from the abolition of the seven taxes that have been referred to will not be passed on to the consumer, and that the 15 per cent goods and services tax will be imposed on current prices. Of course, honourable members know that that is a load of rubbish. We also know that what Labor members are really saying is that small businesspeople are crooks, shysters and rip-off merchants. What a disgraceful state of affairs! I hope every small businessman, every person involved in sport and every person involved with the racing industry pays close attention to the performance being given by members of the Labor Party. Everyone knows that as a result of the abolition of those seven taxes, the consumer price index will not go up 15 per cent but only 2.1 per cent. That fact has been accepted by the Treasury, economists and other people right throughout this nation.

Everyone, except Labor, appreciates what will happen. The message is now getting through to consumers as to exactly how they will be affected. People know that as a result of the abolition of the wholesale sales tax, fuel excise, payroll tax, the training guarantee levy, the superannuation guarantee levy and some customs duties, these savings will be passed on. Small businesspeople are fed up with being abused and accused by members of the Labor Party. They are fed up, and they see right through the abuse that is being directed at them. They know that Labor is saying that they are a bunch of crooks and shysters. Today, I am standing up for the small business community, people involved in sport and clubs and people in the racing industry who have done so much for this great country. I am supporting them against the disgraceful and despicable performance that is being given by members of the Labor Party. I know that we will be seeing more of these desperate tactics on the part of the Labor Party. After all, this morning the Premier came into this Parliament and said, "Every move you make, every step you take will be taxed." I point out to the Premier that that is exactly what happens now under the Keating Government.

I will take butter as an example of what is happening under Labor, because it highlights the 220 applications of indirect tax that are applied to 500 grams of butter. There can be no commodity more fundamental to the Australian way of life than butter. On freight and cleaning equipment and solvents, the dairy farmer has to pay payroll tax,

the training levy, fuel excise and wholesale sales tax. On motor vehicles, he has to pay payroll tax, the training levy and wholesale sales tax.

Mr Beattie interjected.

Mr BEANLAND: Of course there is also payroll tax on motor vehicles. What a lot of nonsense I hear from the Labor Party! The manufacturer incurs payroll tax, the training levy and wholesale sales tax which are the hidden taxes imposed by Labor. Office equipment is also subject to payroll tax, the training levy and wholesale sales tax. On fuel oil and lubricants, the dairy farmer has to pay payroll tax, the training levy and wholesale sales tax. Fencing materials attract payroll tax, the training levy, fuel excise and wholesale sales tax. Fertilisers, pesticides, herbicides and veterinary materials also attract the training levy and fuel excise. Farm machinery attracts payroll tax and the training levy. Machinery parts attract the same—payroll tax and the training levy. Accountancy and other professional costs attract wholesale sales tax. Market support and research levies attract payroll tax and the training levy. Local council rates attract payroll tax and the training levy, which the Labor Party imposed upon local authorities. Postage and telephone expenses attract payroll tax, the training levy, fuel excise, wholesale sales tax—the lot.

Let us move down to the carrier, the freighter. Let us see what costs he has to bear. When he buys a motor vehicle, he pays payroll tax, the training levy and a wholesale sales tax. Motor vehicle parts attract payroll tax, the training levy and wholesale sales tax. If he buys goods handling equipment, he pays payroll tax, the training levy and wholesale sales tax. When he goes to fill up at the bowser or to purchase oil and lubricants—payroll tax, the training levy and fuel excise are some of the costs he incurs. Cleaning material and solvents attract payroll tax, the training levy and fuel excise. Office equipment and supplies attract payroll tax, the training levy and wholesale sales tax. Accountants fees and other professional costs for the carrier incur wholesale sales tax. If he employs somebody, wages attract payroll tax and the training levy. Postage and telephone incur payroll tax, the training levy, fuel excise and wholesale sales tax—the lot. Local council rates again incur payroll tax and the training levy.

Let us move on to the costs incurred by the milk processor at the butter factory. Freight to the butter factory attracts payroll tax, the training levy, fuel excise and wholesale sales tax. Motor vehicles for the factory attract payroll tax, the training levy and wholesale sales tax. Motor vehicle parts attract payroll tax, the training levy and wholesale sales tax. So on it goes. Because of time restrictions, I will move on to the food wholesaler. He incurs costs on office equipment and supplies through payroll tax, the training levy and wholesale sales tax. Cleaning materials and solvents to clean his premises attract payroll tax, the training levy, wholesale sales tax and fuel excise. Goods handling equipment attracts payroll tax, the training levy and wholesale sales tax. So it goes on right through local government rates, postage and telephone, which I have already mentioned.

Let us move to the supermarket and see what it costs the supermarket owner. First of all, there is freight to the supermarket, on which he incurs costs for payroll tax, the training levy, fuel excise and wholesale sales tax. Shop fitting and fixtures attract payroll tax, the training levy and wholesale sales tax. Cleaning materials and solvents, again, attract the first three: payroll tax, the training levy and fuel excise. Accountants fees and other professional costs attract payroll tax, the training levy and wholesale sales tax. If the supermarket is involved in advertising, it pays payroll tax, the training levy and wholesale sales tax. All those costs are incurred in his business. Goods handling equipment attracts payroll tax, the training levy and wholesale sales tax. Fuel oil and lubricants, again, attract payroll tax, the training levy, fuel excise and wholesale sales tax. Wages, again, attract payroll tax, the training levy and wholesale sales tax. He incurs local government rates. I have already mentioned the costs incurred in postage and telephone. In all, the end user bears some 220 applications of indirect tax. Not one but 220 indirect tax costs are passed through the system to the end user.

I have heard some outrageous claims by members of the Labor Party about the cost of food increasing across-the-board. Of course, many of those claims are lies. Many food prices will come down. I want to mention a handful of them. There is no GST on food. There will be no payroll tax, no wholesale sales tax, no training levy and no fuel excise, for a change. The price of poultry and eggs will reduce by 6.7 per cent; fresh fruit and vegetables, by 1.3 per cent; fresh fish, by 4.6 per cent; meat products, by 2.3 per cent; milk products, by 3.4 per cent; fruit and veges, by 4.8 per cent; margarine/oils, by 1.9 per cent; fuel and cereal, by 2 per cent; bread, cakes and biscuits, by 1.2 per cent; confectionery, by 3 per cent; and food necessities, by 2.7 per cent. Overall, food costs will be reduced by 2.2 per cent.

I turn to an article about beer prices that I noticed yesterday and that was repeated today in the *Courier-Mail*. I heard the Minister refer to it again today. Ever more blatant lies and untruths have been spoken about beer prices. Beer prices will fall. The cost of beer will certainly be a lot less than it is now. I was very disappointed that the *Courier-Mail* was duped by the Minister on that score. Today, the Minister tried to say that the executive summary of that report was from the QHA. The QHA categorically denies that. I table the press statement from the QHA, which emphatically denies that it supplied the information in the article. I understand that the information came from another group altogether and that it has nothing to do with the QHA. Now, that other group also denies authorship. Obviously, a rough report was prepared but not carried through to completion. That is another blatant example of Labor lies.

I hope that the *Courier-Mail* will see fit to run the full article on the front page. All that we get out of the Labor Party are lies and more lies. Unfortunately, what we had today was on page 3. It was disappointing to see that the claim was not refuted. If wholesale sales tax is abolished, the price of a pot of beer will come down. If fuel tax and payroll tax are knocked off, the price of beer will be a lot less—unless, that is, Labor is telling us again that the breweries, which are in one of the most competitive markets possible today, will not pass on those savings. Repeated over and over by Labor Party members are more lies and more duping on such issues. Queensland and Australia have a choice, and it is time for a change.

Time expired.

Hon. T. McGRADY (Mount Isa—Minister for Minerals and Energy) (4.28 p.m.): I am delighted to contribute to this debate on the miserable goods and services tax proposed by Dr Hewson and the Liberal and National Parties, because my portfolio of Minerals and Energy embodies two of the most important factors which keep Queensland the leading State in the nation. Hand in hand with our State's great mineral wealth go the cheapest electricity prices of any mainland State. Those great benefits complement each other and contribute greatly to Queensland's high standard of living. I am proud, and the electricity supply industry in Queensland is proud, that since this Government took office increases in electricity prices in Queensland have been kept to half the rise in the consumer price index. Often, when I am interstate and overseas I am asked how Queensland can do this, and I tell them: through the hard work of the employees and management of the QEC. These people are proud of that achievement and so am I, and every other member of this House should be proud of it, too. What other industry in this nation can make that claim? Yet with a stroke of the pen, Hewson and the Liberal and National Parties will destroy that achievement, and Queensland electricity consumers will be faced with double-digit increases in the order of 10.7 per cent. The increase will go from 0.7 per cent this year to 10.7 per cent. Overnight, these destroyers, these saboteurs, these economic vandals will smash three years of hard work and achievement that have brought a unique benefit to the people of Queensland.

On the bitterly competitive world industrial market, cheap energy is one of the best things Queensland has going for it. Our mineral wealth and our cheap energy bring jobs, export dollars and thousands of pay packets into the economies of cities and towns right throughout this State. Make no mistake, anything that hurts either of these two great Queensland advantages will be felt quickly throughout the entire State. The GST

of Dr Hewson and the Liberal and National Parties would give both the mining industry and the electricity supply industry, and the people of Queensland, a kick where it hurts most. The effects of the GST would be felt right throughout the State. I say "would" be felt because I do not believe the people of Australia, once they have seriously considered the effects of a GST, will have a bar of this miserable tax on development, this tax on jobs and this tax on our standard of living.

In the past few weeks we have heard lots of meaningless figures plucked out of thin air to justify the GST. Only yesterday, we heard on ABC radio the Liberal alderman who aspires to be the next Lord Mayor of Brisbane claim that the GST would add \$20—that is, \$20 at the worst, he said—to annual council rate notices in the City of Brisbane. With typical Liberal Party arrogance and disregard for the truth with figures, the alderman ignored detailed research by the Lord Mayor that resulted in a figure of \$226.22 extra for each ratepayer in this city. It is not only water, sewerage, rubbish collection and even recycling that would cost more under a GST. It will cost Australians more to go to the bathroom to wash their hands. And it will cost them even more if they turn on the light. In common with the Lord Mayor of Brisbane, I, too, have done my homework. The GST would add an average of \$60 a year to every Queenslanders' home electricity bill—\$60 a year straight on top of the 1.1 million domestic electricity bills that go out in this State. For those Liberal and National Party members opposite who have such trouble with figures, I point out that that means Dr Hewson would rip off a cool \$66m every year from Queensland home owners—\$66m a year for nothing! I emphasise that this is the net effect. Sixty dollars a year is the average rise in a domestic electricity account throughout this State of Queensland, after taking into account the other claimed effects of the Fightback package, including payroll tax, fuel excise tax and wholesale tax.

In Queensland, the refrigerator is regarded as an essential appliance in 99.9 per cent of our homes. Keeping our food and our drinks cold in a refrigerator makes up part of our electricity bills, but we would not go without it. The GST is a tax on the cost of running a refrigerator. Can I tell Dr Hewson that a refrigerator in Queensland is not a luxury any more than going to the bathroom is. It is a necessity of life, and the people of Queensland do not want a bar of a tax on these necessities of life. The GST is a tax on the cost of cooking a meal, of turning on the television; it is a tax on using a fan or, indeed, airconditioning in the hotter parts of this State, to keep cool. The GST is even a tax on the great Australian luxury of making a cup of tea! It does not matter whether a person uses electricity or gas, Dr Hewson and his colleagues will be there for their cut. A person does not even escape them if he boils the billy on a campfire—the GST is on the billy and it is certainly on the matches. And that is just the domestic electricity users.

The cost to industry would run into hundreds of millions of dollars every year. This money has to come from somewhere. The Opposition tells us that a lot of businesses are on the ropes already. The GST will be a knockout punch that will put them on the canvas and their workers out for the count. The picture for gas consumers is no better. Dr Hewson, Mr Borbidge and Mrs Sheldon's miserable GST would also be added to gas bills. When a Government imposes a tax on such everyday necessities as our household energy needs, we are looking at a tax on our whole lifestyle. At the same time, Dr Hewson has the gall to say he is helping Australian families. The Hewson GST would be the first tax on natural gas. It would be a big setback for one of Queensland's most exciting energy prospects. A setback for gas is a setback for development and a setback for jobs, and the Opposition has spoken about jobs from day one under a Hewson Government. What a joke! It is a setback for export earnings and for the standard of living that we will leave for our children and their children.

In remote parts of Australia, and particularly in north-west Queensland and the Northern Territory, companies and Governments have been actively planning to extend gas pipelines to new and existing mining and resource processing operations. The expectation is that natural gas will replace, in the main, expensive imported fuel oil, which usually comes from the Middle East. For example, the Nabalco plant at Gove, which refines bauxite to alumina, imports massive quantities of fuel oil, some from places

such as Kuwait. Under the GST of Dr Hewson and the Liberal and National Parties, the gas pipelines which could be extended to Mount Isa or to the exciting new developments in the region may not go ahead. The result? Australia will be forced to import more fuel oil instead of developing an Australian resource. Such development would mean jobs and would reduce our reliance on unstable Middle East suppliers.

The GST is the policy that emphasises the difference between the coalition and the Australian Labor Party. Every ordinary man, woman and child in this country has good reason to be proud of Australia's low inflation rate, and it did not come easily. Dr Hewson says that the GST will increase inflation by 4.4 per cent and that there will be no lasting impact on the trend rate of inflation. A 4.4 per cent increase in inflation just when Australia's inflation rate is being brought under control at less than 2 per cent! When a 10 per cent consumption tax was introduced in New Zealand, inflation soared immediately by 8.9 per cent, of which 6.5 per cent was attributed directly to that tax. In 1989 in New Zealand, the GST rate was increased by another 2.5 per cent, and inflation rose immediately by the same amount. Dr Hewson should go into the street and ask ordinary Australians how they feel about a sudden leap in the inflation rate and how they feel about their electricity bills rising by more than \$1 per week.

As I mentioned earlier, Queensland's cheap electricity prices did not come easily. This has taken careful management to achieve. That management was so careful that the Queensland Electricity Commission was recently described in an economics survey by the Australian National University as one of the nation's top three Government-owned enterprises and a major proponent of State economic growth. I repeat: the QEC and its ability to supply energy more cheaply than any other mainland State is a major proponent of State economic growth. Make no mistake: reliable and relatively cheap electricity has been a key element in developing Queensland's manufacturing base. It is a reason for the decentralisation of this State. It has helped to open up minerals developments and value-adding industries and to create jobs. Yet this is the industry that Dr Hewson and the Liberal and National Parties would shackle with a goods and services tax. This is part of the Queensland advantage that they would rub out with their GST.

On top of all this, Dr Hewson and his team of economic vandals would cut Queensland's share of the Federal tax cake by \$370m. We have heard already in this debate what this means to the people of Queensland. I will repeat it again. It means 4 300 fewer teachers, 2 700 fewer nurses and more than 500 fewer police. It means less to spend on schools, roads and hospitals. It means a huge brake on all the progress which this Government has made in improving the standard of living in this great State. It means that Queensland will have to work even harder to keep its reputation as the leading State. That \$370m will have to come from somewhere.

The people of Australia have a real choice to make on Saturday, 13 March. The first choice is massive increases in tax on essential items for every man, woman and child in this country; a kick where it hurts most for the mining industry, which provides so much of our nation's wealth; and a kick for all industry, large and small. The other choice is a continuation of the steady climb out of the recession that has affected every western nation. It is a choice between continuing and consolidating all the progress, all the hard-won recovery that this nation is making under the Australian Labor Party Federal Government or replacing it with the radical, dangerous plan proposed by Dr Hewson and his team of economic vandals.

When the people of Australia examine seriously the GST proposed by Dr Hewson and the Liberal and National Parties, they will discover that there is really no choice. They will see that Dr Hewson's choice is no choice at all and that it is a recipe for economic disaster. The ordinary men, women and children of Australia do not want or need a consumption tax. They do not want or need a sudden increase in their cost of living, a tax on the necessities of life and a tax on their standard of living. They do not want or need an unfair tax that will affect every man, woman and child in the nation, from the cradle to the grave and, as we heard this morning, even beyond the grave. They do

not want or need an unfair tax that will force the nation to take a huge backward step at a time when real progress is being made. They do not want to leave to their children and their grandchildren an Australia in which the necessities of life are subject to a disgraceful, un-Australian consumption tax.

Regardless of the results of the election, the Government will never, ever let the Queensland coalition forget that it supported this tax. Very soon, Government members will travel the length and breadth of Queensland. They will tell the people of Queensland just how the Opposition supported this tax and how it tried to commit economic suicide for this State.

Mr PERRETT (Barambah) (4.44 p.m.): I am saddened by the state of primary industries in Queensland and right around Australia. Great primary industries, which were the cornerstone of the society in which we live today, have been brought to their knees by 10 years of unfavourable Government in Canberra and three years of an even more unfavourable Government in Queensland. A tax-happy Government has taxed just about everything except rain. The only reason it has not taxed rain is that farmers do not receive too much of it these days. Even today, an article in the *Courier-Mail* states that two well-known properties that have contributed millions of dollars over the years to the Queensland economy have gone to the wall. I believe that there is a message in that.

Mr J. H. Sullivan: Westpac took them both, didn't it?

Mr PERRETT: Westpac did. Why did those places go to the wall? There must be something wrong with Government management, whether it is in Canberra or Queensland. Today, we listened to the Minister for Primary Industries. He gave a first-class display of cynical dishonesty. He blamed the Federal coalition for the massive job cuts that have been planned already for the Department of Primary Industries. The planning of those sackings that he announced today are well advanced and have nothing to do with the impending change of Government in Canberra. For months, long before Mr Casey realised that Keating was doomed, everyone in the department has been talking about the sackings. Mr Casey has ordered more than 400 of them. This latest purge was ordered by Cabinet just after the State election when Labor decided that its future lies in the south east of the State. I do not believe that anyone in Parliament has seen such a cynical exercise as that which Mr Casey pulled in this House today. He stood up without so much as a blush and announced the end of the careers of 400 decent public servants. He then took the coward's way out and tried to blame it on John Hewson. We are witnessing the continuation of the carnage that Mr Casey has allowed to occur in the DPI since he took over as Minister. He has presided over the demolition of one of the best and most important work forces in the public service. The people in his department learned a long time ago that they were simply pawns in Labor policy. They have had to stand back and watch services be reduced, and then watch staff numbers cut because they had no work to do.

The Minister also referred to further cuts in research, which would affect the Agricultural Production Branch of the Department of Primary Industries. Is the review of research currently taking place only another cover-up for the cuts that are already planned? The Minister talked about sugar. Recently, on the Henshaw program, he was done like a dinner by Senator Bill O'Chee. The Minister said that he would not cooperate with Canberra if the coalition was elected. What rot! He would be down there the very next day because if he knocked back that offer from Canberra, what would become of the sugar seats that are currently held by Labor members? The members who represent Whitsunday, Mulgrave, Barron River, Bundaberg, and even the Minister for Primary Industries who represents Mackay, will all lose their seats. Those members will probably lose their seats anyway, but the Minister would certainly see that they do. Government members would be kicking down his door if the Minister refused to cooperate with Canberra. Mr Casey should go out and talk to the rank-and-file sugar growers in this State. That way he would get the message. He has set himself up in his ivory tower. He never goes out and talks to the farmers and asks them what they think. Those farmers have given the coalition's sugar package the thumbs up.

I refer now to the Minister's stand on tariffs, which he outlined today. Suddenly, he has become a superprotectionist. What a turnaround! On 13 March 1991, in reply to a question asked by the former member for Gladstone, Mr Prest, he stated—

“It is true that it will have a direct effect on Queensland's sugar industry. Depending on the fluctuation and variation in sugar prices for the rest of the season, during that period the tariff reduction could represent a total of \$40m in direct income to the industry.”

Well, if that was not the thumbs up, I do not know what it was.

I have matters other than Mr Casey about which to speak. Over the past two years, Australia has been struggling in the grip of its worst recession for 60 years—the recession Paul Keating masterminded, and which he said that we had to have. Rural and regional Australia has been hit the hardest by Labor's deliberately engineered economic downturn. Depression, not recession, has been the reality for the beleaguered farm sector. The net value of farm production has plummeted from an average of approximately \$4 billion in the late 1980s to \$1.2 billion in 1991-92, and it is not forecast to recover to more than \$2 billion until the end of the decade. During the rural depression, farm business profits have plummeted to new depths. In 1990-91, the average broadacre farmer lost \$24,838; in 1991-92, \$23,410; and is expected to lose a further \$9,600 in this financial year. That is a total loss of \$57,848 in just three years. The results have been disastrously worse for wool growers, who have averaged a loss of \$101,234. For 1992-93, it has been forecast that only 11 per cent of broadacre farmers will have a positive farm business profit. In 1991-92, only 1 per cent of all broadacre farms were profitable. Total farm debt is edging close to \$16 billion, and it can only increase while Labor's calculated rural depression continues to push farm depression into the red. It is no wonder that the primary industries of this State are looking for a plan and it is no wonder that they will grasp at a plan that they can see will give them some light at the end of the tunnel.

Primary producer organisations throughout Australia have given the coalition's Fightback package the thumbs up. For example, the NFF has stated that the coalition's economic package will be of enormous benefit to farm businesses and farm families. The New South Wales Farmers Federation stated—

“This is the first genuine, positive attempt by any political party to put together a package that substantially helps business.”

The Victorian Farmers Federation stated—

“It is the best policy initiative for farmers to come out of Parliament in decades and is a major win for the farm lobby.”

The Wool Council of Australia stated—

“Implementation of Fightback! would provide the necessary incentive for Australia to overcome its current economic problems.”

Of course, Owen Jennings, who is the president of the Farmers Federation of New Zealand, has stated time and time again that New Zealand's farm industries have benefited since the GST was introduced. Reports have come to me from New Zealand and, certainly, when I was in that country recently, farmers indicated to me that the GST had turned around their problems. Suddenly, farms were showing profits, and certainly the farmers had some hope.

The Fightback package of tax and economic reforms is a comprehensive policy prescription which will help cure the ills inflicted by Labor. The Federal coalition will implement policies that will reduce farm costs significantly. Labor, by contrast, has blamed the rural crisis on depressed world commodity prices, has done nothing to help reduce production costs and has pinned its hopes of recovery on a positive outcome to the Uruguay round of GATT talks, which offer no immediate benefits for Australian farmers. The Liberal and National Parties will abolish or reduce seven indirect taxes that

presently cost business \$20 billion a year and impose a tax on exports of \$1.7 billion annually. I ask honourable members to think about that. We are taxing our exports, while almost all our trade competitors abroad are subsidising their farmers. We are doing exactly the reverse. How can we ever hope to compete?

Fuel excise, wholesale sales tax and payroll tax will be abolished to the great advantage of the farm sector. The abolition of the training guarantee levy and the freezing of the superannuation guarantee levy will benefit farmers indirectly. Farmers should not underestimate the value of abolishing those taxes on production. That is what they are. The National Farmers Federation commissioned independent industry consultants ACIL Australia Pty Ltd to analyse the impact of the coalition's indirect tax reform package on farm business incomes. ACIL concluded that farm business incomes on identified properties will rise by between 8 per cent and 29 per cent at least with the introduction of the GST. There will also be the abolition of the wholesale sales tax, fuel excise and payroll tax, and tariffs will be cut to negligible levels.

The ACIL analysis was conducted by applying the coalition's indirect tax reforms to the actual operating records of a mixed grain/wool enterprise in southern New South Wales, a Victorian dryland dairy producer, a specialist merino wool producer in southern New South Wales, and a northern Queensland beef producer. The increases in income from both cost reductions and revenue improvements were quite significant. They ranged from \$4,443 for the merino wool producer to \$20,665 for the north Queensland cattle producer. Under Fightback, farm costs fall by between 3 per cent and 5 per cent. Farm receipts under Fightback rise by about 1 per cent. With most farmers now recording record losses, the Fightback benefits are most welcome. The ACIL report also said that farm families in a wide variety of situations will also benefit in that the income tax reductions and changes to a range of other transfer payments will more than offset the high costs associated with the GST per se. When the improved farm business income under Fightback is also taken into account, it is clear that farmers will gain significantly from the Fightback package.

The ACIL view was also backed up by the Federal Treasury in its analysis of the coalition's package. Treasury estimated that the proposed indirect tax changes would cut farm costs by more than \$1 billion per year, or more than \$8,100 per farm on average. That is a lot of money, especially to those people who have been struggling to put groceries on their tables. That \$1 billion saving included \$166m for the abolition of payroll tax. Government members say that farmers do not pay payroll tax. However, they deal with companies that do pay it. Those members are kidding themselves if they believe that those big companies do not pass those costs on to their consumers. As I said, that \$1 billion saving included \$166m for the abolition of payroll tax, \$697m from axing the fuel excise, and \$288m from the abolition of wholesale sales tax. Treasury also identified huge savings for other industries. Costs incurred by the food-processing industry were predicted to fall by about \$1.336m per year under Fightback. Costs to the forest industries will fall by \$666m per year. Costs to the road transport industry will fall by a massive \$1.147 billion per year. At last, farm families have some hope under Fightback.

The ACIL study commissioned by the NFF found that farm families in all income groups would be better off under Fightback, and that the poorer farm families would benefit by a greater percentage than would those who are better off. On average, farm families will be more than \$43 per week ahead with the new Fightback compared with their current position under the Keating Labor Government. For example, families in the lowest income group with an income of only \$140 a week will now benefit by \$23.76 per week, which is almost 17 per cent. Much of the improvement in benefits to farm families under Fightback II flows from the decision to exclude basic food from the GST. Many of the benefits for low income earners, including the first round of tax cuts, will be brought forward to 1 July this year to help ease the pain of the recession. From 1 July, the coalition will increase family allowance by 50 per cent for farm families with incomes less than \$30,000, and 25 per cent for those earning \$30,000 to \$40,000—there are not too many of them around these days—as well as increasing the family allowance

supplement by 3 per cent. From 1 October 1994, the coalition will increase the family allowance by a further 50 per cent for families earning less than \$30,000, and by 25 per cent for those with incomes between \$30,000 and \$40,000, and increase the family allowance supplement by another 3 per cent.

Fightback II has given primary producers some hope in other sectors, as well. Firstly, as to the new depreciation arrangements—there has been a significant run-down in farm plant and equipment during the 1980s, and this is now threatening the competitiveness of our farm exports on international markets. In fact, since the mid-1980s, farmers have spent only 25 per cent of what they must on machinery to retain their world-beating technology and productivity. The coalition will completely overhaul existing depreciation arrangements and provide a major stimulus for farmers to invest in new plant and machinery. A simplified 1/3/5/10 depreciation system will replace the seven confusing and complicated categories presently operated by Labor. Farmers will be able to change present depreciation rates on existing machinery, and this will be a significant cash flow boost for farmers. A realistic and uniform assets test will be used to determine eligibility for all pensions, benefits and Austudy. Families in extreme financial hardship will not face an assets test for Austudy, family allowance and other welfare benefits; an income test only will apply. Labor's unfair assets test, which has discriminated against rural Australian retirees, will be abolished. In addition, there will be no assets test for assistance from the isolated children's scheme.

Farmers will be given full relief from capital gains tax when they sell one farm to buy another and where the disposal price does not exceed \$5m. I can assure honourable members that not many farms sell for more than \$5m. That benefit will be available once every five years. The coalition will abolish capital gains tax on the sale of a farm by retirees aged 60 or over where those gains are up to the value of 10 times average annual earnings—approximately \$300,000. Capital gains tax on the sale of a farm by non-retirees, up to the value of 10 times annual average earnings, will also be abolished, provided the funds are placed in an approved deposit fund until retirement. Farmers will have an option to pay capital gains tax at a flat rate of 30 per cent on nominal gains on assets held for five years or longer and bought after 19 September 1985. Capital gains of less than \$3,000 made by an adult individual each year will be exempt from tax.

The income equalisation deposit scheme will be reviewed by the coalition to ensure that it is an effective scheme to allow farmers to put income aside in good years as insurance against poor seasons and drastic commodity price falls. Fightback provides for 100 per cent tax deductibility in the year of expenditure to allow farmers to undertake approved on-farm conservation works and provides for the maintenance of tax averaging provisions. The coalition will continue to finance rural research and development on a dollar-for-dollar basis within industry up to a limit of 0.5 per cent of the gross value of production of any industry. The 150 per cent tax deduction for expenditure on research and development will continue to be available to encourage greater private investment in research and development.

