



Speech by

**Hon. M. FOLEY**

**MEMBER FOR YERONGA**

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Hansard 6 August 1998

**MINISTERIAL STATEMENT**

**Goods and Services Tax**

**Hon. M. J. FOLEY** (Yeronga—ALP) (Attorney-General and Minister for Justice and Minister for The Arts) (9.41 a.m.), by leave: I wish to draw to the attention of the House a serious threat to the jobs and job security of the 54,000 people employed in the Queensland arts industry and leisure-related sector, namely, the impact of the goods and services tax proposed by the Federal coalition Government. A meeting of arts industry representatives at the Metro Arts complex in Brisbane last Friday, 31 July heard that reports by KPMG and other respected analysts indicate that a GST would cause job and revenue losses to the arts industry and rising costs to the arts consumer. KPMG's report "Taxation reform and the arts", released on 25 March this year, predicted that a 12.5% GST would result in a 3.4% fall in arts business and job losses for 6% of workers in the arts industry.

**Opposition members** interjected.

**Mr FOLEY:** Members opposite may not care about jobs in the arts industry, but this Government does.

Mr Brian Tucker, arts accountant, told the meeting he predicted a 10% rise in admission costs to a wide range of cultural and recreational activities. The likely timing of the GST would also be disastrous for the arts, coinciding as it probably would with the Olympic Games and the centenary of Federation when competition for the arts dollar is at its fiercest. OECD studies have pointed out that the cost of administering a GST is 30 times higher for small businesses than for large businesses—a disaster for arts businesses, most of which are small.

A GST is also likely to result in a loss of sponsorship as companies cut costs to offset a GST. Econtech modelling reported in the Business Review Weekly of 18 May indicates that the cultural and recreational services sector is one of the three areas likely to be worst hit by the introduction of a GST. Regional Queensland's developing arts industry will feel the impact of a GST very badly. Every book and work of art, including Aboriginal art, would cost more with a GST. There would be immediate loss of sales, of jobs and of cultural tourism revenue. That would hurt ordinary Queenslanders as well as artists, art galleries, authors, publishers, book sellers and everyone associated with these industries. The flow-on would be disastrous.

At the hip pocket, the price of tickets to movies, concerts, theatre and dance would immediately all rise. On the industry side, the costs of production, set building, costumes, exhibitions and art production would balloon, forcing artists and performers out of jobs and closing down many art businesses. Unemployment would rise as arts revenue came down—a double whammy. I urge all honourable members to do all in their power to resist the introduction of the proposed GST.

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