Waterfront reform is also very important to the rural sector. Genuine waterfront reforms planned by the Federal coalition will reap savings of \$1,600 per year to the average farmer. Farmers presently foot the bill for 20 per cent of waterfront running costs. Savings to farmers under the coalition will total \$200m. Farmers are penalised in the international marketplace and in competition with imported products on the domestic market because Labor has failed to set its reform sights high enough. As a result, Australia is still significantly behind in international best practice and is at the lowest end of international competitiveness.

Transport costs across rural and regional Australia will be slashed by a coalition Federal Government. There will be no new road user charges and, because of the abolition of fuel excise, sales tax and payroll tax, the average road transport operator will save nearly \$44,000 per year. This saving will generate lower freight rates for country areas and result in lower consumer prices and improved business and farm

profitability. The coalition will support a series of State and interstate registration charges in line with those proposed by the National Road Transport Council and accepted by the State Ministers' Council. A six-axle articulated truck will pay \$4,000 per year in registration—that is all. There will be no Federal fuel tax on business and no GST on registration. The savings in transportation will certainly be of great advantage to the rural sector, because the rural sector is a big user of transport. Whether farmers are transporting their produce to market or the goods which they buy to use on their farms, there is a huge transport component in their cost of production.

Fuel excise is now 26c a litre. Farmers do receive a diesel rebate, but that applies to only 50 per cent of their usage. They use diesel off-farm for trucking; they use petrol for business purposes both on and off-farm; and they use other fuels such as Avgas. Presently, the farmer pays 26c a litre in excise at the time of purchase and claims a rebate later. Under Fightback, the farmer will pay out 7c a litre in GST and claim a rebate. The cash flow benefit is worth 19c a litre, or \$950 on 5 000 litres of diesel, with a GST rebate of about \$300 to follow.

Time expired.

Hon. P. COMBEN (Kedron—Minister for Education) (5.04 p.m.): I have been fascinated by the contribution of the previous speaker. The only relevant thing that he said was towards the end when he said that there will be no GST on registration. He claimed that was some sort of benefit. It is pleasing to note that, even if Dr Hewson were to win Government, we will not have a tax on our taxation. The honourable member for Barambah calls that a benefit, and it is about the highest benefit that he can find. For Queensland and for education, GST—the Fightback package—will mean a return to the worst days of the Bjelke-Petersen Government. Dr Hewson's GST stands for "gruesome school tax". Under Fightback, every p. and c. and school will be a tax office collecting Dr Hewson's gruesome school tax. The GST will result in a massive new tax of 15 per cent on clothes, text books and everything that parents provide for their students. Under Fightback, there will be a massive move from the public education system to private schools. During the Fraser years, the private sector increased by 110 per cent. At the same time, there was a decrease in spending of Commonwealth moneys on public schools. That is what will occur should Australia find itself the unfortunate victim of the most fundamental, radical change that this country has ever seen.

We are seeing for the first time a rabid ideologue who will come in, much the same as Margaret Thatcher did, and say, "We have this philosophical way. We don't care where Australia has been. We are not concerned about the Australian ideal of compassion, of mateship, of egalitarian views. What we are concerned about is making sure that the rich get richer, the poor pay more and that there is no safety net." Under the policies that Hewson will introduce, it really is a case of dog eat dog. The worst aspects of north America will be found in Australia. Today, we have heard the cry "Oh, Canada!" across that country—a country which for many decades we considered to be similar to our own. Yet suddenly we find the Canadian Prime Minister having to resign largely because of a goods and services tax that is half the size of the one that John Hewson would introduce in this country.

The Fightback package represents the most fundamental change ever to the way that educational services are delivered, and will drastically reduce the level of services to Queensland that the Education Department could provide. Queensland Treasury analysts say that the effect of the coalition's Fightback package on Queensland means that we would suffer an estimated reduction of up to \$370m in State finances. If total revenue reduction, as a result of Fightback, is to be met by the largest portfolios of Education, Health and Police, Education's pro rata share of expenditure would be 51.5 per cent, which represents a reduction of \$189m. That would result in huge reductions in teacher numbers right across-the-board and increases in class sizes. The capital works building program, which is affecting the electorates of Opposition members, would also be cut. It means that we would be erecting more demountables and could not continue to provide the present level of services. Alternatively, if the cut in

education spending is not \$189m, because the Department of Education's expenditure is approximately 28.2 per cent of total State consolidated revenue, then we would be losing—using the best possible scenario—about \$104m. Such a massive cut would have a drastic effect on the department's budget and its ability to provide quality education to Queensland students. Many of the gains made in Queensland education over the past three years, through the injection of additional State funds to the tune of \$357m under my predecessor, Paul Braddy, would be eroded. The department would be forced to examine a number of options to accommodate the massive funding cutbacks.

I now detail in a brief analysis the possible impacts to the State's education system of such cuts. It is clear that the funding cut, as proposed by the coalition Fightback package, would return us to the very worst days of Bjelke-Petersen. With regard to teacher numbers, if a \$189m funding reduction was to be absorbed by a reduction in teacher numbers, the result would be 4 355 teachers lost out of a total work force of about 30 000. If the funding cut was that lesser amount to which I referred, the result would be a reduction of 2 397 teachers. At a time when this State is the only State putting on new teachers, the only State to be honouring its commitment of pay rises to teachers, we are suddenly hearing from the Federal Opposition, "All of that's gone. Teachers will be lower paid and there will be fewer of them." I signal clearly to Opposition members that we will make sure that we sheet home to each of their electorates, including that of Mr Quinn, the member for Merrimac, that it is his colleagues in Canberra who have said, "\$189m less, 4 355 fewer teachers." I will make sure that the Arundel site—which we could not possibly buy now—in the middle of his electorate is not purchased. In addition, we will not proceed with the expansion that needs to go on behind the Sunshine Coast. Every day, I will make sure that I am on the front page of the *Gold Coast Bulletin* saying, "We could have done it."

Mr FitzGerald: They won't put you on the front page every day. Come off it! That's a bit of hyperbole now, isn't it?

Mr COMBEN: I am there every second day now. We will make sure that the message is clear: Dr Hewson is there and the cuts are there. The message will be sheeted home that, all day in this place, the Opposition has supported Fightback and GST.

Mr Gilmore: You're trying to justify the cuts in your budget. Your budget is in disarray. You're not filling your vacancies now.

Mr COMBEN: My budget is in expansion mode. We are ensuring that every dollar is spent properly, and that every student in this State gets a decent education. Under Fightback, we cannot guarantee that. A cut of 4 355 teachers would force class sizes up to around 40 students per class. Currently, classes are around 30 students or lower—and much lower in some cases. Massive cuts to the Education Department's budget, as proposed by Fightback, could force the closure of many of Queensland's smaller schools. Currently, there are more than 120 schools with enrolments of under 20 students. The future viability of such schools would be severely threatened by large budget cuts.

Mr Quinn: You were closing them before.

Mr COMBEN: I will not close any schools. We are not going to touch any isolated school in the State, and we will certainly not be touching the 120 small schools in rural areas that are serving a great purpose. I signal to the member for Tablelands that there are a number of small schools in his electorate and around Chillagoe—

Mr Gilmore: All of them are good schools, too.

Mr COMBEN: They are, but if there is a reduction of \$189m we will look at each one of them and we will have to say to the local people, "You can either take open access or you take class sizes out there of 50 or 60 students, but whatever happens there has to be a massive change."

Mr Gilmore: Look somewhere else in the State because you'll have a hell of a fight from me.

Mr COMBEN: I will go to Atherton and conduct a fight on the front page of the *Atherton Tablelander*, and it will be a hell of a fight. I will make sure that we are on the four television channels in Cairns. The message will go across the State that the honourable member voted for Fightback; that the cuts are there because he has to take them equally with every other part of the State; and that now he is being a hypocrite. If John Hewson gets in on 13 March, I will be there on 15 March—I am in Bundaberg on 14 March—giving the message to the people of Queensland that we will have to start looking at our budget because we cannot maintain the education standards in this State. Currently, there are 48 school support centres throughout the State.

Mr Quinn: What are you going to do if the cuts aren't there?

Mr COMBEN: I take the interjection from the honourable member for Merrimac. He said that the cuts are not there. Is this another example of deceit and duplicity? Is the member trying to say that the cuts will not be provided when he knows that they will be, or are we seeing some sort of confusion coming from John Hewson? Whichever way it is, a dishonest campaign is being run. The Federal Opposition will either rob the children of this State by \$189m, or John Hewson is confusing people.

Mr Quinn: The Treasury figures are in dispute.

Mr COMBEN: The Treasury figures are not in dispute. There will be a 5 per cent cutback to State grants and a whole range of other grants.

Mr Quinn: And on 1.45 per cent of total outlays in your budget.

Mr Bennett: Tell us about your voucher system.

Mr COMBEN: I take the interjection from the honourable member for Gladstone. The member for Merrimac should tell us about the voucher system. He should give us a breakdown and show us the real details.

Mr Quinn: Tell us about fee-paying students at universities.

Mr COMBEN: Show us the real details.

Mr Quinn: Go on. Tell us about that.

Mr COMBEN: I must say to the member for Merrimac that Dr Kemp constantly talks about a better quality of education.

Mr Quinn: What is your view on that? We've had two in the last two weeks. What's your view? You haven't got one.

Mr COMBEN: When I try to get anything of substance from one of Dr Kemp's speeches or from one of the couple of articles that he has written I cannot, because there is no substance to them. We know that there will be a 5 per cent cut in general grants. We do not know exactly what will happen between public and private education. He talks vaguely in support of private education. We know that there will be a flow of funds from public education to private education, but I challenge the member for Merrimac to try to quantify it and to try to find out exactly what Dr Kemp is talking about.

Mr Quinn: Fightback doesn't say that. Read it.

Mr COMBEN: I have read it, and there is no detail. It says that the Federal coalition will be supporting private education. In Queensland, 72 per cent of the students are in public education, 8 per cent are in independent schools, and 20 per cent are in Catholic schools. The Catholics cannot obtain a straight answer on the result of Fightback. They are hoping that they will receive extra funding, but cannot prove it. They have asked me whether I can prove it for them, but the member for Merrimac says that under the State system, funds will be taken away from them.

Mr Quinn: The non-Government schools are quite happy with it.

Mr COMBEN: I will make sure the member's comment appears in *Hansard*. I will show that to a few representatives of the Association of Independent Schools in Queensland. I turn now to discuss the closure of school support centres. Currently, there are 48 school support centres spread throughout the State which provide improved educational services to schools, particularly in rural Queensland. Each centre currently provides access to specialised services that are not normally available in schools, such as advisory services, guidance services, professional development for teachers and classroom resources. The establishment of school support centres has meant that more teachers and specialist educators are living and working in rural and provincial communities, thereby contributing to local economies. Most, if not all, of these centres would need to be closed if the Fightback Budget cuts were implemented.

Mr Quinn: They are only just open now. They are struggling.

Mr COMBEN: If the department has to accommodate the \$189m funding cut which Dr Hewson says will happen but which the member for Merrimac does not believe will happen—

Mr Quinn: That is not true.

Mr COMBEN: To sum it all up, I think that the member for Merrimac really is the epitome of those who support Fightback, but he is living under some sort of El Dorado belief that these cuts might not happen; that at the end of the rainbow there is this marvellous place with crocks of gold. There is just one minor problem—that is, to get there, people will have to shell out an extra 15 per cent and all other types of taxes. The honourable member knows that people will have to shell out the 15 per cent, but it is still a bit hard to climb to the other end of the rainbow and collect the crock of gold. I believe that the member for Merrimac is a bit scared because what he is saying is, "Prove it." The documents are not certain about the effects of GST on education. As a born pessimist, I have to say to the member for Merrimac that those documents probably put a good gloss on the effects of GST, and that the actual effects will be a lot worse.

Mr Quinn: But the general price increase is going to be 2.1 per cent overall in Australia. The positive impact of that will be to decrease costs by \$300m.

Mr COMBEN: Can the honourable member tell me how the cost of education can be decreased without costs?

Mr Quinn: It is a Federal Treasury figure.

Mr COMBEN: Let us try it the other way. The member mentioned general costs of 2.1 per cent across-the-board. I ask the honourable member to tell me about the effects of a 2.1 per cent increase on school text books that have no sales tax. There will be a 15 per cent increase straightaway.

Mr Quinn: You are picking individual items.

Mr COMBEN: Yes. There are a few parents in the community who cannot afford much more expense. The cost of Year 8 text books will increase by at least \$81, and Year 11 textbooks will cost an additional \$134. Poor old mum and dad's pocket! These facts are indisputable. The increase will not be 2.1 per cent, but 15 per cent.

Mr Quinn: You haven't yet mentioned the substantial income tax cuts and you haven't yet mentioned the substantial family allowance increases. You haven't given a balanced view. You are only giving bits and pieces.

Mr COMBEN: All right. Let us take income tax as an example. Thankfully, many Australians will be better off under either Government over the next few years as income tax cuts are introduced. Parties on both sides of the political fence are talking about that. The honourable member should tell me about the effects of Fightback on a person on his income, or on mine, which is even more. We will both pay the extra 15 per cent in GST. I am not sure about his income, but there is not one cutback in tax for my income. Fightback II says that there will be no income tax cuts for people on my income. I think the salary level is \$60,000 and above, and people who receive that level of income will

get no reduction at all in income tax. However, they will still have to pay the 15 per cent GST.

Mr Quinn: The income tax cuts are supposed to target the lower income earners—the very people you are supposed to support.

Mr COMBEN: I support that, without hesitation.

Mr Quinn: You don't need the tax cuts.

Mr COMBEN: But members of the Liberal Party are saying to the average Australian person that all Australians will get income tax cuts, which is patently not true. Most people on higher incomes would probably support the Liberal Party rather than the Australian Labor Party—that is a gross generalisation, but it is generally true—and the member for Merrimac is lying to them. Most people to whom I speak believe that there will be huge income tax cuts introduced for people on higher salaries. The coalition is not even going to do that and it is lying to its own supporters. I think the member will have a few problems at his own branch meetings on the Gold Coast when his supporters realise that there will be no tax cuts for them.

Mr Bredhauer: The yuppies in the Liberal Party.

Mr COMBEN: Yes. I think the yuppies are in trouble. Under the coalition, they will pay a straight 15 per cent.

Mr Quinn: Don't you think that people on \$80,000 a year can afford this, and don't you think that people on lower and middle incomes deserve a bigger tax break? That is what it is all about.

Mr COMBEN: I believe that, but the member for Merrimac is not saying that to the public. Again, the debate on this issue is dishonest. What we are seeing in Fightback are gross generalisations right across-the-board. It is full of warm inner glows. The other day on television, Dr Woods was arguing with Brian Howe. Dr Woods was saying, "Oh, fine; it will be fine." That is warm fuzzy stuff, but what we are not hearing is the real dollar-for-dollar effect on the average Australian.

In the unfortunate and unlikely event that Australia votes for the GST and Dr Hewson, there will be a huge reaction. I have been in this place for 10 years; I have been interested in politics all my adult life, and I cannot believe that we are going to do it. It is such a fundamental change. The coalition will destroy all of our society. There will be no safety nets. There will be no mateship. It is dog eat dog. "Efficient economy" means "get rid of jobs". Today, I heard figures quoted from the jobs package that, by the year 2000, the tourist industry would employ 400 000 people. My analysis is that about half will be there naturally and the other half will come as the economy picks up. There are no real new jobs, just projections. The coalition is going to change the economy so fundamentally that there must be further recession as some people drop out and as we try to move into new industries.

I am proud of what Paul Keating and the Labor Government have done in the restructuring of Australia as we have moved towards high-tech materials and away from things with which we could not have been competitive. They have been interesting times. Times have changed. It is with sadness that Australia has faced a recession which the world has seen. Somehow, the Opposition is saying that it is all the fault of the Labor Party. That is unfortunate, but the Opposition will not be able to turn it around overnight. Members of the Opposition will lie. The Federal Opposition has already lied. It is duping people. In the unlikely event of a change of Government, there will be a massive awakening. That change will mean that Australia will never be the same again. That is how I see GST. It means that 15 per cent will be charged in every area.

For the benefit of honourable members, I table material provided to me by officers of Treasury, by my own department and by my personal staff showing the sorts of increases under the GST in the cost of textbooks. The cost of school uniforms will increase by some \$50 for boys and by some \$60 or \$70 for girls. It depicts a very sad

future for the average parent in Queensland and a sad future for education in Queensland, particularly the public education sector.

Mr GILMORE (Tablelands) (5.24 p.m.): I note the words of the previous speaker, the Minister for Education, who said that the changes that have been wrought have placed us in interesting times. I understand that an old Chinese curse says, "May you live in interesting times." It would appear that the Minister's Labor colleagues in Canberra have cursed this nation for the past 10 years.

Mr Comben: Tell me about your mates in New Zealand and across the world.

Mr GILMORE: I wish I had the time to debate the economy of New Zealand, because it is running at double the GDP of this nation. New Zealand been going lickety-split ahead of this country, and that is partly because of the reforms that have taken place, including the GST. Let me return to my original theme. Paul Keating and his organisation in Canberra have had this country living in interesting times—the old curse of interesting times—for 10 years. I stand, first of all, to rebut some of the things that were said by the Minister. At least, I would love to rebut some of the things that were said by the Minister, but he said nothing. In his speech in this debate, the Minister for Minerals and Energy referred hardly at all to his portfolio. He made some glib reference to kicking the mining industry where it hurt, and that was the only reference he made to the mining industry. That was the only reference by the Minister for Minerals and Energy. He said that the coalition would kick the industry where it would hurt, and that would be that. Then he made a reference to the electricity industry. He said that the price of electricity in homes would increase. He may or may not be right in that. I cannot refute that. However, what I can say is that the price of electricity in industry will not increase, because all business inputs are GST free. When the Minister referred to the gas industry, he said that, because of GST, because of the introduction of that ridiculous and dreadful tax, the pipeline to Mount Isa will not be built. Let me tell honourable members: that is wrong again. All of the gas that goes to Mount Isa will be used for industrial purposes and none of it will be charged with GST—not a single petajoule of it.

What else does the Minister know about his industry? He spoke about local government. He gave honourable members a lecture about the Brisbane City Council in terms of the increases in rates and charges on people in Brisbane City, and he got that wrong, too. The Minister understands local government, but he does not understand the industry that he represents in this place. He wandered into strange incantations about economics, which he did not understand. He did not mention that the mining industry in this State might just make some savings, that export industries might just gain some benefits, that there might just be some port reform and that, under the Fightback package, a number of things might happen in Queensland that will benefit this community. The Minister was afraid to talk about that. He was afraid to talk about the delivery of new jobs into the community, some profit into the community and some productivity and efficiency into the community under the Fightback package.

Let me tell honourable members what was in the business pages of the *Courier-Mail* this morning. I understand that Government members never get as far as the business pages. Micky Mouse stops them. The information is there in the business pages. If honourable members want to refute what I am saying, they can go to the Parliamentary Library and look at the newspaper. The article is headlined "Global slump hurts Pioneer" and refers to the half-yearly profit. Buried in the middle of the article is a remarkable statement—

"Pioneer's outgoing chief executive, Rodney Price, said Dr Hewson's Fightback package would slash up to \$25 million from the company's costs compared with almost marginal gains from Mr Keating's depreciation and tax incentives."

Further in the article, the *Courier-Mail* was kind enough to reiterate the point. It states further that the company would save \$25m. When a company has a \$70m profit and the potential to pick up 33 per cent more profit simply through the Fightback package, one

cannot knock it. The Minister did not mention that because he probably did not read that, either. Micky Mouse probably pulled him up, as well.

Mr Randell interjected.

Mr GILMORE: As the member for Mirani says, profit is a dirty word to Government members. The Labor Government does not understand profit because it is afraid that, if people make a profit, they might screw the little man. Profit is what employs the little man.

Mr Bredhauer: They are going to pocket the profit.

Mr GILMORE: Rubbish, you galah! Another company contacted me today and told me that its bottom line will improve by \$41m under Fightback. Let us forget about GST for a minute and talk about Fightback. That is what we are here to debate today. This company will save \$5m in sales tax, \$20m in payroll tax, \$6m in petrol excise, \$10m in customs duty, and so it goes on. Companies are pleading with the people of this country to vote Liberal at the coming election because they need the Liberal Party desperately so that they can survive as companies—be profitable—and as employers in this State.

For the elucidation of the galahs on the back bench on the other side, I will tell them what the Fightback package will mean for mining Australiawide—not just Queensland. Some \$275m in payroll tax will go back into mines and energy in this State. Fuel excise of \$180m will be returned to mining companies in this State. Wholesale sales tax, which is charged on business inputs in this country, amounts to \$411m. The full cost of GST and all the other Fightback impositions on the mining industry in this country will be \$189m. The net benefit will be \$677m. That was not mentioned once by the Minister when he spoke in this debate. Hell, no, it might have made the Fightback package look good, and nobody wants to be honest in this debate, does he!

I think it is time, at this late hour of the afternoon, to try to refocus this debate just a little bit back on to the Fightback package. What is this package about? It is about jobs. It is about equity. It is about the families of this nation. It is about the one million unemployed who are in this nation at present. It is about the \$200 billion debt that this country has. It is about 10 years of Labor. That is what it is about. It is about what this nation has suffered in the last 10 years at the hands of Labor Party members' cronies in Canberra who got it wrong and who have had to stand up and say that they got it wrong. The other night, Mr Keating stood up and said, "Yes, we realise we made some mistakes, but we have learnt from these mistakes. We have a new theory now. We will put that into practice, and if we make a mistake, well, you will have to forgive us and we will do that some more." Let me tell honourable members that the Fightback package contains a plan for the future of this nation that means something. It will provide for the people whom members opposite pretend to represent in this place. It will provide jobs for their families. It will provide food on the table. At the end of three years, members opposite will thank the living God for the Fightback package because it will provide for their people things that they cannot do and are unlikely ever to achieve. That is what it is about.

What have we seen in this debate? What have we seen in the last couple of hours in this Chamber? Ministers have stood up and thrown away the last vestiges of credibility that they may have had. We saw the Minister for Primary Industries rabbiting on with the greatest dose of rubbish that this Parliament has ever heard in 160 years.

Mr Springborg: At least he is consistent.

Mr GILMORE: As my colleague from Warwick tells me, at least the Minister is consistent. He knew nothing about what he was talking about. He had the GST being compounded from transaction to transaction through the commercial world. It is not so. I saw two of the backbench members of the Government nodding, "Yes, yes, it is compounded; it gets 15 per cent dearer on every transaction." Goodness gracious me, for God's sake, how many times do we have to tell them that it is not compounded? It is rebated at every transaction until the last transaction, and the last person pays the GST.

Mr Nunn: It is rebated too late.

Mr GILMORE: I have to tell you, Madam Deputy Speaker, it breaks my heart. Wherever I go, people say, "It has not been properly explained." That is because the boofheads in the world will never get it through their heads. The people who are sitting on the other side of the House just do not want to know.

Mr Quinn: They don't want to. It is explained in their own document called "Poles Apart".

Mr GILMORE: My colleague from Merrimac tells me that members opposite have a document called "Poles Apart". The GST is properly described in there. I ask them to read their own document. It has a Mickey Mouse cover, so they should be able to find it in the library, no worries at all. The Minister who comes from Rockhampton did not even address his own portfolio. He stood there and he spoke for 20 minutes, telling us how he is going to read *Hansard* and he is going to tell everybody. Goodness gracious me, what a dreadful way for a Minister of the Crown to go on. He could not even address the matters in his portfolio area that properly should be addressed. He is going to tell on us. He is going to go around this State and he is going to pimp. It will be great fun. Let me tell you, Madam Deputy Speaker, that the Fightback package is a complex manifesto. I know it is too hard for members opposite to understand, so I will address you, Madam Deputy Speaker, because you understand these things. It is not for the small minded. It is not for the children of the world who happen to sit on the other side of the House. This manifesto is for this nation. It is for the future of this nation. It is about efficiency. It is about profit, productivity, and reform of a taxation system that for so long has been out of date. The taxation system has needed updating for so long that we see this country today with the backside out of its tweeds, with a million people unemployed, with record numbers of people going broke personally, and with record company failures. That is what we have seen after 10 years of Labor. That is what we have seen under the existing system and that is what we are going to throw out on the thirteenth of next month.

Mr Randell: Every child born in this country comes into it with an \$11,000 debt on his head.

Mr GILMORE: Yes. There was a time when kids born in this country were considered to be born with a silver spoon in their mouths. Now the poor little ones are born with \$11,000 worth of lead in their saddle bags. Fightback represents changes to Government regulations which will get this country working again, get business going again and help people who have the initiative to use their abilities. It will mean that profits are returned to people's pockets, which will stimulate the economy, and those unemployed people whom Government members purport to represent will be able to be employed. Government members are not competent to represent anybody!

This country has been virtually destroyed by 10 years of Labor; this country is on its knees. What is the response of Government members to this dreadful situation? They stand up and yell across the Chamber, attempting to justify what has happened in the past 10 years. If one listened to Government members, one would think that this is a wonderful country and that nobody is in trouble. God preserve us! The fact that this country is on its knees is demonstrated by every possible indicator that one can point a stick at. In response, we have a tirade of—

Mr Hayward: Inflation?

Mr GILMORE: Donald Duck has finally woken up—or is it Mickey Mouse? Obviously, the Minister has been reading too many comics. Last night, on television, he could not even get his tongue around the word. Then he has the gall to come into this place and tell the Opposition how to run the show!

At present, the Government of this nation is floundering. It has lost its direction. I have seen floundering Governments before, and I can recognise one when I see it. I could write a book about what is being said behind closed doors. The Government is in trouble; it is in a panic. Government members are rushing all over the place. Today, the

Deputy Premier of this State gave the most negative, unimaginative and uninspiring performance that I have seen by him. He is usually a bright soul. He usually has something nice to say about people. In fact, he sometimes cracks a joke, and we all appreciate that—but not today.

Mr J. H. Sullivan: This is not a funny matter. This is serious stuff.

Mr GILMORE: Of course this is not a funny matter for Government members. They can see their cobbers in Canberra going down the gurgler. The Deputy Premier stated that Fightback is anti—

Mrs Woodgate: It is anti-women.

Mr GILMORE: I wrote his comment down to make sure that I got it right. The Deputy Premier stated that Fightback is anti-family, anti-Queensland and anti-bush. Fightback is anti-nobody and anti-nothing. It will create jobs. Fightback represents a problem only for those folks who do not want a job, and many Labor voters do not. But for those who want to work, Fightback is the best document that has ever been put forward. It is certainly better than the tired, miserable old package that is being revamped, propped up in the corner and painted with wax so that it looks half bright. That is the sort of solution that the Labor Party offers this country. The package proposed by the Federal coalition is bright, brand new and certainly worth while. It is not anti-Queensland; it will be of much benefit to the people of Queensland. Because of Fightback, the families of this State will be \$58 per week better off. Government members can laugh all they like, because they would not know any better. This package is designed to lift this State and this nation out of the mud, the turmoil and the dismal position in which it finds itself at present. This will come to pass, because the Fightback package will ensure that the Federal coalition is elected.

I turn to the benefits of Fightback for the mining industry. One benefit will be the fast-tracking authority which will cut through the barriers that this 10-year-old, tired Federal Labor Government has placed in the path of major developments in this country. The coalition has a policy which will avoid a predicament such as the Mabo case. In order that such cases do not take 20 years to be finally resolved by the courts, the coalition will legislate to have such matters finalised promptly. Hear, hear to that! A coalition Government will remove the impediments so that major projects can get under way.

Mr J. H. Sullivan interjected.

Mr GILMORE: There is that rabbit in the back again. He wants to hear about the Macarthur River project. That project is currently being held up by a Mabo-style claim which is entirely out of order and which will be legislated against by the coalition once it is elected to Government.

The savings in fuel tax to the mining industry will be immense. Because the coalition will reduce the cost of fuel by 26c per litre, the way in which coal rail freight is calculated in this State will have to be reconsidered. The cost of fuel is one of the bases of the formula for the calculation of coal rail freight in this State. The coal industry, which is the biggest export industry in central Queensland, will be an immediate beneficiary of Fightback. The coalition will implement waterfront reforms so that port operations will be much more efficient.

Because the coalition will not tax exports, once again our great export industries will stand proud in the world. No GST will apply to exports. At present, \$1.4 billion per year is levied on exports by the Federal Labor Government. No wonder Australians are walking around with stooped shoulders! They have saddle bags full of Laborites imposing \$1.4 billion worth of taxes on them. No wonder this country is on the ropes! The Labor Party has stolen all the stitches from the backside of its tweeds. Under a Federal coalition Government, there will be a reduction in import duties. For the Minister's elucidation, I point out that the coal mining industry imports some enormous pieces of machinery on which it pays massive duties. The reduction in those duties will have an immediate and important benefit to the coal mining industry.

Mr Dollin interjected.

Madam DEPUTY SPEAKER (Ms Power): Order! The member for Maryborough will cease interjecting.

Mr GILMORE: He cannot help himself, Madam Deputy Speaker. When he was born, there was just a mouth. I condemn in the strongest possible terms the way in which the Government has tried desperately today to prop up the tired, despicable old regime in Canberra. State Government members are terrified that their little old mates in Canberra will go down the gurgler and that, along the way, some of the gloss will be removed from our wonderful Premier. I noticed that, because he could not bear to hear the truth about Fightback, he fled out of the Chamber. I condemn also the other Ministers, who have misled this Parliament and dragged red herrings across the trail all day. After 13 March, the Fightback package will get this country working, and Australia will once again be a country of which we can be proud.

Hon. K. W. HAYWARD (Kallangur—Minister for Health) (5.45 p.m.): The Federal coalition's Fightback package should carry its own health warning. The simple truth is that under Fightback, ordinary Queenslanders will be worse off because there will be \$220m less in Commonwealth funding for public hospitals. That is approximately 11 per cent of the Queensland public health budget, and the equivalent of closing down the Royal Brisbane Hospital. It is a disgrace. Members opposite, through their support for Fightback, have effectively said to the people of Queensland that quality health care is nothing more than a commodity such as a car or clothing. If people have the money, then they can buy the best. If people have not got the money, then too bad, they will just have to go without. Fortunately for the people of Queensland, Medicare enshrines health care as a right for everyone, not only for those who can afford it.

Some members opposite may have seen a letter in the *Courier-Mail* on 24 February, which was written by an American, explaining what has happened in the US and how he feels about the system that could be introduced in Australia. He wrote about his health insurance in the US and stated—

“Our health insurance premium in the US was more than most Aussies' house payments and was rising. We had a \$2,000 excess and insurance covered only 80 percent of our costs.”

Under this Fightback package, that is the direction in which Australia will head. Under Fightback, the rich will get better and the poor will get sicker. I challenge the members opposite—the two or three of them who are present—to identify which hospitals and which health services should be cut to accommodate the public hospital funding cuts that are proposed in the Federal coalition's Fightback package. I challenge Opposition members to think about that. If \$220m is taken out of the public health system in Queensland, hospitals in the south coast region and on the Sunshine Coast will effectively be closed.

Mr Cooper: That is you saying that.

Mr HAYWARD: The coalition has said that it is going to take \$1.3 billion out of the health system. If that amount is apportioned on a per capita basis, it is more than \$220 million. Hospitals on the Sunshine Coast, in Wide Bay and in the central west will be closed down. Those are the areas that Opposition members pretend to represent. Of course, the obvious target for the Federal coalition would be rural health services, which the Goss Government has done so much to maintain and improve. Its work in developing quality rural health services will be butchered by Dr Hewson's fiscal scalpel, which will cut deeply into them. If all Opposition members support Fightback, how will they stand when the cuts are made and have to be dealt with? The cuts in health services will occur in areas such as the central west, where the poor people have to survive and depend so much on the public health system.

The Opposition's support for Fightback makes a mockery of its claimed concern for the health needs of rural and regional Queensland. It would be beyond the capacity of the State Government to make up for such a huge cutback in public health funding. I

ask the question: what services do Opposition members want cut to balance the shortfall? If the cutbacks do not go as far as closing hospitals, they will certainly include cutting the community and allied health services that have been developed and which are very important parts of the health system in Queensland.

By forcing people to take out private health insurance and denying them their traditional right to free public hospital treatment, Fightback represents a fundamental shift away from Queensland's universal free public hospital system. No Opposition member could deny that that is what will happen to the public hospital system in Queensland. If one studies Health Department records, one would find that for 50 years, Premiers such as Joh Bjelke-Petersen fought and argued to maintain that system in Queensland. However, Opposition members have said, "We are prepared to support Dr Hewson. We are prepared to end Queensland's free public hospital system." Fightback is nothing more than a blueprint for the reduction in health services, particularly in rural areas and disadvantaged sections of the community.

The justification for Fightback's health cuts appear to be based on the assertion that everyone really wants private health insurance; it is only that currently, there is no incentive for people to take it out. Dr Hewson is correct when he makes that remark: there is no incentive for most people to take out private health insurance because the standard of care in Queensland's public hospital system provides the service that people need, and the cost of private health insurance is too high. That is not to say that this Government opposes private health insurance. I believe that Queensland has a good mix of private and public health services. However, I see no reason to change that arrangement. People who have taken out private health insurance have made that decision. They did not make that decision because it was a tax deduction, but because they wanted to take out private health insurance. Unfortunately, Dr Hewson does not agree with that. He wants to relegate the public sector to a second-class health system.

The coalition's assumption that forcing people to take out private health insurance will force them to use the private hospital system is fairytale stuff. Even if more people could be forced to take out private health insurance out of fear of being penalised if they do not—which is proposed—the demand on the public hospital system will not be reduced, as the coalition claims it will. How does Mr Cooper, who interjected previously, believe the tax concessions will be funded? As Dr Hewson says, they will be funded by reducing the level of Commonwealth funds that are provided currently to public hospitals in Queensland. Money does not grow on trees. If \$1.3 billion is given to people by way of private health insurance, tax deductions, rebates, or whatever one likes to call them, that money must come from somewhere else. That money will come straight out of the public hospital system. The result would be an increasingly underfunded public health system in favour of private health care providers.

The tax concessions that are proposed by Fightback are barely sufficient to cover the cost of basic health insurance, let alone top private hospital cover. Basic health insurance does not cover private hospital treatment; it provides for people to have the doctor of their choice, but only in a public hospital. It will change the notion that is so important—the fundamental basis of Medicare and the basis of Queensland's free public hospital system—and that is the importance of medical priority. It will change that notion to the ability to pay. People will be able to get into hospitals simply because they can pay, not on the basis of medical priority. Anyone who wants the doctor of his or her choice in a private hospital will have to pay a premium that is much higher than the rebate that is promised by Dr Hewson, or face a huge bill for treatment.

It means that the majority of people who are coerced into taking out basic private cover will still go to public hospitals for treatment, because quite simply they will not be able to afford to pay the huge gap bill that they would get from a private hospital. It is so obvious what would happen. The clear result would be a progressively disadvantaged public hospital system, because there would be the same patient demand with considerably less funding to cope with it. Fightback will not cut waiting lists. What it will cut is the standard of health care available to hundreds of thousands of

Queenslanders who currently rely on the public hospital system for treatment. The sting in the tail for those who do take out private health insurance is that their premiums would rise to cover the costs of increased doctors' charges. Changes to bulk-billing would result in huge pressure on the outpatient departments at public hospitals, and prevent people from getting adequate health care.

It is obvious that if people are required to pay \$32 up front for a doctor's visit—and there is no denying that that is what is proposed under Fightback—that will deter thousands of people who are currently bulk-billed from seeking medical treatment. I know the impact that it had on Queensland when Brian Howe introduced the \$2.50 co-payment. We opposed that. Because people were unable to pay that \$2.50, they were forced to go to the outpatients sections of our public hospitals. What do members opposite think will happen when those people are required to pay \$32 up front? This is unbelievable. Those people will make the decision not to see a doctor or they will queue up at the public hospitals, and that would compound the problem. People who currently have a relationship with their GP will be transferred into a situation in which they will have to go to public hospitals. Rather than pay such a large amount, people will not go for treatment at all, or they will go to the outpatients departments at public hospitals. As a result, they will lose that relationship which one would think would be important to doctors, particularly those who are members of organisations such as the AMA. That relationship will go down the drain. Even for those people who can afford it, or make the sacrifice to pay the money up front, what has Fightback promised to do? It promises to cut the Medicare rebate from 85 per cent to 75 per cent. The point is that people will still have to pay more. Mark my words: more people will be turning up at the outpatients sections of public hospitals.

Dr Hewson would cut at least \$220m of funding to the Queensland public hospital system and then put up a price barrier for GP visits, which would only shift people back to the outpatients departments of the public hospital system. So the problem for Queensland Health will be compounded by this Fightback fiasco. Such a move would be the most cynical, cost-shifting strategy ever perpetuated in Commonwealth/State relations. It is obvious what would happen. Those services will be transferred from the GPs in the community across to the State. It represents a cost shift to the State, and would lead to further funding pressure on the public hospital system. It would mean the end of Queensland's free public hospital system. Those members opposite who would support such a horrendous impost on the people of Queensland should be condemned.

Let me consider how it would apply to people in Queensland. Low income earners above the cut-off point for a concession card will be significantly worse off. The Federal coalition said that it would maintain Medicare. It said that in 1975, too. Perhaps we can believe it in 1993. It said that it would maintain Medicare for people with concession cards. But what about the people whom I represent? What about those whom many members on this side of the House represent? What about people in rural communities? I refer to those people whom I call the working poor—the people who are above the limit to obtain that health card concession, but what they earn from working is basically just a little more than they could obtain through unemployment benefits or some other benefits. Despite partial tax credits, most low income earners will not be able to afford private health insurance. They will lose their fundamental access to bulk-billing. They will also be exposed to direct patient billing at the increased AMA rate. I shall mention that later. Their access to hospital services will be reduced because of the increased demand and reduced funding. Mark my words: those people who live in electorates such as mine and drive 50 minutes to work each day, who pay their tax every week, and have no disposable income to speak of will be the ones who will suffer cruelly under this Fightback package as it affects health. What else has Dr Hewson not told us about Fightback? For one thing, there is the Cole committee recommendation. Do members remember that committee? It looked at Fightback and considered what it should tax and what it should do.

Mr Livingstone: Dr Hewson said on television he hadn't read their report, but he rejected it anyway.

Mr HAYWARD: As members heard recently, the Cole committee's recommendation is that health care should not be exempt from GST. That will compound the problem for all Australians, particularly all Queenslanders. As I said before, it will compound the problem for the working poor. We cannot simply dismiss the Cole committee. The more that I think about it, how can we dismiss it? That committee was an architect of the development of the Fightback package. It was a powerful committee. Cole was a senior bureaucrat within the Treasury Department. He and Hewson are intimately linked, so when he says that we should not exempt health care from the GST, what do members reckon will happen a couple of months after the election? As sure as I am standing here, there will be a GST on health care. Members should not be surprised that Dr Hewson would want to keep quiet about the Cole committee's fine print. I believe that Dr Hewson is having enough trouble trying to justify GST price rises in other sectors without having to cope with the spectre of increased health costs as well. It was much easier for him to dismiss it and say, "We will look at it after the election."

I invite members to consider the history of this matter. When Fraser was elected in 1975, he said, "I will maintain Medibank." Five or six changes were made to Medibank during the six or seven years that that disastrous Government was in office. Look at Kennett—"No problems with industrial relations." Two days after he was elected, he was sacking nurses and teachers and gutting the public hospital system. I say to Dr Hewson and those members opposite who so revere the Fightback proposal: for the sake of Queensland, look at it now. And while they are at it, they should look at the whole health impact of Fightback, because I believe that it is going to be a very bitter pill indeed to swallow for everyone but the well off in society.

One of the strengths of Medicare is that it has helped contain the rising costs of health care. Pressure is on all the time to contain the rising costs of health through new technology, high expectations and ageing populations. Australia spends 8 per cent of gross domestic product on health care, which compares favourably with OECD countries. In the United States, which has a disastrous health system, health care costs are more than 13 per cent of GDP. Yet 36 million Americans are uninsured, and the ones who are insured pay an excess. Earlier, we considered the excess of \$2,000. We all know the mess that the system in the United States has become. The amazing point about it is that the Clinton administration is looking towards adopting a system similar to those in places such as Canada and Australia. The US system, described in Fightback, is simply "Pay up or die". We do not want that system here.

The Australian Medical Association has made claims that public hospital waiting lists are somehow affected by the number of millionaires being treated in public hospitals. It claims that public hospitals are full of millionaires and that millionaires are queued up left, right and centre to get into public hospitals. Such silly comments ignore the fact that many people can only be treated in large public hospitals such as the Royal Brisbane or the Princess Alexandra because they are the only ones with the necessary technology and expertise to be able to deal with particular medical needs. Banning a few millionaires from public hospital treatment would have no great effect on reducing any priority lists. What a joke! Even if they are millionaires, we must still maintain the notion of medical priority. People cannot buy their way up the list. Fightback proposes a system whereby, because people are privately insured, they will be able to buy their way up the list, which is a disgrace. As I said earlier, it will be "Pay up or die".

The truth is that Medicare is a health system for everyone, whether they be millionaires or paupers. Fightback, on the other hand, is a health plan for the rich only. I was interested—but not surprised—to see the coalition's private hospital mates reject an offer yesterday from the Prime Minister to buy 10 000 private hospital beds to reduce the number of people awaiting treatment. What a great idea! The Prime Minister said, "We will buy the beds off you and we will be able to treat these people for their various illnesses and thereby reduce the priority list." Those private hospitals are the same bodies who complain through the AMA or their association that they have empty beds ready to be occupied. But what do they say? An article in today's *Courier-Mail* titled

“Hospital bed pledge runs into obstacle”—they ran straight into the most unbelievable obstacle—stated—

“The private hospital industry yesterday refused to co-operate with Prime Minister Paul Keating’s plan to buy private hospital beds for public hospital patients.”

They do not want public hospital patients in their private hospital beds. Perhaps Opposition members do not want to have ordinary Queenslanders in those high-priced beds. What an indictment of the motivation of the private hospitals in this State! They have shown quite clearly that they are more interested in taking money than making people well.

But in contrast to the draconian provisions of Fightback, the Federal Government is offering an improved Medicare. The Queensland Government stands right behind the Federal Government in doing that. Medicare is an uncompromising guarantee for all Queenslanders of access to quality health care no matter what their financial resources. Queensland has a proud tradition of providing free public hospital care, and Medicare is the safeguard for protecting and enhancing that system which has served the people of Queensland well now for over half a century. The freedom-of-choice red herring thrown into the debate by those who are promoting privatised health care delivery fails to recognise the essential purpose of Medicare. Medicare is about providing public health services, not pandering to vested interests who want private health insurance made easy. Queensland is committed to those principles for all people, not just those who can afford it. The coalition’s promise of tax concessions for people with private health insurance fails to declare that those concessions will be funded by reducing funding for the public health system. The effect will be to reward those people who already have private health insurance.

Time expired.

Sitting suspended from 6.04 to 7.30 p.m.

Mr COOPER (Crows Nest) (7.30 p.m.): Even though we have been going on with this debate for sometime already today—and we will probably go on late into the night and into tomorrow—it does not mean that it is not an important debate. We are debating the economic future of this country, not just of the State. It is probably the debate that we had to have, but also the debate that we should have had some time ago.

Mr Purcell: It’s all sawdust, mate!

Mr COOPER: The honourable member is not a bad sort of a character. Obviously, he has been drinking. I know he is back on the water now. We will leave it at that. I guess we have to try to brighten things up. The honourable member should try it around 3 a.m. or 4 a.m. tomorrow, because we will need it about then. There will be no going to sleep, because I will keep an eye on the honourable member. We must not trivialise the debate. The debate has been trivialised to a large extent because we have not heard anything of substance from members on the other side of the Chamber. We have not heard what their plan is, and how they would like to revamp this economy and revamp the nation. We have certainly seen some plans from this side, and that is what it is all about. That is what the people are entitled to and that is what they should get.

Mr T. J. Sullivan interjected.

Mr COOPER: That fellow is a lunatic, so I cannot take any interjections from him. I think what epitomises the debate and the argument from members on the other side of the Chamber is the fact that they not only have nothing to offer, but have no answers, and all around them is failure. In the last few months, they have chalked up so many defeats around the country, and they will cop another one on 13 March. They know that.

Mr Livingstone: Wishful thinking!

Mr COOPER: No, honourable members can see it happening. That is obvious in this debate. I am sorry that the debate did not come on much earlier.

Mr Livingstone: You asked for it.

Mr COOPER: Absolutely. We had to ask for it. If the Government was really interested in the economy of the State, it would have brought on the debate long ago. It should have; the Government is supposed to be running the State.

Mr Livingstone: You asked for it and we were willing to oblige.

Mr COOPER: We will oblige right through the night, and that is the way it is going to be.

Mr Livingstone: Until 12 tomorrow.

Mr COOPER: We are the ones who will take the Government members through. We will listen to what the honourable member has to say later. I started discussing Fightback about 18 months ago. That was when the Fightback package was first launched. I went to Canberra for a discussion and the launch. It started off pretty well. The media were doing the right thing. We saw liftouts from the *Courier Mail* and the *Australian*. All the newspapers had liftouts explaining what Fightback was all about. I thought that that was pretty good. I thought then that what we needed was a national debate on the economy of this country. That was the right and proper thing to do. Unfortunately, it did slip off the rails; unfortunately, certain sections of the media lost the plot; and, unfortunately, quite a few of them bowed to media manipulation—which is a pity—and all they did was focus on GST. That is only a minor point. There are 19 major points in the whole package, and it has to be considered in the full context.

Mrs Edmond: It is the other points. It is about Medicare.

Mr COOPER: That is what an economic debate is all about—it is not about one thing; it is about a myriad of things.

Mrs Edmond: That is right.

Mr COOPER: That is right. The Government has not put up anything. We have put up 19 to 20 major points in the Fightback package. If we all had the nation's interest at heart, we all would have got into a constructive, sensible debate all the way through. Unfortunately, it has been reduced to a pack of lies about 15 per cent on everything, which is a load of rubbish.

Mr T. B. Sullivan: We never said that.

Mr COOPER: Government members say it all the time. They never stop saying it. Talk about Pinnochio! The honourable member has nothing on him! We have heard constantly from members on the other side about this 20-point package. Although we have had a lot of discussion today—and will tonight and tomorrow—I am going to keep putting our side of the case. I will keep feeding in all of the various elements of the package, and I will go through a few of them now. This country has never, in 200 years, given itself a real chance. We are being stitched by countries in the Pacific Rim because they are more competitive. So what will we do about it? We have to become more competitive and productive if we are going to compete. We want a standard of living of which we can be proud, but we are going down; our standard of living is falling because we are losing our competitiveness. We must make sure that we stay productive, and that means that the employee and the employer have to be productive. Both have to be given a chance to share in the wealth. Both want to do that as long as they are allowed to do so. They have not been allowed to do that for nearly 200 years. We have never given ourselves a chance. We have either asked for or thought we needed—certainly wanted—most of the major things in this package for nearly 150 years. They have been encapsulated in the package in order to reform, reshape and rebuild the economy that we need to take us into the twenty-first century but, more importantly, to compete. Competition is the name of the game.

It is absolutely tragic—and members opposite know it—to find that we can hardly buy a thing that is made in Australia. The other day I bought a hat to wear to a show. It had on it a little bronze kangaroo, but it was made in China. Everything is made somewhere else. Why on earth can these articles not be made here? It is because the Government has hunted all the companies away. The Government has had 10 years to hunt them away, and it has done just that. Everything is produced overseas. We used to be able to produce things here. What a tragedy! That is the legacy of Keating. That is the fellow who the Government has backed.

Mrs Edmond: Do what I do. Buy Australian.

Mr COOPER: Yes, honourable members opposite love him. They have backed and supported him all the way. They might have liked Hawke until someone stabbed him in the back, and now they like Paul. Look at the job that he has done. He is the destroyer. He has destroyed this country and most people in it. That is a disgraceful legacy. We have certainly needed labour market reform from which everyone benefits. That is one of the major planks in this platform: the flexibility of working hours; self-respect for employees and for them to work in close cooperation with management. That is how it has to be, and that is the key to success. Management has to be productive in all respects, and that is what Fightback is all about. For about 150 years, we have been crying out for waterfront reform. This nation's trading position relative to other trading nations around the world is disgraceful. We cannot hold a candle to other nations, but we can reform the waterfront and that is exactly what will happen. The end result will be that consumers will pay less for products. As long as Australia is productive and competitive, we will gain the edge in international trade. Fightback will put an end to all hidden taxes. Earlier there was reference to wholesale sales tax, which is a hidden tax. Members of the Labor Party would acknowledge that they do not know the level of wholesale tax that they are paying on items. Sometimes, people do not know whether they are paying it or not.

Mrs Edmond: But we know it is less than GST.

Mr COOPER: That is honest, is it not? It is up front and honest. The present system has many taxes hidden in the prices of commodities. They are currently at the level of approximately 40 per cent. Those indirect taxes are bleeding people. The GST proposal is up front because we intend to abolish those hidden taxes that members of the Labor Government like to keep secret. By doing so, \$9.4 billion in revenue will be generated. It has all been laid out in a plan and I am happy to go through the list. As far as I am concerned, the proposal needs to be read continually so that members of the Labor Party will know it and will not forget it. Do members of the Labor Party really think, as the Minister for Police and Emergency Services said earlier, that members of the Opposition will chase people around the State and say, "You said this", and, "You said that."? We have been doing that for years, so what is new?

Mrs Edmond: We will mail your speeches to the electorate.

Mr COOPER: The member for Mount Coot-tha should be careful of what she says because our plan will put Australia back on the world map and give it back its competitive edge. Hopefully, we will also be able to get some industry going in this State and in other States that have all been wrecked by Labor Governments. The Fightback package envisages the abolition of fuel tax. I never would have believed that a political party, an Opposition or a Government, would have the guts to say that it would abolish fuel tax. It is a tax by which every man, woman and child is affected deeply. Honourable members know how expensive it is to run a car. Under Fightback, simply by abolition of the fuel tax, consumers will be able to save approximately \$17 on a full tank of petrol. It will be of benefit to individuals, companies and to this State, and members of this Labor Government should not forget that.

Mrs Edmond: Trade the Benz in on a little car.

Mr COOPER: Labor members tend to forget all about the benefits of Fightback when they scream and bellyache about some sort of black hole.

Mr Vaughan: Who introduced import parity on crude oil? Fraser did.

Mr COOPER: The member for Nudgee should just listen. I am concentrating now on the future and on getting this country going again. Labor members would love to forget about all the destruction of the last 10 years that they and Paul Keating have wreaked.

Mr Vaughan: You introduced import parity pricing.

Mr COOPER: I have to get on with my speech. Lump sum superannuation tax up to the level of \$300,000 will be abolished. At this stage, I wish to debunk what was said earlier by the Minister for Police. He mentioned that a cut of \$30m would affect the Police Service. All I can say to him and other Labor members who followed suit is, "A scare a day . . ." That seems to be the only campaign strategy they have left. That small cut in financial assistance grants will be well and truly made up by benefits that will flow through to the State. Labor members have such a one-eyed perspective, they have only one angle they peddle each time one of them stands up to speak. What they are saying totally ignores the fact that on an overall State basis Queensland will save \$1 billion in fuel excise, \$1 billion in payroll tax, and nearly \$2 billion in personal tax cuts. Queensland's share of the \$3 billion Rebuild Australia Program is estimated to be \$600m, which will be used for infrastructure and development projects. These projects are intended to kickstart the economy, and Labor members should mention those types of benefits instead of talking about 563 police officers who they say will have to be sacked. Labor members are using scare tactics. What they are saying is absolute rot and will not affect the programs. In fact, bearing in mind the benefits that will flow from this program to the States, they should be thinking positively and getting ready a shopping list of projects that they think are needed in this State. They should be doing that instead of the pathetic knocking in which they indulge. Nothing in the way of development projects has been put in place in Australia over the last 10 years.

I also wish to refer to the letter regarding Bob Brummell, the general secretary of the Queensland Police Union, which debunks the response of the coalition's spokesman, Richard Alston, to the superannuation package. I do not think the Police Minister tabled the letter. Yesterday, I tabled a letter written by Richard Alston. I think it was very sad that Bob Brummell had to write that letter. I do not know what the Minister did to get him to do it, but it was probably done as a favour to the Police Minister. I do not know what the Minister has extracted from it because all Mr Alston's letter did was spell out to police officers the benefits of Fightback as it affects their superannuation. There can be nothing fairer than that. Out of courtesy, the union should have acknowledged the coalition's position and what we are saying. He could even have said he welcomed the fact that police officers would be five or six times better off. I think the manner in which it has been handled is very unfortunate. It would be wise for police unions or other unions to remain apolitical throughout the debate on this issue. Union members belong to various political parties, which should be respected. It is therefore a shame that it is possible to construe from reading that letter that the Minister's intention was to tag the union politically. He should not do that. Unions should remain apolitical and untagged, regardless of the political party in power, out of consideration for their members.

Under Fightback, the tax-free threshold will be raised from \$4,500 to \$7,000, which means that an extra 320 000 low income people—whom Labor members should be supporting—will not be paying tax. Members of the Labor Party should be glad about that. In terms of marginal rates, 95 per cent of taxpayers will pay 30 per cent or less, which means that the Government's hand will be taken out of people's pockets. Average taxpayers will be able to double their income and still pay a marginal rate of 30 per cent.

Mr Budd: Is that Fightback I or Fightback II?

Mr COOPER: This is Fightback II. This nation has needed all those benefits since its inception because they are designed to improve productivity, they are business orientated and they are designed to create jobs. People need to feel secure, and they are the things they expect Governments to provide. Fightback II should be compared to

the program that Keating has been on about for the last 10 years. I know that people get sick and tired of hearing about the J-curve and other matters that Mr Keating used to go on about. He now wants to forget the past, and who would blame him? He has pulled the wool over everyone's eyes by telling people that things would get better. Instead, they became progressively worse. We are having the recession that we had to have and we have a million people unemployed. The figures relate only to the registered unemployed. God knows what the real figure is. The Government has hidden the people who are on pensions and called them all sorts of things. If they were included, the unemployment figure would be up to at least a million and a half. Australia has had record bankruptcies. Honourable members should think of the individuals and the families that the Labor Party, through that Paul Keating character, have broken. It has broken their families, broken their hearts, broken their homes, caused them to suicide and caused them to feel desperation and to lose hope totally. All that is laid at the feet of Keating, and he should be ashamed of himself. Every time that members of the media interview him, they should tell Mr Keating that he has done that to his country.

For heaven's sake, Government members talk about Mulroney in Canada. At least he had the guts to resign when he could see his country going down. What does Keating do? Keating says that we should forget the past, and he tells people what he will give them in the future. Look at what he gives us! The shame and disgrace. That creature kissed the Kokoda Trail. Did members see the sight of that animal down on all fours kissing the Kokoda Trail? He desecrated the Kokoda Trail by kissing it. God knows how many Australians would have turned in their grave. The Prime Minister had the responsibility of a million and a half unemployed Australians; he had blood on his hands, and he could do a thing such as that. It is absolutely disgraceful. The Prime Minister is not a true Australian, as he likes to think. He is a treacherous, treasonous Australian. On 13 March, he will get what is coming to him, and I cannot wait.

The Prime Minister whispers. We call him the whispering devil. Honourable members heard him yesterday whispering about change and how Australia has made its great strides in the past 10 years. The Prime Minister has absolutely destroyed the place. In place of the words "change and transformation", surely people will put the words "wilful destruction", because that is what the Prime Minister has done. The fellow calls himself a patriot. He does not know what the word means. The whole of Australia is a disaster area, and Government members know it. The Prime Minister epitomises what the ALP is all about. Labor Governments have been wrecked in every other State in the Commonwealth. On 13 March, the Commonwealth goes too, and I wonder why. Labor Governments are rotten financial managers.

At least, people will see some honesty coming into this business, because Hewson is an honest man. Government members cannot say that he is not. We know that the proverbial drover's dog could have walked in the election without introducing a Fightback package. When I asked him the reason for introducing Fightback, he said that, firstly, we want some honesty in politics and, secondly, we owe it to the people of Australia to have a plan for the future. That is what people are entitled to and that is what they have been given. Without any doubt, Dr Hewson will have a mandate to get this country moving. On the morning of 14 March, Government members will see the confidence start to rise in the people of this country. After 10 years of nearly total destruction, they will once again have some heart and hope.

Honourable members should think of the many people who are unemployed and think of the small businesses and the large businesses that have been operating for 150 years but have been destroyed by that fellow and his policies. Keating spent eight years as Treasurer. No-one can take away the fact that he is totally responsible for eight years of destruction. Then he comes in as Prime Minister saying that he is a true, patriotic Australian, that we should forget the past—as if it did not happen—and that we should look to the future. What does he offer? The Prime Minister says that we will have some hope, or something like that. I feel so glad that, in two and a half weeks, all this rubbish and the lies that Government members have been spreading will be over. The result will be in, and Government members can go back to their boltholes while the coalition gets

on with the job of rebuilding this country. We have that responsibility. We know that we can do it. We have always done it. The Government lives on the very good financial management of the State by the National Party for 30 years. The Government is living on that now and feeding off it. However, we know that this State will go exactly the same way as Victoria, South Australia, Western Australia and the Commonwealth. We know that because the Labor Party has a record of rotten, shocking financial management.

Hon. G. R. MILLINER (Ferny Grove—Minister for Consumer Affairs and Minister for Corrective Services) (7.49 p.m.): It gives me great pleasure to rise in this debate tonight to support the motion moved by the Premier and so ably supported by members on the Government side of the House. I am a little saddened by the contribution that we heard from the member for Crows Nest, who reduced the debate to the level that he did. He said that the Parliament should have had the debate some time ago. I think that debate is healthy. A robust debate is very healthy. However, the contribution from members opposite is an indictment on the Opposition. I am informed that on the news tonight the Leader of the Opposition said that the debate was boring. That is his attitude towards the debate. The problem with members of the Opposition is that they are not prepared to stand up for Queensland. The Treasurer identified a \$370m hole in the Fightback package. The Leader of the Opposition has already admitted that the hole is at least \$170m. However, he said that it is only a pothole and that anybody could drive around it. That is the sort of attitude to financial management that we hear from members of the Opposition, that they could drive around such potholes. The Leader of the Opposition did not say how he would do it, only that he would drive around them.

Honourable members can talk about the coming election and the policies. It is probably fair to talk about the Fightback proposal, as outlined by the coalition federally, to consider it as a package and to consider what it will do. Yes, the GST is only one part of that package, but it is a very destructive part. However, other proposals contained in the package will dramatically affect the lives of the average Australian and the average Queenslander. The Minister for Health outlined the problems that will face the community because of what the Federal coalition will do to the health system of this nation. I firmly believe that one of the fundamental things for which a society is responsible is looking after the wellbeing of its fellow citizens and looking after their health. It is incumbent upon everybody to put in place a system under which we can provide for those people who need assistance in that very fundamental area, that is, health. The present system is doing that. The way that Dr Hewson is going about it, there is no doubt that his policies will be detrimental to the average Australian and the average Queenslander. It is very saddening that the coalition places at risk the health of our citizens. I am very concerned about what will happen in the health system.

The previous speaker raised the subject of stimulating the manufacturing industry and spoke about imports, Akubras, and what have you. One needs only to look at the response of the major manufacturers to the Fightback package and look in particular at the manufacturing industry. It has been stated clearly by the major manufacturers that this package will be disastrous for manufacturing industry. But Opposition members do not take notice of that. The previous speaker also referred to industrial relations and he also spoke about being open and honest. He said that the coalition was coming to the electorate in an open and honest way. He said that the coalition could have gone to the election without the Fightback package but it wanted to be open and honest. If the coalition is so open and honest, why will it not release its industrial relations Bill? Howard will not do it.

Mr T. B. Sullivan: They are going to do a Kennett.

Mr MILLINER: That is right, they are. They will do a Kennett. They will wreck the industrial relations of this nation. Never before than in the last 10 years of the Federal Labor Government have we seen so much peace industrially. We now enjoy the situation of having the least number of industrial disputes in the last 60 years. What will happen is that the Federal coalition will wreck that. It will wreck havoc on the industrial

relations system of this nation. As the member for Chermshire said, have a look at what Kennett did. The coalition will wreak havoc in the industrial relations area. When I see what is going to happen in relation to that, it frightens me.

We have to return to the GST because it is a central plank of the Fightback policy. As previous speakers have indicated, the GST will do horrific sorts of things to the average consumer. Members opposite have said that all of the other taxes will be removed and that all of a sudden all the prices will decrease. They are living in cloud-cuckoo-land if they think that prices will decrease because a wholesale sales tax has been removed from an item. They spoke about wholesale sales tax at levels of 20 per cent and 30 per cent, which is applied to the wholesale price. The GST applies to the retail price. The Women's Electoral Lobby quite clearly identified the sort of impact that that would have on school items such as calculators. That is a classic example. There is very little difference between the retail price of a calculator when the wholesale sales tax is taken off and the price when the GST is put on. There is very little difference when a 15 per cent GST is put on the retail price, because the sales tax is on the wholesale price. I am pleased that Mr Connor is in the Chamber. The effect of the GST on small business will be absolutely horrific. Every small-business operator in this State will be a tax collector. He will be filling out reams and reams—

Mr FitzGerald: The fellow who sells the calculators is a tax collector now.

Mr MILLINER: But the fellow who sells the calculator today does not have to remit returns to the taxation department.

Mr FitzGerald interjected.

Mr MILLINER: If he is a retailer, the wholesale sales tax is paid by the wholesaler, not by the retailer. The GST will make every retail outlet and every person who delivers goods or services a tax collector. They will then have to fill out reams and reams of documentation to send into the taxation department. It will be absolutely horrific and very expensive for small business. Opposition members say that there will be a reduction in prices because of the GST. They have not taken into account the time and effort that will be put in by the business community in preparing taxation returns for the GST.

In addition, good, honest, decent people who are making a contribution to the community by way of their association with sporting organisations and community organisations will also have to be tax collectors for the Federal Government. We all know the sorts of things to which the GST will apply. It will apply to sporting clubs and to contributions to sporting clubs. What will that do to the average, decent citizen who is making his contribution by getting involved in those organisations and playing his part in the community? Such people will be turned into tax collectors. What is the coalition doing to the people who are participating in the sporting organisations? It is also making them pay an extra amount of money to participate. That is a great impost on families today. We all know that we are living in difficult economic times. However, that will be an extra impost on families whose kids play sport or who are involved in music. I have relatively young kids who are involved in sporting organisations and in music. I know the types of people with whom I mix in those organisations. The GST will be an extra impost on those people and many of them will not be able to afford to keep their kids involved in music programs and sporting organisations. I think it is an absolute disgrace that any Government would even contemplate taxing kids who want to better themselves and participate in sporting organisations. That is an absolute disgrace. I rise to speak in this debate tonight in my role as the Minister for Consumer Affairs and also the Minister for Corrective Services.

Mr FitzGerald: There are going to be big cutbacks, aren't there?

Mr MILLINER: I know my colleague the Minister for Police gave an indication of what could happen in relation to the police. When there is a \$370m hole, that means police, nurses and teachers will be affected. All of my other colleagues have outlined that. It will also impact on the Department of Consumer Affairs because there is no

doubt that there will be a tremendous increase in the problems confronting consumers. We expect that our department—

Mr FitzGerald: Why?

Mr MILLINER: Because there will be a whole lot of confusion about the GST. We expect that our department will be—

Mr FitzGerald: Why?

Mr MILLINER: Of course there will. There will be massive disruption.

Mr FitzGerald: Demonstrate how.

Mr MILLINER: Of course there will be, and the honourable member knows there will be. Our department will be placed in a situation in which extra demands will be placed on it.

Mr FitzGerald: Such as.

Mr MILLINER: There will be this \$370m hole. We cannot go to the Treasury and say, "Look, we need more resources for the department to handle the problems of the GST." Obviously, there will be a reduction in the service to the community simply because of things such as the GST. That is one very small point that will affect the Department of Consumer Affairs. In common with the effect it will have on all other departments, the GST will have a tremendous impact on the services that Government can provide. If there is a \$370m hole, there are only one or two ways in which that can be fixed. One is to get more money in; the other is to reduce services. It is as simple as that. One cannot get out of it. The GST will have a tremendous impact on the department. In addition, it will also impact greatly on the consumer. As the Minister for Consumer Affairs, my responsibility to the consumer is all embracing. It is interesting to see what consumer organisations have had to say about the GST and the Fightback proposal.

In November 1992, the Australian Federation of Consumer Organisations—AFCO—which is the main consumer interest body in this country, condemned the Fightback package as disastrous for middle and low income earners. AFCO is a totally non-political organisation which protects the interests of consumers, and it is doing a tremendous job. That was the comment by AFCO about the GST. One need only consider the groups associated with AFCO to prove that it is a non-political organisation. The Australian Pensioners and Superannuation Association and the Australian Consumers Association are major member organisations of AFCO. In the same article, another organisation, the National Women's Consultative Council, also savaged the Fightback package in the following terms—

" . . . the burden of a GST would fall on women as low-income earners, managers of household budgets, payers of child-care fees, operators of small business or consumers."

A moment ago, I outlined the problems facing the small business community. AFCO identified eight key areas in which the average consumer would cop it in the neck. My colleagues have already identified many of those areas. Many of them are obvious, such as price increases on durable goods, health services and public services.

One of my chief concerns is the effect of the GST on financial institutions. As every member of this House would be aware, I have been leading the national push for a dramatic cut in credit card interest rates. I think that everybody would agree that the interest rates being charged by banks on credit cards is far too high. A proposal was put before the Prices Surveillance Authority, which conducted an inquiry into credit card interest rates. The basis of the submission was simply that interest rates on credit cards are far too high. I am very pleased that the PSA accepted that submission. In its report, it indicated quite clearly that interest rates on credit cards are far too high. In the not-too-distant future, the Standing Committee of Consumer Affairs Ministers will be discussing this matter, and I look forward to those discussions.

It is interesting to note the effect of the GST on the banking industry. My attention has been drawn to an article in the *Courier-Mail* of 31 October 1992, which carried the headline "Banks voice GST worry". The article stated—

"Bankers yesterday joined those expressing concern about the coalition's planned goods and services tax, claiming it would cost banks up to \$100 million and hurt clients."

If the GST costs banks an extra \$100m a year, that will have a devastating effect on clients. There is no doubt whatsoever that banks will pass on that cost increase. The result will be that \$100m will be met by consumers by way of high interest rates. I do not believe that such considerations have been taken into account by the coalition in its presentation of the Fightback package. How ridiculous will that be: rather than force banks to reduce credit card interest rates to a respectable level—and we would all like to see that happen—the coalition wants to give the banks the go-ahead to increase interest rates. That is exactly what will happen under the GST: bank interest rates will increase. Rather than the outlandish 20 per cent plus that some banks are charging, Dr Hewson would allow them to charge more. Do not ask me to put a value on those possible interest rates. From my experience with the integrity and honesty of banks, customers could be paying as much as 30 per cent to 40 per cent—the sky is the limit. Under the Hewson market forces plan, anything could happen. That is just not my opinion. In case honourable members think that this is just a beat-up story fabricated by me or by AFCO, let me quote from a confidential submission to the Cole committee by the Australian Bankers Association. That report stated—

"Tax exemptions would merely hurt business customers."

The report states further that banks were concerned that taxing financial services would effectively tax consumption of those services twice. That comment appeared in a submission by the Australian Bankers Association to the Cole committee. The members of that committee are the architects of and the implementation team for Dr Hewson's Fightback package.

The other question is: who will pay for the banks' increased electricity bills, phone bills and all the other on-costs that they will be forced to meet as a result of the GST? Nobody would be silly enough to believe that banks would absorb those costs. Obviously, the greater the losses made by banks, the higher the interest rates charged on loans, credit cards and overdrafts. Obviously, the coalition has not considered the impost of the GST on financial institutions. The \$100m cost impost on banks, plus the cost to them of the GST paid on services that they use, will have devastating results for consumers. I am very concerned that, because of the effect that the GST will have on banks, the push to reduce interest rates on credit cards will falter.

I want to deal with a couple of other areas. I want to talk about the impact that the GST will have on the motor dealing industry. There is no doubt that the GST will have an effect on the purchase of second-hand motor vehicles. A motor vehicle is probably the second largest item that people purchase in their lifetime. It is fair to say that the GST will force up the price of second-hand motor vehicles to a point at which it will be difficult for people to afford them. When one looks at comments that have been made, it is quite obvious that the GST will have an effect on the motor dealing industry. I refer to the *Business Queensland* newspaper of 11 January, in which a prominent accountant warns of the problems that will be caused by the GST. He stated—

"Car sales between private individuals should be subject to a 15 per cent goods and services tax if the coalition wins power at the next Federal election.

Current GST policy guidelines exempt private transactions, but specify a change when licensed dealers are involved."

In other words, a licensed motor dealer is going to be forced to pay the GST, but private transactions between people will not attract the GST. One does not have to be a genius to work out that that will lead to a black market and cash transactions in the sale of motor vehicles.

A point that has been lost in this debate is the outstanding success that the Federal Labor Government has had over the last 10 years in sorting out the taxation system and getting rid of the rorts. I know that members opposite have been very upset that the rorts have been taken out of the taxation system, because they and their mates were the beneficiaries. They bleated and carried on about the imposition of the fringe benefits tax and the capital gains tax. It could be argued that Australia's taxation system is not perfect, but I believe that it is the fairest tax system that Australia has had for a very long time. It is a tribute to the Federal Labor Government that, over the last 10 years, it has had the guts to take on this very sensitive issue and clean up the rorts. It is another clear indication of the success of the Government. I believe that the Fightback package will be an absolute disaster for this State. It will be very detrimental to consumers. I am very fearful of the very remote possibility that Dr Hewson and his cronies may win the election. If, in fact, they happen to fall over the line, it will be a very sad day indeed not only for the people of Queensland but also the people of Australia.

Mr CONNOR (Nerang) (8.09 p.m.): I congratulate the Minister for Corrective Services, because he is a leaner and meaner machine than he was before Christmas. However, I wish to take up one matter that he mentioned, and that is the fact that there is a lack of knowledge of the GST. That is definitely true. Many people are unsure about how the GST is going to affect them. I agree that it is important that we have a debate throughout the community about the GST. However, it is also important to remember that it will be 18 months from the time of the election until it is implemented. During that period, as occurred in New Zealand, there will be an extensive advertising campaign to explain how the GST will affect people—and it will affect people. An interesting aspect of this debate is the desperation of this State Government and the Federal Government. Members of both Governments are acting like an Opposition. They are challenging the Leader of the Opposition to debate the GST, not the other way around. It comes down to the fact that they are desperate, because they know that they are losing.

I rise to speak on the GST, but I want to speak specifically about how it affects business, particularly small business. I would like to debunk some of the absolute rubbish that was floated on Tuesday by the member for Mulgrave. I refute much that the very ill-informed member for Mulgrave had to say in relation to the Small Business Corporation and its survey of small business in Queensland. I might add that I accept that Queensland is doing relatively well in the worst recession in 60 years—the recession that we had to have. I remind the member for Mulgrave that it was brought on deliberately by his illustrious Prime Minister. As Mr Keating said, it was the recession that we had to have. Notwithstanding that, I will refer to what the member for Mulgrave had to say. He said that 75 per cent of small business surveyed—this is contained in the *Queensland Small Business Corporation Journal*—expected their turnover to increase in 6 to 12 months. Let us consider that closely. Small business operators said that they were expecting things to improve in 6 to 12 months. They did not say that things are good now. In fact, they said quite the contrary. One only has to look at the same journal to which the member for Mulgrave referred, which states on page 19—

“In nominal terms business bankruptcies actually declined in 1987-88 and in 88-89.”

I might add that that was during the time of a conservative Government in Queensland. The journal states further—

“ . . . and remained relatively low in '89-90.”

I accept that also, because during half of that period Queensland had a conservative Government. The journal went on to say—

“ . . .and increased dramatically along with the personal bankruptcies in 1991.”

That is from the journal to which the member for Mulgrave referred. Because we are discussing a Federal issue, I believe that it would be preferable to look at Australia as a “hole”, because that is exactly where we are. That is exactly where the Prime Minister for banana republics put us. He has been pulling the levers for 10 years. Who else is to

blame? Do Government members say that that is fantasy land? That is where we are, and the Prime Minister is to blame. During 1990-91, 4 203 businesses in Australia went bankrupt. That is the result of the recession that we had to have. That is the result of the banana republic that Mr Keating wanted. That is a beautiful set of numbers. He used to say that all the time—a beautiful set numbers. That is the result of the infamous J-curve. I have not heard lately about the J-curve. Whatever happened to it? The J-curve theory was that Australia's economy would deteriorate, then suddenly spring into economic wellbeing. The J-curve is upside down.

I should like to consider that Queensland Government report on the Queensland Small Business Corporation's survey. On page 22, the report defines the reasons for those bankruptcies. Why do members think that they occurred? Top of the pops, No. 1, is economic conditions—30 per cent. One in three of those bankruptcies was caused by economic conditions. Thank you very much, Mr Keating. Thank you very much, Prime Minister. That is why they went down the gurgler. All those businesses went broke as a result of Mr Keating's policies. Even more important is that hundreds of thousands of employees of those small businesses went down the gurgler with them. They are now on the unemployment scrap heap. What else brought those people to grief? Members should not forget that the owners of those small businesses put their homes on the line. Not only have they lost their businesses, they have also lost their homes. Many of them have also lost their families. As a result of whose policies? Mr Keating's! There is no question about that. He had the levers. The next reason given for bankruptcies is high interest rates. Guess who brought those in! This is the recession that we had to have. The massive interest rates were the result of a policy specifically brought in by the then Treasurer, now the infamous Prime Minister.

The member for Mulgrave also raved about how wonderful it was that 22 per cent of those small-business respondents had increased their staffing levels in the previous six months. He was happy about that. But what about the other 78 per cent? What about those four in five businesses? They are either stable or putting off people. A total of 78 per cent of small businesses in Queensland are stagnant or putting off people. That is what the member for Mulgrave was saying. Let me have a closer look at his misinformation and his scumbag of scares. He quoted a New Zealand small business operator, Mrs Shirley Ryan of Townsville, as saying—

“I ran a small business for a time and begrudged the extra hours I had to spend on restocking and having to work out and add the GST to every item; (b) stocktaking and having to work out and deduct the GST on every item and (c) spending hours after work filling in the dreaded returns.”

That small-business operator is no longer in business in New Zealand. She is living in Townsville. I have no doubt that she is a member of the Labor Party. Even so, the reason for her going broke was probably that she did not understand how to run a small business, rather than not knowing how to pay GST.

Let me get the facts straight. People who run small businesses do not have to work out the GST every night. A genuine small business with a turnover of less than \$250,000 has to lodge a return every six months—twice a year. Those businesses must lodge a tax return every 12 months, anyway. With maybe one or two exceptions, the figures that they need for the GST return are the very figures that they need for an income tax return. Every six months, those businesses will have to account for their purchases, the GST that they have paid, the amount of turnover they have made, the amount of GST charged, and not much else. Any small business that does not keep a record of its turnover, its purchases and the tax paid—remembering that it already pays on a monthly basis wholesale sales tax on purchases—should not be in business, and will not be in business very long. The GST return is required to be submitted only every six months. If nothing else, those small-business people who do not keep records other than on an annual basis to do their income tax will have some idea on a six-monthly basis of how much money they have made or whether they are going broke. I suggest that 99 per cent of well-run businesses would have those figures available on a monthly basis,

anyway. Let me consider the furphy of businesses having to individually work out what GST—

Mr DEPUTY SPEAKER (Mr Palaszczuk): Order! The House will come to order.

Mr CONNOR: Thank you, Mr Deputy Speaker. Let me consider the furphy of businesses having to individually work out GST on each item. That is the biggest load of rubbish that I have heard. Every shopkeeper, store owner and small business has to put a mark-up on its product if it is selling it. Those businesses often work on a 20 per cent mark-up on their present purchases, remembering that most of the goods that they buy already have wholesale sales tax on them, anyway.

I am in possession of a 15-page document that sets out Mr Keating's wholesale sales tax. No compensation was offered when these measures were introduced. Members opposite talk about the poor little small businessman. He must pay sales tax, on which he receives no rebate. He pays sales tax on office chairs, computers, calculators, business equipment, office furniture, industrial machinery, equipment, vending machines, photographic and cinematographic equipment and closed circuit television. He has to pay tax on all those things now, but he gets nothing back from that. At least under GST, when he pays that tax, he gets it back. He also pays sales tax on stationery, advertising, envelopes, school exercise books, paper, pens and pencils. The furphy is that businesses will still add 20 per cent to the cost of the item, including the GST, the same as they already put 20 per cent on the cost of the item, including wholesale sales tax. The only difference is that they will remit the difference. The whole package is very simple.

Mr Hamill interjected.

Mr CONNOR: Even the Rhodes scholar could understand it—the Minister for “Roads”, hard as it may be to believe. Most businesspeople are currently doing that. They have to put the margin on to stay in business. Government members would not understand that businessmen have to put a margin on to stay in business. To stay in business, businesses have to make a profit. All the businesspeople have to do is put a 20 per cent margin on the total price including GST, just the same as the wholesale sales tax applies now. It is as simple as that. That will automatically provide the additional GST for remitting to the Government on a six-monthly basis. As I said, at present all the invoices are required by law to have wholesale sales tax included in them, if they are liable to wholesale sales tax, which is in almost all cases. The only difference is that it will be called a GST instead and will be in most cases at a lower rate.

As to the amount of GST that is rebatable—it is as simple as working out 15 per cent of turnover. Businesspeople should allow for a 15 per cent mark-up, work out what they put through their cash register for the last six months, and that is how much they remit, less what they have already paid. It is as simple as that. In other words, at the end of six months, they will find out what their purchases are and then find out the GST they have paid on their purchases. That will be totalled at the bottom of the invoices, anyway. They add them up, add up the turnover, work out what the 15 per cent component of the turnover is, take the amount of GST that has been paid on purchases off that and send the rest away. They remit the rest. It is as simple as that. That is all there is to it.

The member for Mulgrave talked about small shopkeepers being unpaid tax collectors for the Government. They may be tax collectors, like most wholesalers, manufacturers and shipping agents are already. The only difference is that, unlike wholesale sales tax, the proposed system means they will be paid tax collectors. If they wish, they can apply for a monthly rebate of the GST that they have paid on their invoices and, in turn, only have to pay the GST they have collected every six months. For a considerable time they will have the use of the 15 per cent, the GST component, for either investing or, alternatively, reducing their overdraft, on which they pay interest, anyway. Either way, they will receive a considerable return which will offset the cost of administering and collecting the tax, which will be minimal, anyway. An ordinary small businessman who has normal information on the tax he collects should have to spend no

more than an hour or two every six months to work out the GST he has to pay. That is it. The rest of it is simply filling out a form. The wholesale sales tax is an absolute nightmare, because it has totally arbitrary rates that are all over the place. Some things are taxed and some are not. The tax has to be worked out when the wholesale sale takes place.

Mr Nuttall interjected.

Mr DEPUTY SPEAKER: Order! The member for Sandgate!

Mr CONNOR: Because the guidelines are all over the place, most of the time it is guesswork to work out the wholesale sales tax. It is an absolute disaster of a tax, and that is the difference. The other thing the small businessman or woman should consider is that, while being a paid tax collector under the Fightback package, they pay 26c a litre less for fuel in their delivery van. What is more, when they go to buy the van, they will find that \$3,000, \$4,000 or \$5,000 of the cost of that van is already taken in wholesale sales tax that is not remittable. Under the Fightback package, that amount goes back to the small businessman.

Mr Nuttall interjected.

Mr DEPUTY SPEAKER: Order! The member for Sandgate will come to order.

Mr CONNOR: Under Fightback, the money goes into the businessmen's pocket instead of Mr Keating's. At present, they cannot claim on that tax. Under the GST, when businesspeople pay the \$25,000 or \$30,000 for the delivery van they will receive \$3,000, \$4,000 or \$5,000 back at the end of the month. They do not receive that now. As a result of that initiative, many new vehicles will be driven around by small businesspeople. In turn, more jobs will be created for the people who build the vehicles, and the businesspeople with modern vehicles will be more efficient. What is more, their delivery costs will reduce dramatically as a result of the reduced cost of fuel and the dramatically reduced cost of their motor vehicles. If the small business has half a dozen employees, which is an average small business, and——

Mr Nuttall interjected.

Mr DEPUTY SPEAKER: Order! I warn the member for Sandgate.

Mr CONNOR: If that business has a payroll in excess of \$200,000 a year—that is not a large business, six or seven employees—the training guarantee levy is far more complicated to administer than filling out forms for the GST. The Government is not talking about getting rid of that scheme. It supports the scheme. What is that costing the average small businessman? It costs \$4,000 a year for the training levy, because he is paying it but cannot afford the time to administer the training. If that levy were abolished, more jobs would be created and the small businesspeople all over Australia would be far more inclined to employ an extra employee. Honourable members know that, if every small business put on one additional employee, there would be no more unemployment in Australia.

Hon. A. M. WARNER (South Brisbane—Minister for Family Services and Aboriginal and Islander Affairs) (8.28 p.m.): It is with pleasure that I take part in this debate, because it is important that the people of Australia understand exactly the choice that they have before them. The news that we received today from Canada provides the unwary Australian voter with a valuable cautionary tale. Any of those people who thought that it was a smart idea to give the coalition a go simply on the grounds that Labor had been in Government for too long should take heed of the Canadian and New Zealand experience. It is essential that all Australians understand the consequences of voting for the GST on 13 March; take heed of the plight of Canadians who have had three painful years of daylight robbery courtesy of the GST. Today, a Prime Minister, adding yet another body to the country's 12 per cent unemployed, was forced to resign because of the abject failure of this piece of voodoo economics which failed to make any impact on Canada's fiscal position. Canadians, in common with Australians, were urged to believe that this new tax was the panacea of economic ills

and that it could single-handedly deliver jobs. The Canadians have shown us that this is simply not true. The GST does not shorten the dole queues, and it certainly does not reduce the national debt. What does John Hewson say about that? He has said, "We've learnt a lot from the Canadian experience." He says that he knows how to do it better; he says, "Trust me." Would anyone buy a second-hand clapped-out discounted economic policy from this man? As my mother always said, "Never trust a man who says, 'trust me'."

It is important that Queenslanders understand just what the GST means. It is important because GST will have a profound effect on the quality of peoples' lives throughout Australia—the lives of senior citizens, their families, their grandchildren, neighbours and friends. No-one will escape the GST because it is designed to catch everyone in some aspect of their lives. It will leave no-one alone and, unfortunately, it is waiting for people everywhere they turn. In fact, it will clearly target those people who are on low incomes. We all know who those are—seniors, part-time workers, young people, parents of children, single parents and Aborigines.

In my own portfolio, GST signals a recipe for disaster. Over the last few years, the inroads that we have made in the important area of social welfare will be eroded. Our older citizens will be living on the breadline; there will be more homeless people forced to live on the street; and there will be fewer refuges for women and children who are escaping domestic violence. Our remote Aboriginal communities will be hit from every side. They are the people who can least afford to suffer; they are the people who can least afford to bear any extra costs. For those aged people who are independent retirees and those on fixed incomes, life will become very grim indeed. Our older citizens, who deserve some comfort during the later stage of their lives, will be left in isolation as the cost of telephone calls escalate and the little luxuries of life become a distant memory. They will not even be able to afford to die without having to pay a 15 per cent impost on the cost of coffins and funerals.

For those 269 000 Queenslanders who receive a Seniors Card, the benefits will be harder to find. Currently, in Queensland we are extremely fortunate in having more than 600 small businesses which generously provide discounts to Senior Card holders across Queensland. It is a discount scheme which has been successful and made life that little bit easier. But already my department has received inquiries from concerned small businesses perplexed about the impact of the GST on the Seniors Card scheme. They already see that the GST will become a burdensome round of paperwork, calculating discounts and final prices and recording GST receipts will become extremely complex. In exasperation, many small businesspeople, who have been so generous to date, may give up on the paperwork and the Seniors Card discount scheme.

I will give honourable members an example about how GST will impact on the discounts. Currently, a Seniors Card holder may obtain a 20 per cent discount on, say, a haircut. So instead of paying \$20 for a haircut, a senior will pay \$16. However, with a 15 per cent GST, this saving will be eroded substantially. It will be reduced to 5 per cent, the difference between the 20 per cent discount and the 15 per cent tax. That is 5c in every dollar. So instead of paying \$16 for a discounted haircut, seniors will pay \$18.40.

The State Government also helps seniors pay for their electricity bills by providing an \$8 per month concession. So for a senior who receives a three-month bill of \$100, under current concession arrangements they will only have to pay \$76; however, with a 15 per cent GST added on, seniors will end up paying \$87. All of this will make it harder for seniors and, in some cases, they may not be able to pay those bills. That then puts pressure on this Government to provide higher discounts to offset the impact of the GST. Given that we already have a stretched Budget, decisions will have to be made in order for us to be able to balance our Budget—to either put up taxes or to cut in the area of concessions so there are less concessions for fewer people. That is the impact of the GST, and that is the impact of the GST on the seniors.

We have already heard from other speakers in the debate. This morning, the Premier announced that the 5 per cent decrease in Queensland's Budget will have an

enormous strain on our Budget, and it will impact worse on those people who can least afford to pay. What about young families in Queensland? How will they get by? How will they be able to provide their children with the best options in life? How will they manage to go to work and to pay for child care? Under the coalition's proposal, they will be provided with a 20 per cent cash rebate of \$25 per child per week. This compares very badly with Labor's rebate of \$28 for one child, \$61 for two children and with families receiving a maximum rebate of \$1,300 under the coalition and \$1,466 under Labor. But Labor's policy is much more realistic in that it provides appropriate rebates for fewer numbers of children. In contrast, the coalition's policy offers high levels of rebates for four children under five, which is a furphy because how many families have four children who are under five years old attending child care? Most families do not have more than three children in child care at any one time, no matter how large the family.

The coalition's use of means testing turns what, under Labor, is an employment right into a welfare benefit. This is particularly concerning, given the coalition's cut-off point of \$60,000 for a combined family income. This cuts out 34 per cent of the population who need child care from being able to get it because of the means testing. It is inequitable, and it ignores the need for support for families across-the-board. In addition, the coalition's approach to voluntary accreditations suggests a loose approach to standards and undermines the extensive work that has been done at the national level and, indeed, at the State level for standards in child care. The coalition's approach favours making the quick buck at the expense of quality child care. It falsely claims that a GST will not apply to child care because it plans to abolish wholesale tax, payroll tax and petrol tax. That is misleading at best and, at worst, it is treacherous. GST will make child-care centres more expensive. In order to obtain rebates on all of the above, centres will need to employ tax administrators to keep records and administer the system. This cumbersome labour-intensive process will require extra staff. So what will management committees do with this extra on-cost? They will have two options: one will be to pass the cost onto the family by putting up the fees; the other course of action will be to put pressure on the State Government for more money. In the end, families will bear the brunt either way—either at the fee counter or by reduced levels of quality child care. The GST can only be described as an attack on the quality of life for those young people who are in the care of my department because their own families do not care for them. A 15 per cent tax on baby equipment, baby clothes, prams and cots puts enormous pressure on the department's ability to provide essential items for neglected or abused babies.

Sadly, the other point that has been missed by the coalition in its attempt to reform its own package—that is, Fightback II, which removed the GST from food—is that it ignored other essential items such as refrigerators. How are people supposed to keep food in a climate like Queensland's without a refrigerator? There will be a 15 per cent increase in the price of refrigerators, stoves and kitchen utensils. There will be a 15 per cent increase in the cost of the basic essentials of life that will have to be paid by poorer families, and there is no compensation for them. Foster parents who receive an allowance for taking children into their home will be put under more pressure to provide the essentials of life for abused children. Their Government allowance will be stretched to breaking point. Again, they will have two options: either give up fostering children, or pressure the Government to increase the allowance. I will be frank and say that I do not know where my department will get the money, which will leave us in the dreadful position of having even fewer foster parents. Just where, exactly, are we expected to place abused children if, because of increased costs, we are not able to monitor the scheme, courtesy of the GST?

For Aboriginal councils who are totally dependent on Government grants, the GST would signal a new era of poverty and a financial nightmare. Aboriginal organisations at the front line of service delivery, whether in remote areas or in towns and cities, are presently exempted from sales tax. They are able to get the most out of the funding dollar. Under a GST regime, they will lose their tax-exempt status and have to pay an additional 15 per cent on almost every item they need. For the remote communities, the

15 per cent will also be added to freight costs. On communities such as those on Cape York in the State's far north, this will be an added cost to the bulk food supplies that many families have shipped in. Transportation between the islands in the Torres Strait will also attract the GST. When one considers that transport, either by plane or boat, is an everyday part of life, the extra cost in many cases will be prohibitive.

At the same time as the coalition introduces the GST, it promises greatly reduced funding levels in the Aboriginal and Islander Affairs portfolio. One of the proposals—a piece of racist penny pinching which will save a mere \$3m—is to restrict the criteria of Aboriginality in determining eligibility for education and training grants. John Hewson will run his slide rule over Aborigines and decide whether they pass the test or not. What an insult! He is seriously suggesting that there are people who are not Aboriginal enough—for him—to qualify. What an insult! Where are the facts to back him up? I do not see queues of people lining up to be declared Aborigines, and people certainly will not see that happening in John Hewson's brave new world. Even so, he will shorten the queues so that he can save himself a miserable \$3m. This is a burden which can only mean that Aboriginal organisations will not be able to meet the costs of providing a decent standard of living for their communities. GST would make water and sewerage systems much more expensive; halt major building projects because of the added costs of timber, plumbing, nails, earthmoving equipment repairs, etc; lead to soaring food costs, because of the increase in road and air freight charges; and aggravate the geographical and social isolation of communities because of the cost of airfares, maps, road directories, car repairs, panel beating and tyres. The result would be rapidly deteriorating living standards and Queensland becoming a human rights embarrassment on the world stage—just when we are moving away from the legacy of the previous National Party Government.

People in these communities have already forgone their citizens' entitlement to social security payments to work for the dole on essential community projects. This is known as CDEP and it saves the taxpayers money. Yet the coalition would reduce Aboriginal councils' ability to do even this by cutting \$20m from CDEP. If Aboriginal people will not even be able to work for the dole, what is John Hewson suggesting that they do? Aboriginal people are being asked to operate under additional handicaps in the daily struggle to provide essential services for their own people. What a sad indictment on the coalition during the International Year of Indigenous Peoples! Similarly, the department's crisis lines, which are the front line in dealing with people during some of the most critical and emotional times in their lives, will be hit by the GST. Our crisis-care service, which deals directly with child protection, and our new domestic violence help line offer help through free call numbers. They have set budgets. When the money runs out for the free calls, the service will stop or this Government will be asked again to pay the bill. Where is this Government going to get the funds if there will be a 5 per cent cut in the Budget? Similarly, anyone in Queensland with a disability will be severely disadvantaged by the GST. With a tax on taxis, public transport and telephones, opportunities for mobility and social interaction will be severely curtailed. Their social isolation will increase further. We do not want a return to the bad old days when a person with a disability was kept out of sight. However, it seems that John Hewson and members opposite who support him will be happy for this to occur.

Currently, my department provides \$100m worth of grants to community groups throughout Queensland. Given the extent of community need in Queensland, there are many organisations that receive grants to meet their basic operating cost. When these organisations are hit with a 15 per cent tax on stationery and telephone costs, just to name a few, they will find their budgets stretched to capacity. In order to meet these new costs, groups will pressure the State Government for increased funding. All along the line of GST proposals, there is pressure for increases in funding from the State Government because the Federal Government will be falling down on its responsibilities. The State Government will be put in the position of having to decide on priorities and on where cuts are to be made. This will be an enormously retrograde step, given the

enormous inroads made by this Government in working with the community to ensure that people have access to vital community services.

Queenslanders simply cannot afford the GST—not in financial terms, and not in social terms. We are told by John Hewson that the GST will be 15 per cent. Can Queensland trust the coalition to leave it at 15 per cent? I am sure the Canadians trusted Prime Minister Mulroney when he told them that a goods and services tax would be their economic salvation; that it would reduce unemployment and reduce the national debt. Clearly, the experience in Canada has been otherwise, and Mr Mulroney has had to pay a personal price. Other countries have not been able to feel safe about a GST ceiling, and neither can we. In almost every other country where a GST has been introduced, it has been increased above the level at which it was introduced. We cannot be confident that once the GST is done, it can be easily undone.

I say to those people who say, "Let's give the coalition a go for three years": we cannot afford those three years. By the time three years is up—after two years in Canada—the GST is so entrenched that it is very difficult to undo. People should ask the Canadians, who are at this very moment trying to figure their way out of that fiscal maze. Three years on, when the realisation comes too late that it has not worked, most people will feel as though they have been caught with their pants down, and they will find that John Hewson has pinched their belt and their braces and there is no elastic left. This is an experiment that is too dangerous and too irresponsible to consider. Sure, some people will benefit from a GST. Some people will benefit from Fightback. They are the small. They are the elite. They are those people who are already advantaged. So what is new about Tories?

Mr HORAN (Toowoomba South) (8.45 p.m.): Australia is at the crossroads. We can grow and prosper under the coalition or we can be a failure and continue to be a failure under Prime Minister Keating. At last, we have the opportunity to vote in a Hewson/Fischer coalition Government on 13 March and rescue our nation. Keating and Labor have given Australia the following: record unemployment, high taxation, high foreign debt, a high current account deficit, high Government spending and waste, record child poverty, record bankruptcies, record low commodity export earnings and now record hospital waiting lists. More than 100 000 people are cruelly being made to wait, unable to have an operation because Medicare and the Federal Government cannot fund it. The cruellest cut of all is that the people—especially old people—have been conned by the infamous Medicare ads, on which the Government wasted \$3.5m.

The coalition has pledged to retain Medicare and to keep the levy at 1.25 per cent. Health is zero rated, so there is no GST, but the people still receive the benefits of personal income tax cuts, no petrol tax, the flow-on effects of an 8 per cent pension rise and a 6 per cent allowance rise, a doubling of family allowances and increases in a number of other benefits which give the average family \$56 a week more after it has paid its GST. Because of Labor, health throughout Australia is on its knees. Nowhere has it suffered worse than here in Queensland, where we have a bumbling administration and management on top of Federal Labor Government incompetence. It is difficult to believe that something so obvious as the answer to Australia's hospital problems cannot be seen by the Labor Party. No matter how many experienced hospital managers, doctors and nurses tell the Government about the need for a good private hospital system to complement and assist the public system, the Government cannot see it. The Left Wing domination of the Australian health system is a tragedy for patients, relatives and staff. The Left Wing refuses to budge from its agenda to crush private health in favour of a single national health insurance scheme that will lead to total Government control and domination of the hospitals and the health industry. Only then, when Labor has limited the choices and reduced the standards and the service to mediocrity, will it be satisfied.

Let us look at the major problem with Australian hospitals, that is, the more than 100 000 people who are waiting in pain and discomfort for elective surgery. How will those lists ever be brought back to an acceptable level? Certainly not under Labor. The list continues to grow. If people are well off, like the Prime Minister, they can buy their

way off the list by paying cash and receiving immediate attention in an intermediate or private bed or going to a private hospital. The poor public patient has to wait for months or years because the surgeons are paid to treat only a limited number of public patients. Not enough funds are provided by Medicare, the Federal Government or the State Government. Meanwhile, 7 000 to 8 000 private hospital beds lie idle every day. Meanwhile, those who could reasonably afford private health insurance, who could make a contribution and use those private beds, take up the public beds and waiting lists at the expense of the needy, particularly the elderly. All that is required is some financial assistance or incentive from the Federal Government to assist people to provide for themselves the security and choice of private health insurance. The coalition policy gives that incentive with tax rebates or cash payments from \$100 to \$800. The best part of the policy is the incentive to pensioners. Sixty-five per cent of health treatments are to people over 60. We have an increasing population of aged people. Pensioner couples aged 65 and over will receive an \$800 cash incentive or rebate which almost fully covers the cost of basic hospital cover. That gives them a private bed in a public hospital so that they can have an operation on time and with a doctor of their choice.

Where else would one see a better demonstration of Labor health disasters than here in Queensland? The waiting list for orthopaedic surgery at the PA Hospital is 30 months. Now, 1 000 are on the list. There are 400 patients on the urology waiting list and another 255 who have five and a half months to wait to see a specialist. The waiting list for eye surgery is 250; that is six months. The upper orthopaedic surgery waiting list at the Gold Coast is an incredible seven years. At the Princess Alexandra Hospital, 260 patients await vascular surgery. At the Prince Charles Hospital, 460 people await cardiac surgery. Twelve people have died in the past two months while waiting. In addition to the waiting lists, Queensland has its own special problem—a bumbling Minister leading a ballooning bureaucracy lacking real experience in Queensland hospitals. In the financial bungle of the decade, the Government could not get its sums right for a major wage and salary increase that was imposed on the hospitals by the PSMC. Millions short of Budget funds for those rises, the Government then passed on the sour medicine to the Queensland hospitals. After spending an extra \$400m in the Health budget compared with three years ago, what do we have here in Queensland?

Administration blow-outs have increased by \$133m, or 37 per cent; spiralling wages have increased by \$285m, or 28 per cent; duplicated, highly paid bureaucracies; glossy reports; plans; meetings; reviews; corporate presentations; closed wards turned into offices, complete with corporate pink and grey colours; public relations exercises; and bewildered and angry hospital staff and patients as they see wards closed at major Brisbane hospitals such as the Royal Brisbane Hospital, the Royal Women's Hospital and the Prince Charles Hospital; elective surgery ceasing at the four major public hospitals for two to three weeks during April and May; up to six wards closing in association with surgery shutdowns; specialist outpatients clinics closing for a week; medical staff directed to take leave; supporting staff wondering what then happens to them; a shortage of radiographers at the Queensland Radium Institute, taking the time for cancer treatment from one and a half weeks to five weeks; ward closures threatened at Bundaberg, Laidley, Redcliffe and Cairns; new hospitals empty; day surgeries and psychiatric centres that are empty for lack of resources and staff; staff not being replaced when on sick leave or holidays; locums not engaged when senior medical staff are on leave; a process of natural attrition, with permanent staff not being replaced as they leave; casual staff being cut; the Queensland Nurses Union taking the Brisbane North Regional Health Authority to the Industrial Court over cutbacks and non-replacement of vacant responsible positions; a major investigation of all 33 000 health jobs; cutbacks in food, drugs, dressings and equipment; deferment of health programs and refurbishments; and, worst of all, cutbacks to the Blood Bank reducing annual collections by 9 000; 27 staff gone; a mobile collecting van closed; certain testing procedures stopped; and hospitals and doctors told to use less blood. Everyone asks, "Why? Where has all the money gone?" In Queensland, it has gone on mismanagement,

bureaucracy and financial blundering. Add to that the pressures of ageing population, increasing technology, cost and a growing population and one will see why the Goss Labor Government secretly knows that the only way out of this mess is for a coalition Government to be elected federally and rescue it with its planned and practical policies.

The provision of tax rebates and cash incentives for private health insurance will be a boost to the public hospitals, to the private hospitals, to patients and to health workers. The surveys clearly show that people want private health insurance, and they want tax incentives to assist them to buy it. It is conservatively estimated that at least one million people will take up private health insurance, putting \$1 billion per year into the health industry—approximately \$500m into public hospitals and \$500m into private hospitals. What this means is a real funded attack on waiting lists.

Let me point out a few facts. The existing state of Australia's health-care industry is based on the current Medicare system which involves tax finance funding for medical purposes, allowing free public hospital treatment and reimbursements of up to 85 per cent of medical expenses for all Australians. Private health insurance is purchased by only about 41 per cent of the population to provide a doctor of their choice in private or public hospitals and access to private hospitals. Currently, large-scale Government funding is necessary to keep the system working. I will now deal with the sources of funding. A total of \$31 billion is spent on health in Australia. The Medicare levy provides—

Mr DEPUTY SPEAKER (Mr Palaszczuk): Order! The House will come to order.

Mr HORAN: The Medicare levy provides \$2.5 billion, or 8 per cent; other Federal funding, \$10.8 billion; and State and local funding, \$8.1 billion. The total Government funding is \$21.4 billion, or 69 per cent. Private insurance funding provides \$3.4 billion; funding from individuals, \$4.6 billion; and other funding, \$1.5 billion, making a total private funding of \$9.5 billion, or 31 per cent. Approximately \$21 billion of the total \$31 billion health-care bill is provided by this country's three tiers of government, placing a heavy strain on the taxation base. Given Australia's declining work force and growing elderly population, funding of this magnitude cannot be sustained in the long term. Many Australians incorrectly assume that the 1.25 per cent levy covers Medicare's costs. However, according to the Australian Health Insurance Association, if current Medicare benefits were to be fully funded by the levy, it would be at least 5 per cent of taxable income.

To counteract rising health-care costs, health insurance funds throughout the country are forced to increase membership rates at regular intervals. As a result, an increasing number of Australians are being forced out of private health care into the already overcrowded Medicare system with a lengthening of waiting lists in the public hospitals. In Queensland, the decline in basic hospital cover has gone from 38.6 per cent of our population insured in December 1983 down to 32.3 per cent this year. To put that into numbers of population, the percentage of population insured in Queensland back in June 1978 was 48.4 per cent, or 1 053 000 people. Now, it is only 979 000 people, or 32.9 per cent of our population.

One of the short-term problems with Medicare is the misallocation of resources. While there are long queues in the public hospital system, beds in the private hospitals remain empty. As a result, the total health-care investment is poorly utilised. Another problem is inadequate competition and choice. The lack of competition in medical insurance means that there is no incentive to improve administrative efficiency, and the consumers have no choice in their decisions regarding medical insurance. Another is irrational decision making. Some decisions on health-care funding are based on purely budgetary considerations, political responses to special interest groups, or made to transfer the costs from Commonwealth to State and/or from the public to private hospital sector. Also, there is inadequate access for low income earners. The arbitrary cap on health care expenditure by the Government has forced the rationing of access to public hospital beds, which means the supposed beneficiaries of Medicare—the low income earners—have a poorer quality of health care than they have a right to expect.

They follow Keating's policy: go and stand in the queue. There is also public confusion and ignorance. Consumers can develop a perception that they do not need to take responsibility for their own health when they are offered free health care. The offer of free health care, supported by widespread bulk-billing and no-charge admission to public hospitals, removes price signals from the marketplace. Overuse is therefore encouraged.

The long-term problems with Medicare and probably the worst flaw are its failure to establish an adequate base for the financing of health care in the future, when the cost of treating the elderly will rise significantly. Currently, 11.4 per cent of the population is 65 years of age or over. As the cost of providing care for elderly people is much higher than the cost for others, there is likely to be an explosion of health-care costs early next century. The development of life-extending technology will further exacerbate this problem. If the Medicare system is not changed to address this problem, there will be severe consequences for both the private and public health care sectors.

Continuation of the current Medicare arrangements will have the following impact on the private health care sector. The cost of services will continue to rise at least as fast as the CPI, despite productivity gains. Young and healthy Australians will continue to drop private health insurance in favour of relying on the "free" system. Contribution rates will rise faster than the CPI and benefits will have to be reduced. The recent decline in health fund membership numbers will continue and probably accelerate, resulting in only high income earners being able to afford health insurance. This will accentuate social divisions and disadvantage the elderly and low income earners. There will be continuing underutilisation of private hospital assets. In the worst scenario, some health funds may fail.

The impact on the public hospital system will be as follows. Public hospital demand will grow along with the total cost. This will be aggravated by the ageing population. This will result in lengthening queues and require changes such as charging fees for public hospital services, substantial increases in public expenditure or further rationing of services. The quality of medical practice in public hospitals will decline because the increasing level of Government intervention will cause the best practitioners to desert the system. The increasing demand on the public hospital system will make it even harder to find the funds necessary to rebuild. With the increasing proportion of care provided by the public system, the level of control of the bureaucracy will increase.

It will be seen that something has to be done to quickly save the health system from drowning in cost and demand. The coalition is the only political party to see this and act. Firstly, it has retained Medicare and kept the cost at the present 1.25 per cent and kept bulk billing for four and a half million pensioners, war veterans, widows and health care card holders. Secondly, medical insurance will be opened up to stop the Government monopoly and allow gap insurance, more flexible medical insurance products, tax rebates and cash payments of up to \$800 to provide incentive. The result will be a public and private hospital system that complement and support each other. It will involve proper utilisation of facilities, fairness to the disadvantaged and the elderly and contributions to the cost of health by those who can afford it. In Australia, 600 000 pensioners scrimp and save so that they may have private health insurance for their own security. They are the big winners.

For the information of the House, I will read out the rebates. It should be borne in mind that the basic hospital cover costs around \$800 to \$850. For those who have incomes of less than \$12,000, the rebate is \$400 per family and \$200 per single. For those who have incomes of \$12,000 to \$20,000, the rebate is \$300 per family and \$150 per single. For those who have incomes of \$20,000 to \$30,000, the rebate is \$200 per family and \$100 per single. If one is over 65, those rebates are doubled. For those whose income is less than \$12,000, a rebate of \$800 per family is claimable. Families whose income is more than \$50,000 and who do not take out private health insurance

will pay a surcharge over and above the Medicare levy of \$800. The community rating principle of private health insurance will be retained to protect the elderly and the chronically sick.

Yesterday in his policy speech, Prime Minister Keating announced more unfunded lollies. The famous cartoon showing Mr Keating being dragged into an ambulance in a straitjacket shouting, "15 per cent on jimjams" and so on should now include \$200m for X and \$100m for Y. Mr Keating is offering women \$60 a week to stay at home, but it is really only \$5. In his desperation, he has gone crazy with financial benevolence and irresponsibility. The Australian public has had 10 years of broken promises and disappointment. Keating has had his chance and has failed. The public will not believe him any longer.

Mr Keating also promised \$270m over four years for a free dental plan for low-income Australians. I want to know the source of those funds. Based on the number of health care card holders, the real cost of dental care has been estimated by the Commonwealth review into dental services to be \$240m per year, provided that only 35 per cent of eligible people use the service. The Australian Dental Association estimates that four million health care card holders would generate costs of \$360m per year. Queensland's public hospitals already have a free means-tested dental service which has a huge waiting list. Once again, people will have to join the Keating queue.

The promise of \$25m to treat public patients in private hospitals is a potential disaster. Firstly, it is an immediate signal for more people to get out of private health insurance. As a result, private health insurance costs will increase, more people will drop out, and before long public hospitals will face impossible demands while private hospital beds are left empty. It should be remembered that, for every 1 per cent drop in the number of people who have private health insurance, public hospitals face a cost of \$6.6m. Secondly, more than 100 000 people are on public hospital waiting lists. The \$25m would allow 10 000 people to be treated. Approximately 300 000 people drop out of private health insurance per year, and even if they use hospital beds at a rate of only 1.2 days per person, 360 000 extra public bed days will be needed in Australian hospitals to cope with the influx. Why would people take out private health insurance if they think that they can gain access to a private hospital at the taxpayers' expense? No wonder the Private Hospital Association rejected the policy! It recognises it as the disaster it will be for both the public and private hospital systems.

The Minister stated that, as a result of coalition cutbacks in Government spending, Queensland will be \$220m short for public hospitals, but the coalition policy already provides \$63m more than the present Government Budget. The coalition health policy is fully funded, and the extra money identified by the Federal Labor Government will be matched by the coalition. As I stated earlier, a minimum extra injection of \$1 billion will be made into Australian health, \$500m of which will be distributed to private hospitals and the other \$500m of which will be distributed to the public health system. Conservative estimates indicate that one million people will be taking out private health insurance. The disadvantaged do not lose; they gain. Bulk-billing is retained for all pensioners and health care card holders. Hospital beds will be available and people will be able to get off the waiting list.

Competition between doctors remains. There is bulk-billing for the disadvantaged. The choice of the scheduled fee or the AMA fee remains, just as it does now. People can still be issued with an account when they go to the doctor, then go to Medicare and get a rebate paid straight to the doctor, as they can now. Zero rating of health is set in concrete and guaranteed by Dr Hewson. Fightback provides incentives for doctors in isolated areas. Fightback provides mobile mammography and bone density units for rural and remote areas. Fightback will establish a remote area nursing scheme. Fightback will provide a pharmaceutical benefits concession card to all those aged 65 and over with an income of less than \$50,000 for families and less than \$40,000 for singles.

Fightback retains and improves Medicare. It guarantees access to high-quality care and will reduce waiting lists at public hospitals. Fightback will contain the costs of public

health care and will restore the balance between the public and private health sectors. Fortunately, the Keating Labor disaster is nearing its end. The time has come for the planning and answers that only a Hewson/Fischer Government can provide.

Hon. D. M. WELLS (Murrumba—Minister for Justice and Attorney-General and Minister for the Arts) (9.05 p.m.): A few hours ago, honourable members would have been rather surprised to hear the tuneful sounds of African choral music emanating from the Speaker's Green.

An Opposition member interjected.

Mr WELLS: I note that the honourable member opposite was among the appreciative audience. That African choral music was in fact provided by funding from the Arts Division of my department. The funding was an Art in Working Life grant which was provided to the Trades and Labor Council program of that name. Those young Queenslanders who have taken the trouble to learn from the African choirmaster were able to provide that pleasure for honourable members. I raise this matter because the Art in Working Life program of the Australian Arts Council is one of the programs which will go under Fightback. If the Liberals and Nationals are by some misadventure elected to Government in a few weeks' time, the only time one will see that sort of activity in this State in future is when it is provided by the Queensland Government, because that sort of program will be axed.

I intend to speak specifically about my own portfolio. All other honourable members on the Government side have spoken eloquently about general issues as well as their own portfolios and electorates. I will take that as being said and I will just talk about my portfolio. Let me say that the most odious, oppressive and uncivilised manifestation of the goods and services tax on the arts is the 15 per cent tax on books. It is going to hurt parents.

Mr FitzGerald interjected.

Mr WELLS: It will be 15 per cent less than it will be when the Opposition members' boys and girls go to university, if they do. The goods and services tax will hurt parents who are buying books for their children, university students, people who buy books for pleasure, publishers, authors and other people who are involved in the industry. It will affect almost everybody who is literate, and almost everybody who reads. It is a tax on knowledge. It is a tax on human progress. It is the most odious and invidious manifestation of the GST relating to the arts. I point out to the honourable member opposite—

Mr Santoro: The second renaissance.

Mr WELLS: The honourable member says "the second renaissance". I remind him of the destruction of the library of Alexandria in 420, which was long before the Italian renaissance.

Mr Santoro: That's the one that I was talking about.

Mr WELLS: The honourable member opposite, who is an extremely degenerate result of the Italian renaissance, ought to know that the result of the destruction of the library of Alexandria in 420 was the deliberate onset of the Dark Ages. Without books and without knowledge, human progress is stifled. When books were taxed under the GST in Canada, the sale of books went down by precisely the amount of the goods and services tax. Let me say that one can confidently expect that as a result of the imposition of the GST in this country, the sale of books will go down by 15 per cent. It is a tax that will target specifically human progress.

Mr FitzGerald: Have you got an interest in the sale of books? You're an author, and you receive royalties. I believe you have an interest in the sale of books.

Mr WELLS: My books are almost all out of print. However, I will rely on the honourable member opposite to give them a cultural renaissance. The other people involved in the arts who will be hit by the goods and services tax are everybody. Everybody is a participant in the arts, whether one listens to music, goes to films, to the

theatre or visits museums. They are all various types of arts. All artworks will have the GST imposed on them, film tickets will have the GST imposed on them, as will concert tickets, theatre tickets, dance tickets, opera tickets, admissions museums and galleries. The most popular of all the arts is take-home videos. They will have a 15 per cent tax imposed on them. The GST is an attack on the leisure of Australians. It is an attack on the self-improvement of Queenslanders. The average price of tickets for Brisbane's performing arts venues is \$35. The goods and services tax will raise that price to \$40. However, currently many organisations are charging the maximum that the market will tolerate. Consequently, those organisations will either have to increase their prices or absorb the cost. Annual ticket sales in Queensland amount to \$38m. Therefore, the organisations will have to absorb \$5.7m in GST. It cannot be done. In addition, the goods and services tax will reduce Federal outlays on the arts, sports and heritage programs by \$60m. This afternoon, honourable members listened to a choir. It is an example of the extent to which the Fightback package will cut arts funding. It will cut the prosperity, health and the vigour of the arts. Members opposite stand for a mini Dark Age in which a tax is imposed on knowledge, art and learning.

I turn now to the legal aspect of my portfolio. At some time during their lives, most Australians need legal assistance. In Queensland, because of an injection of \$4m to the Legal Aid Commission, it has been able to fund civil cases, family law cases and criminal cases. As a result of Government initiatives, it provides a broad coverage.

Mr DEPUTY SPEAKER (Mr Bredhauer): The member for Clayfield will cease discoursing across the Chamber.

Mr WELLS: However, if those GST proposals should by some misadventure ever be implemented, those initiatives will be put under very great strain in the near future because Legal Aid Commissions throughout Australia will have to endure a \$10m cut in funding. Of that \$10m amount, \$1.6m will come from Queensland. However, a \$10m cut in an administrative structure, of which administrative costs are \$11.3m, will simply destroy the legal aid system in Australia. It will collapse around us, and legal aid will cease to exist. Consequently, as a result of Fightback, the people of Queensland will be forced back on to the non-legally aided legal services.

Should the misfortune occur and Fightback is imposed, there will be an increase of 15 per cent on agent's commission when buying a home. If a person wants to buy a house, and is lucky enough to buy a home worth \$150,000, \$4,200 would be the agent's commission, and a 15 per cent GST would amount to \$630. If that person then wants to sell the house, he or she would have to spend \$880 on legal fees. The GST on that would be \$132. Hewson has very carefully hardest hit the battler who is trying to buy his first house, not the person who is selling it. A person trying to buy the house must pay \$1,375 in legal fees and \$206 in GST. So the total sale of a \$150,000 house increases by \$762 GST, and the purchase price would increase by \$836 in GST.

The cost of divorce in Family Court matters would increase. A basic divorce costs \$565. That increases by \$84.75. The drawing of documents, \$25, increases by \$3.84; a short letter, \$12.40, up \$1.86 a page; phone calls, \$107 per hour, up \$16.11 per hour; photocopies, \$1.03 per page, increase by 15c per page; conferences, \$175 per hour, increase by \$25 per hour; short appearances, \$515, up \$77.25; reserve judgments, \$175 per hour, up \$26.25; and drawing a will, \$75 to \$100, increases by \$11 to \$15. The cost of every legal service will increase. At some time in our lives, we must all go to a lawyer. The increases will hit most severely the small legal firms, not the large offices, which will be able to absorb them to a greater extent. Smaller offices will not have those advantages, and consequently their costs will increase.

The impact at current costs of the destruction of the legal aid system by the Fightback package would be to deny 15 000 Australians access to justice. The Opposition and coalition whinge and whine that we are not giving enough money to legal aid, even though some of them have been sufficiently gracious to acknowledge the \$4m which this Government provided to boost the legal aid coffers. The Opposition and coalition are proposing savage cuts that would eradicate the whole system. They would

eradicate the advantages that the Goss Labor Government has provided to the battlers who need legal aid, and eradicate the system itself. Dr Hewson and his State henchmen sitting opposite potentially will be responsible for sending innocent people to gaol; for disputing parents who are unable to have access to their children; and for unscrupulous landlords evicting unfortunate and defenceless tenants, all because the savage cuts imposed by Fightback will ruin Australia's legal aid system.

The goods and services tax will increase the cost of the 60 per cent of the work which Legal Aid Commissions contract to outside lawyers. The Canadian Legal Aid Commissions were exempted from GST by legislation. Labor has challenged the Opposition to do the same. To date, it has not responded. If those honourable members opposite who are so committed to the Fightback package wanted to do a good and merciful turn for the people whom they represent, they would go to Dr Hewson and his merry band of wreckers and ask, "Why not at least exempt legal aid from the GST?" The effect of the GST in Canada was disastrous. The effect in Queensland and other parts of Australia will also be disastrous. I am reminded of a Prime Minister of Canada who, some time ago, very wisely did not introduce a GST. That was Pierre Trudeau.

Mrs Edmond: A cultured gentleman.

Mr WELLS: He was a cultured member of Parliament who had excellent taste. He had a baby son born to him. The birth was due around the festive season, and it was not until the last moment that it was clear that Pierre Trudeau's son was to be born on Christmas day. When asked to comment on that event, the then Leader of the Opposition said, "This time, Pierre has gone too far." One might say that this time, Mr Mulroney went too far. This time, Mr Hewson—Dr Hewson as he is known to his friends—has gone too far.

The cumulative effect of GST and funding cuts means a loss of \$31.5m in Commonwealth legal aid funding. Almost 15 000 cases per year would not be funded. The needy will be denied access to legal services, and the middle classes will have to find an extra 15 per cent for the legal services that they need. The effect on my department will be draconian. Several honourable members on both sides of the House have indicated to me that they would like new courthouses for their electorates. That will mean an extra 15 per cent on the labour expenditure of my department. Therefore, they will have to wait 15 per cent longer to get those courthouses, because my department will not have any more money. The purchase of paper and so forth for the department will cost an extra 15 per cent; alternative disputes resolution, an extra \$58,000; Crown law, an extra \$103,000; the Director of Prosecutions, an extra \$427,000; FOI, an extra \$67,000; courts, an extra \$4,337,000; burials, an extra \$77,000; State reporting, an extra \$362,000; and the administration of the arts will cost an extra \$912,000.

This goods and services tax is a tax on culture. It is a tax on knowledge. It is a tax on human advancement. It is a tax on those who need legal assistance. It is a tax on law and order. It is a tax of destruction. It is a tax of wantonness. It is a tax of greed. It is a tax that the people of Australia must resist. It is a tax that we can not afford.

I have a little time left according to the clock, but rather than speak for the full 20 minutes, I will speak for 20 minutes minus 15 per cent. The coalition will not give us a discount; they will slug us. We are the ones who give a discount. I will conclude with a portfolio specific remark. The goods and services tax in the Fightback package is a tax on culture; it is a tax on law and order; it is a tax which is uncultured, unlawful and un-Australian.

Mr JOHNSON (Gregory) (9.22 p.m.): Mr Deputy Speaker—

Mr Santoro interjected.

Mr DEPUTY SPEAKER (Mr Bredhauer): Order! If the member for Clayfield wishes to interject, he should do so from his usual seat.

Mr JOHNSON: In speaking to this motion, firstly I wish to refer to a great north Queenslander who is working hard selling the Fightback package and who, on 13 March, will become the member for Kennedy. I refer to Bob Katter junior. I can understand the member for Mount Isa and Minister for Minerals and Energy, Tony McGrady, in his electorate feature, *Around the Ridges*, throwing his support behind the current member for Kennedy, Rob Hulls. However, for Mr McGrady to class Bob Katter as a virtual second-rate citizen is downright scandalous. I am afraid that he is whistling in the dark to keep up his courage. From 1974 to 1992, Bob Katter served the State electorate of Flinders with distinction. He loved the people in the electorate and, for 18 years, worked tirelessly for them. He had great rapport with and helped fettlers, shearers, miners, council employees, fencers, ringers, truckies, graziers and businessmen. He was a worker for the ordinary person, which is what you people have lost sight of.

Mr DEPUTY SPEAKER: Order! The member for Gregory will address his remarks through the Chair.

Mr JOHNSON: Bob Katter was probably the greatest "Labor" member of this Parliament. He worked for and was loved by the Labor people throughout the north west. After the election on 13 March, I will buy the Minister's friend, Rob Hulls, a ticket for him to return to Melbourne, because that is where he will be going. When he was a member of the Government, Bob Katter was Minister for Aboriginal and Islander Affairs. Without question, he was the best Minister for Aboriginal and Islander Affairs Queensland ever had. The electors of Kennedy are fortunate to have the opportunity to vote for a politician of the calibre and integrity of Bob Katter junior. He places results above rhetoric and is one of the most tireless workers whom I have ever seen. During Bob's 18 years in State politics, his dear little wife, Susie, and five beautiful children have made many sacrifices. At present, they are right behind him with love and support, as are the people of Kennedy, who will have Bob Katter junior as their Federal member on 13 March.

I turn to the motion before the House. The real thrust of Fightback is to generate confidence in the rural and provincial areas of this State and this nation which, in turn, will flow on to the manufacturing and export industries. That is something Government members have forgotten. For 200 years, the wealth of this nation has been generated in the bush. The Minister represents the mining industry—it is a great industry—but it is the rural-based industries that have kept this nation viable and given the people of Queensland an opportunity to earn an income. People from all walks of life can thank rural industries for that opportunity. However, Government members have lost sight of that. Last night in this Chamber when my colleague the member for Warrego spoke in the Address in Reply debate on the plight of the wool industry, Government members were laughing in his face. It was absolutely atrocious. I would like those members to visit the wool growing areas in western Queensland and see the crisis that those people are in. The position is almost beyond redemption. I pray that on 13 March we will see some credibility come back into the economic position of this nation. People in the far north of Queensland have received a wet season, but people in the central west, the far west and the Darling Downs have missed out again. Somebody said to me today that a comment would be made that in three years this speech will come back and bite me. It will not come back and bite me; it will bite members opposite.

Today in this House the Transport Minister stated—

"We have not levied a State fuel tax."

Then, after an interjection, he could not control himself and said—

"Under the policy that members opposite are advocating, they give us no alternative but to look for a real source of income to plug the gap that the Opposition's policy would create in road funding to this State."

I thank him for confirming that a fuel tax will be imposed in Queensland after 13 March. It is now in black and white in the words of the Minister for Transport. Recently, the

Deputy Premier, Tom Burns, indicated that we might be going to have a fuel tax, but we now have confirmation. Reference has been made to the NRTC and the ISC, but the Transport Minister does not understand what is going on. He should read the Fightback package—no doubt he has not, and nor have many of his colleagues. I am pleased to note that the Minister has just entered the Chamber. The one thing that he did say this afternoon was that the Federal Government this year allocated \$322m to Queensland roads.

An honourable member interjected.

Mr JOHNSON: The honourable member should listen to me for a while and cop the truth. The Minister said that next year we will have \$212m, but what he did not tell the Parliament is that the extra \$100m this year was an election gimmick from that lovely gentleman, Paul Keating, to try to prop up a dead, lame-duck Government and to provide a little bit of help to the seats that he looks like losing, such as Kennedy and Hinkler.

Mr Hamill interjected.

Mr JOHNSON: The Minister heard what I said about Kennedy. Those marginal seats are the reason why this money has been provided. Tonight, Mr Cooper told us about the \$3 billion to rebuild Australia. Why do honourable members opposite not start to do their homework, like the honourable member for Crows Nest said, and put in their submissions for some of this money. That \$3 billion will be used to rebuild this nation over the next three years. The Minister will be getting his share. He was just too plain arrogant this afternoon to admit—

Mr Santoro: Do you think they have been lazy in not getting their submissions in?

Mr JOHNSON: They think that they will have a Labor Government.

Mr Hamill: Tell us about the high airfares with the GST.

Mr JOHNSON: The high airfares—

Mr Hamill: Tell us about the increased cost to your constituents.

Mr JOHNSON: My constituents will be better off. Is this going to be used as another excuse by the Minister to knock on the head the subsidised services to western Queensland? I hope it is not. However, for the Minister's information, I point out that the GST is rebated on all businesses. That is something that he did not come to terms with this afternoon. He knows it, but he would not come to terms with it.

Mr Hamill: The people of Longreach will pay 15 per cent more on their fare, and there is no fuel excise on the fuel that those planes use.

Mr JOHNSON: Has the Minister been told about the rebate for business? No, he does not want to know about it. It is the truth. He should sit back and listen for a while.

Mr Livingstone: What about the farmer that hasn't got a good income?

Mr JOHNSON: Under GST, all farmers will be some \$8,200 better off.

An honourable member interjected.

Mr JOHNSON: Yes, I will talk about the wool farmer. Do honourable members know why they are in their present plight? It is because of the Federal Government. John Kerin pulled the rug on the wool industry. That is exactly what the problem is with the wool industry. As my colleague Howard Hobbs said last night, for 20 years the wool growers of this nation managed their own industry and they made one mistake. That mistake was raising the floor price too high. The other big mistake was when this Government's Federal counterpart in Canberra pulled the rug on the industry.

An Opposition member: And these mugs got in in Queensland!

Mr JOHNSON: Exactly. I will get back to local government. Local government will still receive the same \$300m, which is indexed. The Minister talked about registrations. Nobody will touch registrations.

Mr Hamill: An extra \$200 on the Commodore; another \$150 on the Laser. They're not my figures; they are John Hewson's figures.

Mr JOHNSON: The Minister has got it wrong. I will explain it to him tomorrow; he is wasting my time. The other point that is very important in this Fightback package is that there will be no payroll tax. That has been emphasised tonight by members on this side of the House—everybody has spoken about it. Under Labor, road funding in real terms has fallen by 20 per cent, while revenue from motorists has risen by 120 per cent.

Mr Cooper interjected.

Mr Purcell interjected.

Mr DEPUTY SPEAKER (Mr Bredhauer): Order! The members for Crows Nest and Bulimba can have their discussion outside.

Mr JOHNSON: This afternoon, the Minister told us how public transport in this State was virtually closing down. I want honourable members to know that the Goss Labor Government has been in power in Queensland for some three and a half years. The Minister also said that public transport is falling in a heap. If it is falling in a heap, it is his fault, because he has had plenty of time to do something about it. The Minister also mentioned taxis. I will talk briefly about the taxi industry. There is no GST on LP gas. There will not be any sales tax on vehicles, tyres or parts. There will be a 15 per cent GST, but it is refundable to business. The Minister did not mention that. He should admit it.

This morning, the Leader of the Opposition referred to the saving of \$50m to Queensland Rail. There is another \$27.4m that the Government will be saving in payroll tax, making a total of \$77.4m. This Government is using everything to do with Fightback. One of the channels is that the Transport Department and the Minister are taking the line for the reductions in employees in Queensland Rail. Last year, the Minister's budgetary papers showed us where he is going. He will eliminate another 810 jobs in Queensland Rail. That is scandalous, and he is on target at this point. He is over 810, and I would say there are probably another 810 to go before the end of the financial year. Since this Government has come to power, nearly 4 000 jobs have been lost. That is a realistic figure, but the Minister for Transport and Minister Assisting the Premier on Economic and Trade Development cannot come to terms with the truth. As my time is running out, Mr Deputy Speaker, you might give consideration to giving me an extension.

The coalition is committed to reducing taxes on the road transport industry. It will abolish \$20 billion worth of taxes on business, much of which will impact heavily on road transport. Fuel excise, sales tax and payroll tax will be abolished. The former Prime Minister—whom many members of the Labor Party regret not being the Prime Minister now because he might have enhanced their chances of the next election, since they have lost the plot with the leader they have now—admitted that road transport currently pays 3.5 times more tax than other industries. The Minister for Land Transport admitted that road transport was overtaxed. The Government's Inter-State Commission recommended that this tax burden be reduced, as did the National Road Transport Commission. Unfortunately, the Federal Government has done nothing constructive. In spite of that, the Minister for Transport and Minister Assisting the Premier on Economic and Trade Development is defending the present system. Shortly, I will talk about heavy vehicle registrations and road user charges.

Mr Hamill: I thought you would bring in the family interests sooner or later.

Mr JOHNSON: I am not a part of that deal. Earlier, the Minister mentioned the ISC, so he should sit back and listen to what I have to say. He said that this State will adopt the policy of the ISC. As the Minister well knows, the ISC is dead and buried. He knows that the people responsible for its demise were Bob Katter, Senator Ron Boswell, Senator Bill O'Chee, and Vaughan Johnson. The Minister knows it, and he does not like it.

Mr Hamill: What?

Mr JOHNSON: That we buried the ISC. The Minister can just cop it. The way he is going, the NRTC will be dead and buried, too, unless he shows some initiative. However, I do not have time to waste worrying about the Minister. Unlike Labor, the coalition will significantly cut costs imposed on the road transport industry. The abolition of fuel excise, sales tax, payroll tax and customs duty means that the savings on transport operations will be phenomenal. It will result in total savings to the road transport industry in this nation of \$1.14 billion, which is a fair amount. Every previous speaker in this debate has mentioned that the most important issue in this State is primary industry. Most primary industry products are transported either by road or rail.

Mr Hamill: There will be \$70,000 on a road train because of the full costs under John Hewson's policies.

Mr JOHNSON: No, there will not be.

Mr Hamill: They are not my words; they are his.

Mr JOHNSON: That will not be the case. The cost will be \$8,500. The Minister well knows what the cost will be. He is looking for excuses to mislead the Parliament. He did that this afternoon and he is not going to do that again tonight. Figures provided by a major transport association show that the total costs of operation of an urban road transport operator would be reduced by more than 8 per cent under the major provisions of the Fightback package. It is clear that the coalition will slash transport costs. In addition to removing the huge tax burden on road transport, in the first term of a coalition Government there will be no road user charges. My colleagues, with assistance from their Federal counterparts, have worked out that a typical long distance road transport operator will save nearly \$44,000 a year under the coalition's policies compared to Labor's policies presently. Today, I was talking to a road transport operator——

Mr Hamill interjected.

Mr JOHNSON: Mr Deputy Speaker, I ask you to bear with me. My time is running out, but I want to tell this to the Minister. Today, I spoke to a road transport operator who told me that his fuel bill is in excess of \$500,000 a year, his tyre bill is \$100,000 a year, and his spare parts bill is \$80,000 a year. But under GST, the saving on all those items under Fightback will be just on \$210,000. I will explain that in detail to the Minister tomorrow. I notice that he is now admitting defeat.

There are only two minutes remaining for my speech, so I hasten to point out that the coalition's Fightback package will put Australian producers back into the competitive league by removing \$20m in input costs. The waterfront and shipping industries will share in that benefit. The removal of payroll tax will provide savings of approximately \$16m per year to waterfront operators and \$12m per year to shipping. The removal of fuel excise will save Australian shipping over \$15m a year.

Mr DEPUTY SPEAKER (Mr Bredhauer): Order! The Minister and the Leader of the Opposition will cease conversing across the Chamber.

Mr JOHNSON: The removal of wholesale sales tax will save both industries the impact of its many hidden applications on inputs before those industries' exemptions are applied. Fightback will bring the shipping industry substantial savings. Under a broad definition "water transport", which included inland cruise vessels, ferries and water taxis, etc., the Treasury's analysis found savings of \$96m. There will be a saving of \$25m on payroll tax; \$48m in excise; \$41m in wholesale sales tax, and the total savings will be \$96m.

Time expired.

Hon. M. J. FOLEY (Yeronga—Minister for Employment, Training and Industrial Relations) (9.43 p.m.): The ordinary men and women workers of Queensland will suffer under the coalition's Fightback policies because the coalition policy would take away the safety net of industrial awards. Secondly, it will throw the ordinary workers of Queensland away from the protection of the Industrial Relations Commission and onto

the queues of court lists which are already too long. Thirdly—and this is the astonishing fact in relation to honourable members who occupy the Opposition benches—they are willing to abandon, in wholesale fashion, the power of this Parliament to make laws affecting industrial relations in Queensland. Those members are willing to sell out Queensland in order to allow the Commonwealth Parliament to make laws overriding the laws of this Parliament. They are sweeping away—

Mr Santoro: Just like Keating.

Mr FOLEY: He admits it! Confession is good for the soul. I am pleased to see that these hours of debate in this House have finally shone some light even into the dark and impenetrable recesses of the honourable member's mind. Indeed, it is a very candid confession from the member for Clayfield. I notice how silent the honourable the Leader of the Opposition is on this point. He must hang his head in disgrace and shame at the Leader of the National Party, who sold out Queensland. He wants, in one fell swoop, to give over to John Howard the power to make laws with regard to industrial matters covering all trading corporations in Queensland. Does the honourable member deny that? Does he deny it? Silence! He cannot deny that he proposes to abandon the jurisdiction of this Parliament to make laws with respect to all industrial relations.

Mr Santoro interjected.

Mr FOLEY: I am happy to inform the honourable member as to the consequences of his own actions. It may be that it is not yet too late for him to come back from the brink and to stand up for Queensland.

Mr Borbidge: It's too late for you.

Mr FOLEY: I will explain to the honourable member. He need go no further than to read the policy entitled Jobsback—the industrial relations policy of the Federal coalition.

Mr Borbidge: We'll line you up behind the Treasurer.

Mr FOLEY: He is proud. Does the honourable Leader of the Opposition identify with the document? I take it from that remark that he has no qualms or qualifications with it. Yet we are seeing the biggest sell-out of this Parliament in many a decade. Honourable members should look at page 5 of the document where John Howard and the Liberal Party say—

“We are determined that the benefits of our industrial relations policy will be made available to all Australians. A future Coalition government will seek complementary legislative action from state and territory governments to achieve the objectives of this policy. It will, if necessary, use whatever constitutional power is available to it, excluding the external affairs power, to ensure that the benefits of this policy are as widely available as possible to Australians.”

That is the explanation which may not have dawned upon the honourable the Leader of the Opposition. The Commonwealth has power, among other things, to make laws with respect to trading corporations. That means that this document signals the intention of a Commonwealth Hewson-led Government to introduce laws to sweep away the power of State Parliaments to make laws with respect to the industrial relations of corporations. In simple terms, that means that almost half a million workers in Queensland under State awards are threatened by that Federal coalition policy.

Mr Santoro: That is not true.

Mr FOLEY: That is not true? The honourable member is disputing the document upon which his own party relies. It is an extraordinary state of affairs. He has asserted—

Mr Santoro: I'm not disputing it. I'm telling you what John Howard's intentions are.

Mr FOLEY: The honourable member changes his ground once again. He does not like the document.

Mr Grice interjected.

Mr DEPUTY SPEAKER: Order! The House will come to order. The member for Broadwater will cease interjecting.

Mr FOLEY: The honourable member for Clayfield has so many positions on the debate that it is very difficult to keep up with him. Back on 13 September 1992, he advocated the Liberal Party policy of the time, which was to retain the State Industrial Commission; yet he sits in this Chamber in coalition with a party which went to the people promising in its industrial relations policy to abolish the Industrial Relations Commission of Queensland. On the one hand, the honourable member supports it; on the other hand, he goes to the people, behind the Leader of the Opposition, and supports its abolition.

This demonstrates that, in the realm of industrial relations, what you see is what you get. That is why the workers of Queensland should look carefully at what happens in practice under Liberal Governments to see what they should reasonably fear from a coalition Government federally. That is no idle threat to use the Commonwealth corporations power; it is an express threat. It is a promise upon which John Howard has worked and worked and worked for many years. It may not have dawned on the mind of the Leader of the Opposition that that is the impact of his policies, but I assure honourable members that it has dawned on the minds of many, many workers throughout Queensland.

Back in September of 1992, members opposite went to the people, who gave a resounding vote of confidence in the policies of this Government which uphold the role of State industrial awards; yet members of the Opposition now ask the people to abandon that protection, to have it swept away by a Commonwealth Parliament capable of making laws with regard to trading corporations. Once it becomes clear in the community that those changes threaten not only people under Federal awards but also almost half a million Queensland workers under State awards, then we will see that people will reject the savage attack upon the working conditions which is represented by that Jobsback policy. It is said under that policy that employees and employers can agree to extend an award.

Mr Santoro: They might even be able to use the unions to help them do that, provided the union is worth it.

Mr FOLEY: I take the interjection from the honourable member.

Mr Santoro: Of course you must, because we're not anti-union; we just want to give people a choice.

Mr FOLEY: What, however, the honourable member and his colleagues are against—

Mr Santoro interjected.

Mr DEPUTY SPEAKER: Order! The member for Clayfield made the interjection. It has been taken. He might give the Minister a chance to respond.

Mr FOLEY: Really, we return to the central theme that divides us from them—the Government side of the House from the Opposition. We believe in the right of people to engage in fair bargaining between parties in relatively equal positions of bargaining power, and we do not accept the unequal bargaining power which will be heralded in by this savage attack on the conditions of workers under this repugnant Jobsback policy. Where there is no agreement, it is said that award conditions will continue to apply in individual employment contracts until agreement is reached. Well, what is that? It is nothing more than a return to the common law employment contract, that is, the contract between master and servant. It is particularly damaging to those who find themselves in a disadvantaged position—for example, many women workers and many migrant workers. Under the Opposition's policy, an employer could legally present employees with a workplace agreement which eliminated overtime and penalty or shift rates, reduced casual loadings, removed limits on daily working hours, required employees to

work on Saturdays or Sundays without penalty rates, or reduced hours worked and paid for. The minimum conditions that are said to be guaranteed are well below those contained in most awards—for example, \$3 an hour for 15 to 17 year olds.

When one goes to the son of Fightback—Fightback Mark II—one sees the carefully crafted attempt to cover this up. Members opposite well know that the central flaw in their argument is that an agreement frozen in time ceases to become relevant with the passage of time and the effects of inflation. It ceases to have force and effect if the person is dismissed from that area of employment and has to move to another. So, the wording that is used is chosen very carefully. It says—and I quote from Fightback Mark II—

“We give an absolute commitment that we will not legislate to remove or force any worker to give up any entitlements such as penalty rates or holiday loadings. Additionally, no employer will be able to force an employee to forgo such an entitlement.”

That is, of course, an interesting but circular argument, because it completely avoids the question of what happens to the new employee who comes to be appointed. There is nothing in this document and there is nothing in Jobsback to prevent such employees from being subject to workplace agreements which will not be regulated by the force of awards. But let us say that a person is an ordinary worker and he has been sacked by the boss. Let us say he wants to get an opportunity to redress his grievance. He is forced to resort to the legal system.

Mr Santoro interjected.

Mr FOLEY: Come on, have your go!

Mr Santoro: If you could be kind enough to take this interjection.

Mr FOLEY: Come on, get on with it!

Mr Santoro: This is the index of a New Zealand work agreement. Will you have the courage to listen and take the interjection?

Government members interjected.

Mr DEPUTY SPEAKER (Mr Bredhauer): Order! The House will come to order.

Mr FOLEY: This is not an interjection, this is a novel.

Mr Santoro interjected.

Mr DEPUTY SPEAKER: Order! The member for Clayfield will cease interjecting.

Mr FOLEY: That ordinary worker who wants to have an opportunity to get his job back will not be able to go to the Industrial Relations Commission; he will have to go to the courts. He will have to brief a solicitor or a barrister to appear for him.

Mr Santoro interjected.

Mr DEPUTY SPEAKER: Order! The member for Clayfield has been asked to cease interjecting.

Mr FOLEY: That really exposes one of the great hollowesses of this package, namely, that such a person will have to take his place right in the back of the queue when it comes to getting to the courts. And if he loses, he will be hit with a bill for costs. He does not face that if he goes up to the Industrial Relations Commission. The costs of losing will be a great deterrent to ordinary people seeking redress through the courts.

The effect upon Queensland awards is something which is extraordinary. The National Party, which for so many years had tattooed on its eyeballs “Queensland first”, is now willing to go cap in hand to abandon the State industrial system. On that point, let me go to the half-truths uttered by the honourable member for Clayfield in the course of an earlier debate in which he said, when speaking about the coalition—

“It will not—and I repeat, will not—include the abolition of the Industrial Relations Commission or the various State tribunals.”

There is a simple reason for that. The Commonwealth does not have any power under its Constitution to abolish our State Industrial Relations Commission. What he does not say is that the half-truth which pervades this debate hides the whole truth. The truth of the matter is that the coalition does not intend to abolish the State Industrial Relations Commission, it intends to gut it. The coalition intends to take away the commission's jurisdiction. It intends to make laws which will take all of the industrial relations—

Mr SANTORO: I rise to a point of order. I challenge the Minister to name one document—

Mr DEPUTY SPEAKER (Mr Bredhauer): Order! There is no point of order. The honourable member will resume his seat.

Mr FOLEY: Their sensitivity on the point—

Mr Santoro interjected.

Mr DEPUTY SPEAKER: Order! I have asked the member for Clayfield to cease interjecting. I now warn him under Standing Order 123A. I call the Minister.

Mr FOLEY: Their sensitivity reflects this simple fact: they do not want people to know about page 6 of Jobsback. They do not want people to know that what they have in mind is the use of the Commonwealth's corporations power to sweep away the rights of ordinary workers who happen to be employed by a company. The vast majority of workers are employed by companies. I can assure honourable members that this attempt will be resisted vigorously by the Queensland Government through the High Court. However, in the unhappy event that the High Court were to uphold the validity of such laws, it would leave the Queensland Industrial Relations Commission with jurisdiction with respect to sole traders and to partnerships; that is to say, it would leave it with only a rump of the large jurisdiction which it currently exercises. Instead, workers will be left with contracts of employment. I want to examine those contracts of employment. We have seen them in operation in Victoria. The *Melbourne Age* of 20 February stated—

“Shop assistants are banned from taking holidays over Christmas and Easter, and manicurists are prevented from working within 10 kilometres of their former employer under the terms of some new Victorian employment contracts. Draft contracts obtained by the *Age* show that employees can be sacked for wasting time, gossiping in the toilets or showing disrespect of senior management.”

That is the sort of contract of employment with which Queensland workers will be confronted. They will have a choice: take the contract or take the sack. That is the stark difference between the Labor Party and the coalition. The Government says that the Industrial Relations Commission should have an award system as a safety net to protect people. The Opposition wants to throw workers into the law of the jungle without the protection of an award system to provide assistance, particularly for disadvantaged workers facing unequal bargaining power on the part of employers. Let the coalition not escape the odium of selling out the State industrial relations system.

Mr FitzGerald: Time!

Mr DEPUTY SPEAKER: Order! The Minister's time has expired. I advise the member for Lockyer that I am able to read. I call the member for Merrimac.

Mr FITZGERALD: I rise to a point of order. Mr Deputy Speaker, I think that I have every right to draw your attention to the fact that a member's time has expired.

Mr DEPUTY SPEAKER: Order! There is no point of order. I call the member for Merrimac.

Mr QUINN (Merrimac) (10.03 p.m.): On 13 March, the Australian people will decide whether they want more of the same under Labor, including the recession, or a change for the better under the Hewson-led Federal coalition. More of the same for Australians will include a foreign debt which is approaching \$200 billion and which is spiralling out of control, more of our export earnings going to pay the interest bill and one million people officially out of work. Yesterday, the *Australian* newspaper stated

that the number of people who actually want work has now passed the two million mark. One in three young people are looking for work, and that does not include the crop of school leavers which is yet to affect the unemployment statistics. Despite Bob Hawke's rhetoric about no child living in poverty, at present 700 000 children are living in homes in which neither parent has a job. Australia has 80 000 street kids. Welfare agencies are swamped with demands for help. That is the result of 10 years of Labor. It is well documented that our living standards are falling. No incentives are given to work and to save. Worst of all, there is no plan to reverse this predicament.

This morning, the Deputy Premier accused the coalition of wanting to widen the gap between the haves and the have-nots; of not wanting an egalitarian society; and of trying to redistribute income. On this charge, the coalition is not guilty. The crime has already been committed by the Labor Party. Before that party came to office, 20 per cent of Australians were considered to be wealthy; we had a middle class of 60 per cent; and we had a disadvantaged or poorer class of 20 per cent. The latest figures demonstrate that the number of people considered to be rich have increased by 10 per cent to 30 per cent; the number of people considered to be poor have also increased by 10 per cent to 30 per cent; and the middle class has shrunk to 40 per cent. In the last 10 years, a real decline has occurred in living standards, which has been presided over by the Labor Party. Despite all this, members of the Labor Party have the hypocrisy to accuse the Opposition of trying to run down the living standards of ordinary Australians! The Labor Party has created a class society—not any other party. Its record over the past 10 years speaks for itself, and it cannot be denied.

In addition, the Labor Party offers no plan for the future. Instead, it merely indulges in a scare campaign against part of an overall package which was put together by the Federal coalition to get Australia out of this mess. Over the next three years, the only thing that electors can look forward to is labour, labour, labour. The only thing about which people should be scared is the Labor Party holding Government for the next three years. The entire Federal election campaign has been centred around the coalition's policies—not Labor's policies. The coalition is doing the running; Labor is trying to catch up. Labor has no idea what to do. It has no plan to get us out of this mess. It released a One Nation statement which sank without a trace, which was discredited by Keating's own figures and which has not surfaced since. That document is not remembered at all.

People do not talk about One Nation; it has disappeared without a trace. Mr Keating's last economic statement vanished overnight. Again, nobody believed it. The Labor Government has no credibility, and no idea how to get us out of this mess. It has nothing positive to put before the Australian people, only negatives. Today, all that Government members have done is knock, knock, knock. They have not put forward one positive argument. The Labor Party is the great party of knockers. All it is doing is engaging in a scare campaign based on knocking. The GST is one minor component of the Fightback package. Labor members have been inspired by the prospect of electoral defeat, which is staring them in the face. All they can do is knock. The Government attack on the GST is no different from any other scare campaign. It is based on deceit and dishonesty. All day we have heard that everything will rise by 15 per cent. It is deceit and dishonesty. Of course, the greatest deceiver of all, Wayne Swan, started it with his election campaigning during the run-up to start of the school year. He stated that everything would rise by 15 per cent. It was patent nonsense. No balanced argument was offered.

The latest edition of the *Bulletin* magazine discusses the GST and it gives a very honest opinion. It lists all the negatives and all the positives. At the bottom of the page it states—

“These criticisms are true as far as they go. However, GST has been proposed as part of a package of economic measures in Fightback and can only be honestly assessed in that context.”

No Government member has mentioned the offsets that are available to counteract the price rise because of the GST. It is admitted that there will be a one-off, 2.1 per cent rise in the CPI, which will be offset by tax cuts, increases in family allowances and a whole range of other measures, including the abolition of seven taxes. However, not one Government member has given a balanced argument on the GST. Like a broken-down Barbi doll, they have only repeated that everything will cost people 15 per cent more. No mention has been made of the substantial income tax deductions that will target middle and low-income earners, the 8 per cent rise in pensions, the increase in family allowances, the \$300 increase in the dependent spouse rebate and the 6 per cent increase in Austudy. In addition, they have not given a balanced argument to the effect that prices will rise by approximately 2 per cent over the full CPI period. No mention has been made of the GST being offset by those other moneys that will come back into people's pockets. Government members have put only a one-sided, deceitful and dishonest argument. They have traded in fear and ignorance and built up a case based on deceit and dishonesty. Finally, the public is beginning to wake up to the Government, because the GST is having no effect on how people will vote. Government members stand condemned for their tactics and their lack of guts to get out and argue on the merits of the case. All they have done is put a one-sided argument. For this debate, they deserve absolutely nothing but contempt.

I turn now to how the GST will affect education, which the Minister for Education referred to this afternoon. If honourable members read the Fightback document thoroughly, they would see an unequivocal commitment to higher standards of education in Australia. The Fightback package commits funds for education over and above what Labor has promised already—\$3 billion over the rest of the decade. Labor cannot match that commitment. The Fightback program is designed to lift falling standards in education and to provide young Australians with the necessary skills to be able to secure and hold a job in the 1990s. That is a matter that Labor has not addressed.

I turn now to Labor's achievements in education over the last 10 years. After 10 years in office, one million young Australians cannot read and write adequately. That is a disgraceful state of affairs. Twenty-five per cent of school children have poor literacy and numeracy skills. As to science—the achievements of Australian students have fallen relative to other countries. As to history and geography—a recent survey of Year 10 students in both Government and non-Government schools found that only 28 per cent of students could identify the event commemorated by Anzac Day. That is a disgraceful situation, and Labor has presided over it. Only 25 per cent of students could name the two Houses in the Commonwealth Parliament—another disgrace. Students' knowledge of history and geography is poor. Over the last 10 years, Labor has presided over the fall in educational standards. Also, 60 000 qualified students are trying to enter tertiary establishments, but they cannot be offered places. The Government has locked them out. Why? It is simply a matter of Labor ideology—if a student cannot receive a Government-funded place in a tertiary institution, that student cannot go to university. Labor is not willing to fund students to the full extent, and it has locked out of university 60 000 qualified students throughout Australia. In Queensland, the number of students who have not been offered tertiary places is 14 000.

Recently, the Minister for Education said on radio that it was a good idea to allow students to pay their own fees to get a university education. There was nothing wrong with that idea; it made good sense. He talked to the Sir Humphreys in the Education Department. When Jim Hacker returned, he had reversed his stance and said, "No, it is not Labor Party policy. I cannot do it." The Education Minister is the Jim Hacker of Queensland politics. The net effect of this situation is the consignment of one in three young people in Australia to the dole queue with no hope of getting a job. If the economy picks up, they will have no skills to get one. Because of 10 years of Labor mismanagement, Australia is internationally uncompetitive. What does Labor do to hide that 10 years of failure? It launches a deceitful and dishonest campaign against the GST, which is a minor part of an overall package.

What are the facts with regard to the GST? First of all, no GST is payable on school fees. Schools will be fully rebated for GST on goods and services that they buy to provide education. This will actually lower the cost of schooling and education in Australia. In actual fact, the Federal Treasury estimates that the cost of schooling and education will decrease by \$297m nationally. The GST will not be collected on tuckshops with turnovers under \$50,000, contrary to what was said by the member for Sunnybank, who rabbited on about GST on hamburgers, slices of tomato, and whatnot. Those stupid comments were made in ignorance. That member, who obviously has not read the program and does not understand it, made false and deceitful statements.

Many items that schools and parents buy are already taxed. There is a long list of them. But no mention was made of that in today's debate. The list includes: pens, pencils, rulers and rubbers, 20 per cent; books and writing pads, 20 per cent; most recycled paper products, 20 per cent; general stationery items, 20 per cent; scissors vary between 10 per cent and 20 per cent; school bags and briefcases, 20 per cent; typewriters, 20 per cent; ribbons, 20 per cent; musical instruments, 20 per cent; and cassette players, 30 per cent. At the tuckshop: snack foods and chips, 10 per cent; biscuits, 10 per cent; lollies and chocolates, 10 per cent; fruit juice, 10 per cent; Coke and other soft drinks, 20 per cent; snack packets, plastic, foil and paper, 20 per cent; sandwich wedges and plastic, 20 per cent; foam and paper cups for chips, 20 per cent; and health food bars and muesli, 10 per cent. All the way down the line, these are the hidden taxes that no Government members mentioned during this debate. Talk about deceitful and dishonest! They stand condemned.

Because of the abolition of the seven taxes that I have already mentioned, some items will fall in price. However, it is admitted that the price of some items will increase. There is no doubt about that. But the price effect of the GST will be more than outweighed by the overall reduction in taxation and the increase in other benefits. That is not disputed. It is also included in Fightback. The Minister made some assertions about massive cutbacks in Commonwealth grants for the States. He said that in the likelihood—and it is almost a certainty now—of the election of a Hewson coalition Government, he would be putting off 4 000 teachers. Let me have a look at this document. It does not say education funding will be cut back. In fact, it says the opposite. It states that grants for the States for education will increase. Under the heading "Education", it states—

"Schools

Additional funding has been proposed for the following—

	\$m
(i) Language Other Than English	5
(ii) Schools of Choice (Govt. Schools)	10
(iii) Teacher Quality	10
(iv) Literacy Start	5
(v) Gifted Children	2"—

making a total of \$32m. Then it states—

"Apart from (ii) which is exclusively for Government schools the proposals appear to be aimed at both Government and non-Government.

Assuming Queensland were to get a population share of available funding the flow of funds to Queensland State Schools would be \$3.3m.

In terms of Commonwealth recurrent funding for Government schools this would represent a 1.8% increase."

Where is the Minister getting his airy-fairy figures about 4 000 teachers having to go? The Federal coalition has promised an increase in Commonwealth funding, not a decrease. If there is to be a cut in the State Education budget, it will be as a result of a decision taken by this Labor State Government—no-one else. The coalition has

committed more funds to education than has the present Labor Government. There is no excuse, and no sheeting home the blame to anyone else other than this State Government. It will be responsible for the decline in the number of teachers and the cutbacks in education in Queensland. It will be a result of a deliberate budget decision taken by the Cabinet of this State. Let there be no mistake about that. There is no way that the Education Minister can weasel out of it.

The Federal coalition has shown its continued commitment to education in Queensland, in stark contrast to Mr Comben, who wants to sack teachers. As part of its fiscal discipline, the coalition will cut its outlays by some 10 per cent. It is admitted that there will be a cut in financial assistance grants to the States by some 5 per cent. In terms of the State Budget, this represents a slight reduction in expenditure of 1.47 per cent, which will go back to Queensland via the pockets of ordinary Queensland taxpayers. It will not go back to the Government; it will go back to the taxpayers of Queensland. So Queensland is not missing out; it is simply a redirection of funds away from Government programs and back to the taxpayers of Queensland. That will be a small price to pay in order to get our economy moving again and to provide jobs for the one million unemployed. The challenge for the Treasurer and the Education Minister is to work within that fiscal discipline that is necessary to get our economy moving, in the same way as the Commonwealth had committed itself, and yet maintain education as a priority. As I said, if education funding is cut, it will be as a result of a deliberate decision taken by this State Government.

I wish to address two other issues. The first relates to documents tabled by the Minister for Education about increases in the cost of textbooks and school resource charges. Again, that was misleading. Nowhere does the document take into account the reduction in the seven taxes. It simply gives the retail price, adds 15 per cent, and there it is. The granddaddy of all is the additional resource charge that is listed under every subject heading. That is a school fee, which is GST exempt—not an extra 15 per cent, as the Minister has in his document. That is a hoax to start with. Any credibility that the Minister had when talking about the GST and education just flew out the door. As I said, overall, the Federal coalition has made a substantial increase to education funding in its Fightback program. Labor is not prepared to give that commitment. It will not mean a reduction in funding for education in Queensland schools, either Government or non-Government. Any Cabinet decision to reduce funding for that portfolio will be on the head of this State Government.

Hon. J. P. ELDER (Capalaba—Minister for Business, Industry and Regional Development) (10.22 p.m.): Fightback will be the greatest poison pill for small business and industry in this State. Fightback is really "Frightback", because it systematically destroys the quickest growing part of our economy, that is, the manufacturing sector and the small-business sector. It is not just the GST—the consumption tax—that will create the problem; it is also the cuts to industry programs. The \$10 billion Hewson cuts will hit hard across-the-board and they will hurt. Queensland is broadening its economy. It is not totally reliant on its mining industry or its agricultural industry—in other words, we are not digging it from the ground or growing it. We are processing more and not just shipping out raw materials. At a time when that is occurring in the Queensland economy, the coalition is walking away from industry development programs. In the last three years in this State, employment growth in manufacturing has risen 22 per cent, from 135 000 to 165 000 people, and exports of manufactured goods have risen from \$4 billion to \$5.2 billion. One industry program that has precipitated that growth and seen that improvement in our manufacturing sector is the National Industry Extension Service. Members opposite are familiar with that scheme which is designed to help industries become more competitive by helping them with their production processes. It provides help in areas such as quality assurance, total quality management, business planning, strategic planning, market planning, productivity improvement, and improvement in work force skills through human resource assistance and manufacturing technologies. Its great strength is that it is delivered by the private sector to the private sector with a minimum of fuss and with significant results. The scheme has helped more than 1 100

Queensland companies—500 in the last year—and delivered over \$11m worth of assistance to those companies. Yet Fightback describes it as “bureaucratic, piecemeal and selective” and pledges to abolish it. Earlier, I said that the scheme was delivered by the private sector to the private sector with a minimum of fuss. Yet the coalition is prepared to walk away from that assistance which has seen our industries develop across-the-board in the past three years. That program has been instrumental in enhancing the competitiveness of Queensland companies in export markets. More importantly, it has been providing jobs in the manufacturing sector for Queensland. Tonight, as Business Minister, I give the commitment that we will not walk away from NIES. We will continue to support that program. Admittedly, without the support of a Hewson Government, if it were ever to be elected, that program would have to be curtailed. However, we will not abolish it. We will leave it to the coalition to walk away from the industry sectors of this State.

Mr Davies: That’s the pro-business party’s proposal.

Mr ELDER: It certainly is the pro-business party’s proposal. It is an industry program that has seen dramatic job growth in this State’s manufacturing area, and Opposition members are prepared to support their Federal colleagues and walk away from it. Recently on the Gold Coast, I visited a growing manufacturing company called Micromedical Industries, which is typical of companies that I have visited throughout the State. It is manufacturing high-tech pacemakers and high-tech heart monitoring devices that are readily accessible to the export market. In fact, my department has encouraged that company through its research and development phase, through manufacturing and into export with the assistance of those industry programs. At present, 80 per cent of its product is export product. Evidence of that assistance can be found in the words of the general manager, who stated—

“Without that NIES support and without that NIES program, we would not have been able to develop this company beyond its initial stages.”

In developing that new technology, that company has enhanced Queensland’s ability to export in new high-tech areas and it has increased employment opportunity. Over the last two years, that company’s work force has grown from 3 employees to 11 employees. In 12 months, with new export programs into Asia and the Middle East, that company will employ 23 staff members. Opposition members will be pleased to know that, when I visited that company, I had a heart test on the heart monitor. I assure them that I will be around for a long time to haunt them. However, if they cut the NIES programs to companies such as Micromedical Industries, those companies will have the heartburn and heart attacks. They will be cut off in their infancy. The Gold Coast provides a good example of growth in manufacturing. Over the last two years, employment in manufacturing has grown from 12 500 to 16 000. On the Gold Coast, 85 companies have been assisted under the NIES program with funds and grants totalling \$500,000. When I was at the Gold Coast recently, I highlighted that the Government had supplied that assistance. I did not hear one Opposition member from the Gold Coast criticise the Fightback package or deny that the coalition was walking away from those manufacturing companies. Opposition members kept their heads down because they have no industry policy and no vision. When it comes to industry policy, they have the vision of the Spanish Inquisition.

Mr Veivers: We brought Fisher and Paykel from New Zealand.

Mr ELDER: I did not hear the interjection, but the honourable member should be careful about interjecting, because I will nail him down the coast. He is walking away from growth in the manufacturing sector. As I said this morning, when it comes to industry policy and to Fightback, members of the Opposition are jellybacks. There is no doubt that GST is a monster tax. It will raise \$24 billion, and it is going to hurt every small business—and the Opposition knows it.

Mr Borbidge interjected.

Mr ELDER: I will invite the honourable member to the opening of the regional office of my department in his electorate next month. The Opposition will make every small business in this country a tax collector.

At a time when the Goss Government is cutting red tape, the Opposition, through the professor, will be introducing the greatest red tape tax ever. In the last week, we have cut out 15 regulations, and 30 regulations were cut out over the last two months. This Government is committed to helping business; to getting off the backs of businesses; and to cutting regulation. The Opposition, with its support for GST, is providing small business with the biggest compliance measure and the largest red tape compliance measure that has ever been seen in its history. It is one enormous layer of red tape. Small business is looking to the GST compliance measures for the country in the same way that young chickens look forward to Christmas. This document sets out the GST compliance requirements on small business in New Zealand. The other day, Mr Reith said that it is pretty easy and pretty simple. It is 150 pages thick. I can tell him that it is not simple, and it is not easy.

Mr Budd: About as thick as Mick's head.

Mr ELDER: I would not say that about the member for Southport. It might be as thick as his shoulders; we could not say that about his cranium. The simple fact is that people will need to read and absorb this because the professor, who has never run a small business, will be asking them questions about it later. When considering the overseas experience, it must be remembered that the cost of compliance for small business in New Zealand has meant an estimated 20 per cent dissipation in time and resources for those businesses. In other words, it takes one day a week to administer that tax. Even the Finance Minister, Ruth Richardson, who was responsible for the administration of the tax, said that as a politician she was committed to the tax but, as a woman, she was concerned that the wives of small-businessmen would have to spend Saturdays, Sundays or at least two nights a week doing the bookwork. As I said in the House not long ago, for small business, this is a "goodbye Sundays tax".

Canada's circumstances are very relevant to Australia. As Richard Krever of Monash University said on *Lateline* last night—before Mulroney had resigned—the Canadian reforms are very analogous to ours. He said that in Canada the evidence exists which shows that people will get hammered by a GST. Earlier in the day, the member for Clayfield said that the Canadian example was not relevant because no taxes were removed to pay for their GST. That is totally incorrect. That is not what the Minister responsible for the tax, Otto Jelinek, said this morning. He said that the main objective of introducing their GST was to eliminate the old Federal manufacturer's sales tax which was an obstacle in the path of the Canadian producer, manufacturer and exporter, and replace it with a value-added tax which would put their manufacturers and exporters on a level playing field with their international counterparts. We hear a lot of about level playing fields from the purists on the other side of the Chamber. What he was saying—and what the member for Clayfield missed—was that they replaced a tax with another tax. It did not matter about the percentage; it was a tax being replaced with a GST, and a GST is a GST, in anyone's language. The coalition will be replacing a number of taxes with a \$24 billion monster tax.

The president of the Canadian Federation of Independent Small Business, John Bullock, was asked on ABC radio what he would say to small-businessmen and small-businesswomen in Australia who were trying to weigh up the pros and cons of the GST and what the effects of a GST would be on them in this country. He said that they could expect a huge burden of tax on the consumer; a very substantial drop in consumer spending; a big growth in the underground economy—the black economy, the economy that the Federal coalition says will be removed by a GST. That is evidence of the rot that they have been trying to peddle. Mr Bullock said that small-business communities will be at war for the rest of their days under a Liberal Government. He said that GST was also very damaging to the small businesses themselves and that it creates a huge burden of paperwork. His next comment was that it was very harsh on small firms and

very much resented by consumers because it takes a big bite out of their wallet. Here is the ripper! When asked whether the GST—and this has always been the coalition's argument—would actually create jobs, Mr Bullock said that those claims were political crapola! And I agree. He said that, last year alone in Canada, the estimated costs on small business were \$6 billion to meet the compliance requirements—extra documentation, forms, auditing of books, statements, extra time. Small business in that country was faced with \$6 billion in compliance costs, and the coalition says that the GST will not hurt small business. What a lot of rot!

That organisation also surveyed the 25 000 small businesses in Canada, and 70.6 per cent of the respondents—honourable members will not be surprised at this—found that the GST had a negative impact on their business and was anti-employment. Eight per cent believed that it was somewhat positive, and 14 per cent said that they believed that it did not have an impact at all. That is not rhetoric from this side of the House; that is the result of a real survey that was conducted of 25 000 small businesses in that country. Over there, they call it the “go south tax” because people go across the border into the United States to do their shopping. We do not have borders and, unfortunately, New Zealand is in a worse position than Canada. As I said, for small business it will just be the “goodbye Sundays tax”.

A study in the United Kingdom found that the compliance costs for small business—and this is amazing because it affected the people whom Opposition members purport to represent in this House and those who are taken for granted by them—are 260 times greater than those for big business and large companies. What does that mean? It means that it has done the same as it will do in Australia, namely, take away the competitive edge for small business. It must be remembered that small business does not pay the taxes that have been listed by members of the Opposition during this debate, such as wholesale sales tax. The compliance costs will cripple the cash flows of small businesses. I know that Opposition members are not interjecting because they realise that what I am saying is exactly correct when it comes to small business.

In Australia, the head of the Council of Small Business Organisations, Bob Bastian, said that small firms want Governments to stop pummelling them with paper. When referring to GST, he said that, for the owner, it will simply mean more hours of work at night or on the weekend while he or she is wading through the paperwork. Owners cannot quantify the cost, so they cannot enter it against their tax.

Mr Purcell: It is the “goodbye Sunday tax”.

Mr ELDER: Exactly. What will happen under the GST is quite clear. There will be no support from the coalition's industrial policy and there will be heavier taxes. People should remember that while Dr Hewson has made great play of abolishing \$20 billion in taxes, the GST will raise \$24 billion. He will also cut expenditure by \$10 billion. One can juggle the figures all day, but in the end result small business will still be behind and there will be more paperwork involved in the process. I will conclude my speech shortly because, in common with the Attorney-General and being an efficient small business Minister, I am interested to see whether we can achieve a 15 per cent cut in the time of this debate, as it is now 20 minutes to 11. In conclusion, I will cite the words of a well-known social commentator, Reg Mombassa. As honourable members would know, Reg was a member of the Mental as Anything band and is now with Dog Trumpet. The comment he made was published in that celebrated journal of political record, *Rolling Stone*, and this week he wrote—

“ . . . the Liberals are devious opportunists obsessed with the welfare of the privileged, and desperate to exercise stern power. If these beady-eyed, money-grubbing creatures from hell are elected, they will plunge this country into a vicious blood-caked dark cage that only the most brutal will survive.”

I, and small business, concur.

Dr WATSON (Moggill) (10.39 p.m.): I have listened intently to the debate today. Basically, the Government has presented a litany of items that will be the subject of a 15 per cent GST, and has suggested what may or may not have happened in Canada or New Zealand. There has really been no thought given to what is good for Australia or what would be good for Queensland. No thought has been given to how Australia and Queensland will adapt, survive and thrive in an increasingly competitive world economy. There has been no mention of the 21 OECD countries, including Germany and Japan, that have a VAT or a GST, or of the 60 or 70 other countries around the world that have introduced a similar taxation system. There has also been no mention of the newly developing European countries currently emerging from behind the Iron Curtain that are also adapting their economies to a value-added taxation system. No Government member has asked why countries such as Germany or Japan have a VAT system or suggested why they, as the major exporting and manufacturing countries of the world, would introduce a system which would disadvantage their manufacturing bases. As one would expect in an election year, the Government has run a scare campaign.

The unstated assumption is that Australia already has a fair or efficient taxation system—one that encourages the creation of wealth; that provides and will continue to provide the basis for a fair distribution of wealth; and one that maintains our ability, in a tolerant and fair society, to help those who are less well off. The present taxation system is one which, over the past 10 years, has led to Australia's net foreign debt blowing out from \$21 billion to \$160 billion; or, put another way, from approximately \$1,000 for every man, woman and child to more than \$8,000 for every man, woman and child. The tax system has discouraged investment and savings by Australians; thus it is directly implicated in the tragedy of one million unemployed Australians and a further one million who are underemployed. As technology and other factors both here and abroad change, the current taxation system has made Australia and Queensland less competitive. The present taxation system is patently unfair to ordinary Australians. It lets off the crooks and the cheats tax free, and it imposes the highest rate of personal income tax on ordinary Australian families.

Mr Nuttall: But we cut it out.

Dr WATSON: During this debate, I intend to put forward an economic and rational analysis of this particular issue. In doing so, I wish to examine what has happened to the Australian taxation system since 1983. I will examine the weaknesses of that system, the economic imperative for taxation reform, and how the coalition is responding to that economic imperative. There is no doubt that since 1983 the current taxation system has been changed and that some of those changes, as the honourable member said by way of interjection, have been good. I agree with that. There has been a restructuring of personal and company taxes, particularly in relation to the levels at which they are applied. There has been an introduction of imputation on corporate tax income which has led to a reduction in disparity between debt and equity finance. There has also been a broadening of the income tax base, the introduction of a capital gains tax, the introduction of a fringe benefits tax, the introduction of superannuation levies, the introduction of the prescribed tax payment system, and the interest and dividends withholding taxes. There has been a broadening of the indirect tax system. That happened, of course, after Keating was rolled at the tax conference in 1985. He immediately broadened the indirect tax system and included many, many items that had never been included as part of the wholesale sales tax system.

A common theme runs through those developments. The tax system was changed by Hawke and Keating to a more consistent income basis, through their crackdown—with which I agree—on tax evasion and avoidance and through new taxes and a tougher taxation collection system, as opposed to moving to a different basis, such as an expenditure or consumption basis. I do not criticise the measures taken to control tax evasion, but there is no reason why those measures should have increased the aggregate tax collected. Over the 1983-1993 period, there has been a massive increase in the amount of personal and corporate tax collected. Australians and Queenslanders have been hit hard by that extra tax bite. The changes that Hawke and

Keating introduced could instead have been combined with a decrease in the taxes paid by erstwhile honest citizens. It would have been far preferable to eliminate the deficit which Keating himself created in the 1983, 1984 and 1985 Budgets by adopting expenditure cuts rather than embracing large tax increases.

The retention of income as the basis of the personal taxation system instead of moving to expenditure as the basis of the tax system continues to penalise savings. Over that period, Keating and Hawke ignored research that was available showing how to tailor an income tax system and welfare and indirect tax reform in a fair way and yet achieve considerable efficiencies. First Hawke and now Keating have overstated the difficulties associated with the implementation of a broad-based consumption tax. Inflation has been another significant factor impacting the taxation system since 1983. I remind honourable members that, during the whole of the decade of the 1980s, the inflation rate in Australia was some 2.5 per cent greater than the average in the G7 countries. That inflation rate has interacted with some of the remaining defects in the tax system to exacerbate its inefficiencies. I will give honourable members a few examples of those.

Mr Barton: Are you complaining about the low inflation rate?

Dr WATSON: I will get to that in a moment. Firstly, rising nominal incomes have increased the real burden of taxes by moving individuals into higher tax brackets. There has been a large unlegislated tax increase in this country as a result of inflation and the lack of indexation of the taxation system. Most people refer to that as bracket creep. Secondly, several defects in the company and personal income tax have distorted investment and saving decisions. For example, the deductibility of nominal instead of real interest payments distorts the use of debt versus equity finance. Taxation of nominal interest receipts by householders reduces incentives to accumulate financial assets. The measurement of depreciation allowances in nominal instead of real terms raises the cost of new investment as the inflation rate rises.

Mr Nuttall: It is 1.4 per cent inflation.

Dr WATSON: The current Keating-induced recession and consequential low inflation do not really help. The attempt to tax income instead of expenditure distorts investment and saving decisions even in the absence of inflation. The depreciation schedules often bear little relationship to the true economic depreciation of capital. As a result, firms are encouraged to choose plant and equipment as much on the basis of its tax deductibility as its productivity.

The quite arbitrary and capricious distinctions often made between new investment and maintenance expenditure mean that the more assured deductibility of some types of maintenance expenditure can reduce the after-tax price of less durable capital goods below the after-tax price of otherwise more suitable, long-life capital goods. In addition, the less than full deductibility of new capital expenditure produces a perverse incentive to overmaintain plant and equipment. The fact that capital gains are taxed on realisation but not accrual encourages savings which yield high capital gains far into the future. It also encourages the use of tax shelters that convert ordinary income into capital gains. Finally, the defects of the tax system are responsible for much of the deficit in domestic savings relative to investment and for the poor quality of many domestic investments. The fact is that the current taxation system has significant deficiencies and, as our economy changes, those deficiencies lead to greater distortions in our economy and lead to an inevitable reduction in investments and a less fair system.

The questions that a Federal Government—whether it be a Labor Government, a Liberal Government or any other Government—must address are the central issues that I raised earlier. How does a Government create a taxation system in Australia which encourages investment, which encourages savings and which thereby encourages employment and a fairer distribution of the wealth of this country? There are two major and distinct objectives in the taxation system other than the one that we normally think about, that is, raising revenue for the Government. The first objective is one of

economic efficiency. We want a system that is economically efficient. The second issue is one of equity. We want an equitable taxation system. Everybody in this place would agree with that. Economic efficiency favours tax instruments that are conducive to wealth creation. The second objective—one of equity—would call for taxes that assist in an equitable distribution of wealth. The exact mix of those objectives may involve some political compromise, but I emphasise that both are used in shaping any country's taxation system. Both are used in shaping Australia's current taxation arrangements and in every other western country, including those that have a GST or a VAT.

The argument for changing Australia's tax methods is one which implicitly promotes a greater emphasis on long-run economic efficiency and long-run equity through wealth creation, growth, investment and, most importantly, employment. The generation of wealth is a necessary condition to enable all Australians to enjoy a higher standard of living, better social services and the chance to have a job. The thrust of any tax reform which attempts to promote capital accumulation and growth should be twofold. Firstly, it should contribute to a reduction of the overall tax burden and Government interventions in the economy. Secondly, it should, through changes in the revenue structure, create incentives for growth, capital accumulation and innovations.

In the Australian context, tax reform should entail a lower top rate, a less progressive personal income tax schedule and an increased weight for indirect taxation in the country's tax system. Accordingly, from an economic perspective, a tax mix change proposed to reform the Australian tax system must include the following elements. It does not matter how one wants to put them, the following elements must be included. Firstly, there should be the introduction of some value-added or consumption-based tax. Secondly, it should include the abolition of the existing narrow-based wholesale sales tax, just like every other major manufacturing and industrial country throughout the world has done. Thirdly, there should be adjustments of the aggregate level of excise duties or taxes with a similar impact by the value-added tax rate to retain the current aggregate indirect tax burden from those sources. Fourthly, they must include funding a significant reduction in income tax rates, reducing aggregate personal income tax collections. Finally, there should be compensation of social security recipients and pension beneficiaries to retain an equitable distribution of wealth. Let me add that, from an economist's viewpoint, a revenue-neutral tax mix change involving reduced income taxation financed by a broad-based consumption tax will probably have the following positive changes in the economy. The first is a reduction in the distortions to business production decisions, household purchase decisions, saving and investment decisions, and the choice of saving and investment options.

Mr Beattie: You have lost me.

Dr WATSON: I would have expected that. I thought the honourable member might have tried listening. The second change is a promotion of national saving, a lower consumption share and higher share for investment in the composition of aggregate demand. Thirdly, it should generate an increase in the supply of labour and a greater work effort on the part of individuals. The fourth is a stimulation of exports and import substitution. In other words, it should result in a higher share of net exports in the composition of aggregate demand, an increase in international competitiveness and in a greater integration of the Australian economy with a world economy and, finally, an increase in declared income through taxation of the black economy.

An honourable member interjected.

Dr WATSON: This is very, very truthful, unlike the rest of the nonsense on the other side of the Chamber. A good case can be made that excessive income tax inhibits growth. A major criticism of excessive personal and company income taxes is that they create distortions in economic decisions. Income tax may distort the choice between work and leisure, the choice between taxed and untaxed activities, and it may reduce mobility of labour. Furthermore, income taxation affects the choice between present and future consumption by favouring the present consumption and, via reduced savings, depresses investment in both physical capital and research and development through

high interest rates and thus represses capital accumulation and technical progress. Those effects of income taxation for a country such as Australia will impair the country's international competitiveness, resulting in loss of markets, high unemployment and socio-political tensions. That is the hard, if you like, economic reality that we are facing. They are the kinds of changes that need to be made irrespective of what kind of Government is in power. Irrespective of how a Government wants to try to implement it, they are the kinds of economic changes that will have to be made.

The coalition has put forward a set of proposals which try to address those issues. It understands that Australia does have economic problems right now. It understands that we do face a foreign debt of \$160 billion. It understands that there are one million people unemployed and another million wanting more employment. It understands that the labour market is inefficient and that the waterfront is clogged and needs to be changed. It understands that the transportation system in Australia is unproductive and the fact that the railways of this country are inefficient. The coalition understands that the taxation system is unfair, that the cash economy continues to be untaxed, and that the taxation system provides no incentive to work or to save, either for companies or for individuals. The coalition has recognised the problems Australia faces and recognises that the taxation area has to respond to the economic imperatives noted earlier.

There are six elements to the coalition's tax reform package and they basically address what most economists throughout this country and throughout the world would say a competent indirect taxation system and income tax system ought to face. There will be, in the coalition's package, substantial personal income tax relief—in other words, a lowering of the aggregate personal income tax in this country. The package will be abolishing the wholesale sales tax and getting it out of the manufacturing area to make the manufacturing firms in this country more competitive. It will be abolishing tax on exports and tax on business inputs. It will be introducing a goods and services tax as an integral part of shifting the tax emphasis from income to consumption. It will be targeting significant cuts in Government expenditure and it will be compensating low income earners. The coalition package addresses most of the economic issues and the economic imperatives that any rational taxation system in this country should. It addresses the economic efficiency argument as well as the equity argument.

Time expired.

Hon. T. M. MACKENROTH (Chatsworth—Minister for Housing, Local Government and Planning) (11.01 p.m.): I want to make some comments on how the GST will affect my portfolio. Last week, Senator Ian Macdonald was forced to tell the people of Australia about the charges that would be levied under the GST on local government services such as water, sewerage and recycling. In that connection, he stated that the GST did not really apply to water charges but, when pressed, he stated that the GST did apply to them. In other words, if he was pressed, it would apply; but otherwise a decision would be deferred until the coalition was elected to Government. The next day, Dr Hewson had to clarify the statement by Senator Macdonald. Dr Hewson told the people of Australia that the goods and services tax would, in effect, apply to water charges and to sewerage charges.

Senator Macdonald's statement last week was not enough. Today, in South Australia, he trotted out again. On a visit to the marginal seat of Grey, Senator Macdonald was asked about the coalition cutback of 5 per cent to local government grants and, in particular, the effect of that cutback on the Port Augusta Council. He stated—

“On those figures that you've given me there are obviously very special circumstances in this area, special circumstances that I'm not certainly aware of at this stage. And if there are anomalies in this community that put it apart from the rest of Australia, and you are in some way disadvantaged, then certainly that's something that we would look into as a special case.”

Port Augusta is located in a very marginal seat which the coalition wishes to win. For that reason, the Senator decided that, of the 915 local authorities in Australia, the Port

Augusta Council is special. It is the only local authority in Australia which has been able to prove to the satisfaction of the coalition that it will be worse off under Fightback. Queensland's 134 local authorities, which will also be subject to a 5 per cent cutback, will not be considered as special cases. The only council that—

Mr Connor: Are you going to take a 10 per cent reduction in your pay?

Mr MACKENROTH: That would have to be the stupidest thing I have ever heard. If the honourable member were paid what he is worth, he would have to pay the Government 15 per cent. The coalition will start to pork-barrel in electorates where it thinks it needs to gain more voter support. All such areas will be classified as a special case.

The 5 per cent cutback to local authority grants will affect every Queensland council. No Opposition member has stated that he or she supports the cutback in funds to councils. However, Opposition members support the letter that Rob Borbidge tabled in this House on Tuesday, which asserts that Dr Hewson supports those cutbacks. The cutbacks will mean that every Queenslanders will pay more for local government services. A charge will be levied on water. People will have to pay 15 per cent whenever they use the toilet, because a 15 per cent GST applies to sewerage services. If people participate in recycling schemes, they will be charged 15 per cent. In fact, the GST will be levied on every charge other than basic rates.

Some local authorities have performed calculations on the resultant cost of the cutbacks to Queenslanders. They claim that each person will face costs of between \$100 and \$220 per year in every local authority throughout Queensland. In his letter to Mr Borbidge, Dr Hewson tried to claim that Queenslanders will be better off. How can they be better off when they will have to pay local authorities an extra \$100 to \$220 per year as a result of the GST? Those figures were calculated exclusive of the 5 per cent cut in financial assistance grants to which councils will be subjected. Once that cut is taken into account, of course, rates will increase, for that is only the way in which councils can recoup those losses. Members of the Opposition continually approach me for extra money for their local authorities. There is nothing wrong with that; it is their job to represent the people who elected them and to represent the councils in their electorates. They tell me that the council in their area needs special funding for water, sewerage, roads and other items. Those honourable members should really have a long think about what the 5 per cent cut in financial assistance grants will mean to the ratepayers in their electorates.

I turn now to the housing package. In the letter to Mr Borbidge, Dr Hewson claimed that Queenslanders will be better off under the coalition's housing package, but that is a load of rubbish. Some selected Queenslanders might be better off. In the *Australian* of 1 September 1992, Dr Hewson stated—

"In any street, of course, it is always easy to tell the rented houses. They are the ones where the lawn is not mowed, the plants are not watered and the fences are not fixed."

That is what Dr Hewson thinks of the Australians who cannot afford to buy their own homes. Many Australians cannot afford to buy their own homes, and many of those people will probably never do so. Since 1946, under successive Governments both State and Federal, such people have been assisted by the provision of housing in the rental market under the Commonwealth/State Housing Agreement. Throughout Queensland, approximately 42 000 homes or units are rented to people. However, the Federal coalition wants to make direct cuts to the Commonwealth/State Housing Agreement of between \$100m and \$150m in the first year and \$250 and \$300m in the second and third years, which totals—

Mr Connor: What about all the money that's going to go directly into people supplying—like the subsidies for rent? What about those? They produce about 20 times the number of people getting into homes than what your system does.

Mr MACKENROTH: The honourable member's argument is that Fightback will assist more people. Fightback asserts that for every \$1m that is spent on capital, 9.5 families are assisted, while under rent subsidies, 309 families are assisted. That is an erroneous assertion, because the rent subsidy is severely time limited. Although capital investment has a 50-year to 70-year life, the subsidy that is going through a private landlord lasts for one week. That was illustrated clearly in research undertaken by Econsult Pty Ltd during the 1989 national housing policy review. That company compared money spent on rent assistance with public housing over a 20-year period. It found that there would be 65 per cent more accommodation available under the public housing model than under the model that the Opposition is promoting. That difference increases to 200 per cent after 30 years. The Opposition is talking about providing a direct rent subsidy to private landlords, which will go straight into the private market. That will not provide one extra house. As I have stated, through the public housing model, over 30 years, 200 per cent more assistance will be given. Governments must have much longer foresight than simply one year. The Opposition's model assists landlords. Under Labor's model, and the model that has been supported by successive Liberal, National and Labor Governments over the past 40 years, the stage has been reached—

Mr Connor interjected.

Mr MACKENROTH: The honourable member is becoming a total bore. He will not listen. As to Queensland's Budget—for 1992-93, Queensland received grants totalling \$185.8m. Of that amount, Queensland repays Commonwealth funds of \$30.2m. Under a coalition Government Fightback policy, cuts to the Commonwealth grants would be \$100m. That would leave Queensland with available funds from the Commonwealth of \$55.1m. Under the coalition's policy, \$25.2m of this amount would be directed to the Aboriginal rental housing program, which is not cut. Thus, Queensland would be left with \$29.9m in Commonwealth grants for mainstream public housing. Certainly, that will not help to provide the housing that the department has been able to provide over the past three years, when the number of rental dwellings in Queensland has increased by 10 000. Under the coalition's program, instead of building 2 400 units over the next three years, that number would be cut to 900. Therefore, as a direct result of those cuts, approximately 1 500 units will not be built and 1 500 families will not be housed. As I said, there will be a 71 per cent cut in Commonwealth/State Housing Agreement funds from \$185m to \$55m. Queensland will be forced into a situation in which 2 per cent of public housing stock per annum would need to be sold, which is another 800 dwelling units that would go out of that stock. No Opposition member can argue that, under a coalition Government, people who require public housing in Queensland will be better off than they are currently. However, Dr Hewson has said that Queenslanders will be better off. It is obvious from his statements in the *Australian* that he does not consider people who live in rented homes to be true Australians and that he has very little time for them.

As to people who want to build their own homes—under Fightback, it will cost an extra \$4,000 to build the average home, without the additional 15 per cent which will go on to real estate agents commissions, legal fees and any other charges. As to the Building Better Cities Program, which I mentioned yesterday—under Fightback, a considerable amount of money will be taken away from Queensland—\$87.625m. That is ridiculous. Mr Borbidge's electorate will suffer. There will be a cut of some \$34m to the Gold Coast. I believe that the Transport Minister said that, with the money that is available, the railway line to the Gold Coast will go only as far as Helensvale, rather than down to Robina. The honourable member is supporting that. How can he let contracts for work that is not ready to be let? If Mr Borbidge believes that—and that is what he tried to say yesterday—he should get a commitment from Dr Hewson that he will fund—

Mr Borbidge: How many guarantees do you want?

Mr MACKENROTH: The guarantee that Mr Borbidge got is worth nothing. He should get a guarantee from Dr Hewson that he will fund the agreement that the Queensland Government has entered into with the Commonwealth.

Mr Borbidge: Put up a case.

Mr MACKENROTH: The case is already there. Mr Borbidge should get a guarantee that Dr Hewson will support the agreement that we have entered into—not the contracts that have been entered into, but the agreement that has been entered into between the councils and the State and Commonwealth Governments. Mr Borbidge's letter talks about a guarantee. I challenge Mr Borbidge to get a guarantee that we will get that money.

Mr Borbidge: Put up a case.

Mr MACKENROTH: Mr Borbidge knows that that \$87m will go if a coalition Government is elected.

Mr Borbidge: The Leader of the House wants the Leader of the Opposition to negotiate. A great effort!

Mr MACKENROTH: No. The Leader of the Opposition raced off on his own and got this guarantee that told us that Dr Hewson guarantees that he will take away \$87m. I challenge Mr Borbidge to go out and get the rest of it. The sum of \$20.275m will be taken from the Inala-Ipswich corridor, and \$23.5m will be taken from Brisbane's north-east suburbs. As to South Townsville—the sum taken will be \$8m. Every time that Mr Borbidge goes to north Queensland, I will remind people in that area that that is the sort of guarantee that Mr Borbidge can get for them, that is, a cut of \$8m. A cut of \$1.325m would be made to the funds for Mackay. Those funds were set aside to provide student housing. The coalition would ensure that that funding goes. I believe that one of the matters about which the Deputy Premier wanted to speak this morning, but did not get a chance to do so, related to these great patriots on the other side of the House. The 15 per cent GST will apply to the Australian flag.

Mr Borbidge: Have you ever bought a flag?

Mr MACKENROTH: Yes, I have.

Mr Elder: They will even tax membership of the RSL.

Mr MACKENROTH: That is right. The Federal coalition would charge 15 per cent to join the RSL. What does Bruce Ruxton think of that?

Mr Hobbs interjected.

Mr MACKENROTH: There is no 20 per cent charge on joining the RSL. But the Federal coalition would charge old diggers who fought for this country 15 per cent to be members of their own organisation. That is unbelievable. If the coalition could get some money out of them to march on Anzac Day, I am sure that it would do so.

Mr VEIVERS (Southport) (11.19p.m.): I really want to thank "Whingeing" Wayne for giving members the opportunity to talk about the plan that will give Australia a fighting chance of getting out of Labor's depression. The tourism industry has seen the most spectacular growth of any industry in this country, as Margaret Woodgate said today. With all the positive incentives in the sensible coalition policies, the industry will grow even faster. The last full year's figures available for overseas visitor arrivals in Australia show a yearly increase of 12 per cent. Those people come here and spend money that provides jobs for young Australians and builds infrastructure that all Australians can continue to enjoy. The industry contributes an enormous amount to Australia's foreign exchange earnings, and the increase is staggering.

In 1981-82, the tourism industry contributed just over \$1,700m. By the end of the last financial year, that figure had rocketed up to \$8,000m. The tourism industry can now take the credit for almost 450 000 jobs for Australians. Those are true jobs in the industry—not supporting jobs. That is impressive—even more so, because Labor has thrown more than one million people onto the employment scrap heap. We have to hope

that the coalition plan will be implemented fast, so that it can allow tourism to create even more jobs and increase the prosperity of many Australian communities. Fightback will do that by cutting the tax burdens imposed on the tourism providers and by putting more money into the pockets of ordinary Australians. With a few more dollars to spend, we can count on Australians to take holidays again and see their own country. Domestic tourism is already the largest segment of this important industry, contributing 320 000 jobs.

The Labor Party has told a lot of barefaced lies about the effects of the cut in fuel taxes—19c for private motorists and 26c for business users. The fact is that a Brisbane family driving a Falcon or Commodore to the Gold Coast, which is a terrific place to visit, would save \$3 in petrol on every return trip. For every 1 000 kilometres that they drove on a holiday, or for any other reason, they would save \$14.80.

Mr Beattie: What about a BMW?

Mr VEIVERS: It does 30 miles to the gallon. Ministers cruising around at public expense probably do not even know what petrol costs any more. I can assure them that ordinary people do know, and they are angry. Labor has used motorists as a milking cow for Treasury, and domestic tourism has suffered as a result of that. There is no doubt about that. If people can get to destinations more cheaply, they will be more likely to make more trips, which is good for every major tourism area in Australia. Bigger fuel savings are provided in Fightback for the mass carriers—the airlines and the coach lines. They will save 26c on every litre of fuel they use, and that saving will be passed on in savings to passengers. The competitive forces imposed by the markets will definitely see to that.

There are other big savings for tourism in the abolition of indirect taxes under Fightback. Another Labor lie is that most tourism operators will not benefit from the abolition of payroll tax. Most motel owners, hotel owners, souvenir shops, many transport operators and so on have too small a payroll to pay the tax, but they all deal with major companies who pay the tax and pass it on every time they sell their goods or services. There is a payroll tax component in every taxi fare, every bus fare, every motel room or meal charge, and every entry ticket to every tourist attraction. Labor lies have not fooled anyone in the tourist industry. They all know that their big suppliers pass on every cost they face.

Wholesale sales tax is another inhibition on business profitability, and even viability, in the industry. Every bus and taxi used to transport anyone, including tourists and people going on holiday, attracts a 20 per cent sales tax. The same rate applies to spare parts, tyres, lubricants—as the honourable member for Gregory mentioned in his speech—and all the other things that keep those vehicles on the road.

Mr Szczerbanik: He'd know about that.

Mr VEIVERS: He knows much more than the honourable member does, but he does not have anything to beat. Every private car with a wholesale value of over \$30,000 attracts a wholesale sales tax of 30 per cent. Honourable members should consider all the items that a motel must buy to stay in business such as disinfectants, insecticides, starch for the laundry, detergents—they all attract 20 per cent sales tax. Cling wrap and aluminium foil used in the kitchen attract sales tax of 20 per cent. Equipment for the pool, the spa and the gym attract sales tax of 20 per cent, as do the tools and equipment for maintenance. There is a wholesale sales tax on non-alcoholic drinks and a large range of food items. A tax is imposed on all the crockery, cutlery, silverware, bed linen, garbage bags—

Mr Szczerbanik: We know all that.

Mr VEIVERS: I am sorry. When I said that, I was looking at the honourable member for Albert. Sales tax applies to hot water systems, septic systems—Government members might know about that—and sewerage and bathroom fittings. It is a whopping Labor lie that businesses such as those face a 15 per cent rise in taxes because of GST. That is what Government members are trying to tell us. Many of the costs will come

down from very high levels. The effect of the elimination of wholesale sales tax and the imposition of the GST—

Mr Burns interjected.

Mr VEIVERS: The Deputy Premier is not even sitting in his usual seat. The effect of the elimination of that tax will mean a fall in business costs for every business involved in tourism. That is why the Labor Party has been unable to bully the industry into joining its scare campaign. The fact is that tourism operators cannot wait to get their hands on the increased business that Fightback will bring them. They also cannot wait for the sensible industrial reforms that will come with the election of the coalition Government on 13 March. There is a clear recognition by the coalition that tourism is a 24-hour-a-day, seven-day-a-week business and emphasis on real enterprise bargaining on the basis of reality will see real benefits for business operators and their staff. It will also see more realistic approaches to staff costings and, most important of all, it will make a lot more sense to take on more staff—to rescue more decent Australians from the scrap heap of Labor's failed policies. I proudly represent a seat on the Gold Coast—the premier tourist destination in this nation.

Mr Foley interjected.

Mr VEIVERS: It is good to see that the Minister is awake. On the Gold Coast, we know what it takes to boost the tourism industry. We know that it will not happen under the Keating plan of more and more taxes on business and more and more taxes on individuals. We know that it will not happen with added loony Labor imposts such as quarterly company tax to steal more millions from the pockets of struggling businesses. We know that it will happen under Fightback and all the other policies built around it. We know that with reduced personal taxes and cheaper transport people will be more and more able to take a holiday with their families—something that most of them cannot do now.

Mr Beattie: Oh!

Mr VEIVERS: It is all right for the honourable member; he goes to Europe and has a great time. But the real workers whom he is supposed to represent and look after come to us in the National Party—the real workers' party in Queensland.

Mr Beattie: You have a BMW. They would relate to that.

Mr VEIVERS: Yes, it is one of my farms on four wheels. When business costs go down, the prices have to go down. The Gold Coast is ultra competitive, and I can assure the House that no motel operator will survive if he keeps his prices artificially high. The guy across the road and the guy next door will soon see to that. It is called competition, but Government members would not know much about that.

The Labor Party and its mates in some sections of the media made a great noise about a request by ATIA for GST exemption for inbound tourism. I listened to the earlier comments of the Minister. It is a shame that he is not in the Chamber at the moment. That request was knocked back, for very good reasons which everyone in the industry now understands and accepts. It would be a ridiculous situation for Australians to pay more for tourism facilities that they share with overseas visitors. The Minister had not even thought of that. It would be grossly unfair to make people sitting down at the same table pay a different rate for their meals, or people sharing a motel to have discriminatory room rates. Labor hoped that the tourism industry would make a lot of noise about that. But the industry is made up of practical people who accept that their industry will benefit hugely from the change in Government that will occur on 13 March and they are happy to join in the general increase in Australia's prosperity.

The greatest bare-faced lie—the greatest bit of hypocritical scaremongering that Labor has engaged in lately—relates to the effect of the GST on the racing industry. Think of the unadulterated rubbish being peddled by people who should know better, people such as the Minister for Tourist, Sport and Racing, Mr Gibbs; people such as

Premier Wayne—"Whingeing" Wayne; and people such as the Deputy Premier, who this morning stood in this Chamber and indulged himself in fairytales.

Just about every aspect of the racing industry will see real financial benefits from the elimination of Keating's hidden taxes, and their replacement with an open and highly visible GST. Punters will be better off, because there will be no GST on gambling, race clubs will be cheaper to run, and prize money and sponsorships will be effectively free of GST. That is a fact—not desperate Labor fiction. Labor has had a couple of stooges in the industry raise a few furrphies for the politicians to run off. For example, one is that there will be crippling new taxes on trainers. I want to set the record straight. At present, trainers pay Keating's hidden taxes on just about everything that comes through the stable gate. There is 20 per cent sales tax on saddlery, and there is a 26c per litre tax on the fuel that the float contractor uses.

Mr Burns: More sense comes out the back of a horse than what you are saying.

Mr VEIVERS: I have had a few horses. Trainers are in the business of racing. Training is a source of professional income, so any GST they pay in making that income is rebateable. The GST they pay on a bridle, a jockey pad or a lunge rein will be offset against GST. The GST they pay on feed will be rebated or offset. A member on this side of the House tried to tell Government members that, but they would not listen. That puts a lie to another one of the Labor Party's scare tactics. Feed is a basic cost to every trainer and professional horse owner, as well as every breeder. If they were stuck with Labor, they would be paying sales tax on special feeds—which they all do now—as well as increased costs for the delivery of that feed. The bill from the float will fall a long way because of the end of the fuel tax and because any business input is not finally taxed.

Clubs will not be harmed, and they will even benefit. The GST they pay on prize money to trainers and jockeys will be refunded, while those trainers and jockeys will use the GST payments they receive as offsets for GST they have to pay on professional purchases. The clubs get another benefit. No longer will they have to pay the sales tax that Keating and Labor impose on such equipment as television monitors and cameras—about 30 per cent—or the housekeeping items such as chemicals, detergents, food and drinks, and office supplies at 20 per cent. Because race clubs will be cheaper to run, basic admission prices are expected to fall significantly before the application of GST. There will be no rise in admission prices, or else a very small one. That rise will be easily managed by the punters because of one of the other essential elements of Fightback—the massive personal tax cuts. The tax cuts outlined in Fightback will average around 25 per cent.

Is the Labor Party going to tell me that a punter with an extra \$50 or so in his pocket will balk at an extra couple of cents at the most to get onto a racecourse? Before I leave the topic of racing, I want to say something about the rantings of Mr Gibbs this morning with respect to hobby owners. They are exempted from GST. Their winnings will not be subjected to GST, but they will not have the benefit of a GST rebate on such things as nomination fees. As the Minister conveniently glossed over, the fees they have to pay trainers will fall sharply under the GST proposals. Because trainers will save so much from the tax changes affecting their operations, they will be able to charge owners less. The point that we should all remember about the charges is that some things are imposed, but plenty of taxes are taken off. Different people benefit in different ways, but everyone benefits in the long run from a system that makes sure that we all pay our fair share of taxes and nobody escapes to bludge on the rest of us.

To conclude on racing, I will read a letter faxed to Mr Borbidge, our hard-working and popular leader from Peter Reith. He states—

"I have today"—

that is this afternoon—

"met with representatives of the Australian Jockey Club (AJC) to discuss the consequences of tax reform for the racing industry.

As a result of these discussions and a range of representations from the industry, I have today released a statement detailing the Coalition's response to the industry's concerns. This statement specifically deals with the mechanics of the GST as it relates to the industry.

In response, on behalf of the AJC"—

this is a prime Australian jockey club—

"the AJC Treasurer, Mr Peter Capelin QC, has received the statement as a fair response to the industry and, in particular, has accepted the Coalition's assurance that the GST will not impact on prize monies and, furthermore, gambling will be exempt.

In addition, Mr Capelin agreed that the AJC"—

this is a good part, too—

"in conjunction with other industry groups, will nominate representatives to advise the Coalition on the implementation of the GST.

The Coalition in government will ensure that all aspects of the industry will be taken into consideration."

I table that document. This morning, Mr Gibbs said that although that is the prime club in Australia it is not backing GST, Mr Hewson and the coalition. So much for Mr Gibbs' irrational diatribe earlier today!

In a year when I personally paid \$20,000 in tax, people such as Alan Bond were making as much as \$60m and \$80m, and Labor let them pay a couple of thousand dollars in tax, if that. The existing hopeless mishmash of taxes on sport is indefensible. It has the classic features of Labor Party policy—inconsistency, incomprehensibility and, of course, total incompetence. The result of 10 years of Labor Party rule in Canberra is a tax regime that defies logic. I will cite a few examples of the taxes applying to sport which the Minister defended as though they were all true. Currently, there is a 20 per cent sales tax on tennis racquets and squash racquets. There is a 20 per cent tax on bows and arrows, hockey sticks, saddles, bridles, sports bags and footballs. Under Fightback, that tax will go, and all the prices will go down for sporting equipment, which will become cheaper because of a 15 per cent tax replacing a 20 per cent tax. I do not believe that the Minister or anyone else in the Labor Party can accept the simple mathematical fact that those items will be cheaper—not 15 per cent dearer, which is what this Government is trying to sell to the people of Australia.

Government members interjected.

Mr SPEAKER: Order!

Mr VEIVERS: Admittedly, under current sales tax arrangements, some items are not exempt from sales tax. Again, the exempt categories are a good example of how silly the current system is. Football socks are exempt, but a mouthguard attracts a sales tax of 20 per cent. Apparently, Mr Keating thinks it is more important to have the right socks on at a good price than it is to protect a person's mouth. I also want to mention a special subject that is dear to the hearts of more than a few honourable members. There has been a pathetic attempt to terrify people into believing that a pot of beer will rise by 16c under Fightback. The Labor liars have attempted to pin that one on the Queensland Hotels Association. Yesterday, the association's president, Mr Stewart, issued a statement on this lie, this smear. He flatly denied that the Queensland Hotels Association had produced any report saying anything resembling what the Labor liars were claiming. His letter stated—

"We have examined this issue thoroughly and our Association has not endorsed any report on the effects of the proposed GST. There have been some studies produced within the industry, but none that we have seen had indicated a potential rise of 16 cents a pot."

So much for the Labor liars!

Ms SPENCE: I move that the debate be now adjourned.

Mr FITZGERALD: Mr Speaker, I seek an assurance from the Leader of the House that the debate will be adjourned until after question time tomorrow.

Mr SPEAKER: I think that is fair enough.

Mr MACKENROTH: I told the member for Lockyer outside the Chamber earlier that the debate will be adjourned until after question time tomorrow. I expect that, in future, when I tell him something he will not require me to stand up in this House and place it on the record. When I say something, I mean it.

Mr FITZGERALD: I thank the Leader of the House very much for his assurance.

Debate, on motion of Ms Spence, adjourned.

The House adjourned at 11.41 p.m.