



Speech by

Hon. M. FOLEY

MEMBER FOR YERONGA

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MINISTERIAL STATEMENT

Goods and Services Tax; Film and Television Industry

Hon. M. J. FOLEY (Yeronga—ALP) (Attorney-General and Minister for Justice and Minister for The Arts) (9.43 a.m.), by leave: I wish to draw to the attention of this House the double damage that a goods and services tax will do to Queensland's booming film and television industry. Since 1991, expenditure on films made in Queensland has exceeded \$520m. Queensland now attracts 35% of the Australian film and television drama market.

Film and television is a Queensland growth industry but that industry is now under attack from the GST on not one but two fronts. Firstly, there is the direct threat to jobs and business within the film and television industry. On a previous occasion in this House, I have drawn attention to the direct threat posed to all sectors of the arts industry—an industry which employs 54,000 people in this State—by the Howard Government's GST.

I have brought to the attention of this House major economic reports and studies by KPMG, OECD and respected accountant Mr Brian Tucker which predict GST-fuelled job losses and rising costs to the arts industry, as well as increased admission prices to consumers.

I now wish to point out that the GST poses another avenue of attack, this time on the State's biggest arts money spinner, its film and television industry, through increased legal, accounting, marketing and business management prices. The Howard Government's own GST tax document reveals, on page 172, that although the arts industry is the second hardest hit by a GST in terms of price increases—after the tobacco industry—the personal service sector covering legal, accounting, marketing and business management services is not far behind.

On page 172, the GST document shows that libraries, museums and the arts sector in general will be hit by a 7.7% GST-fuelled rise in prices across-the-board. The same page 172 of the same document also shows that there will be a 6.4% rise in the price of legal, accounting, marketing and business management services. It does not take a Mel Gibson to realise what a lethal weapon the GST is for the average small film and television business. Small production companies, small casting agencies and prop hire operators, who all comprise the industry, are the very people who do not have in-house legal, accounting, marketing and business management services. They must pay outside consultants for these services.

An OECD report previously quoted predicts that the GST will impact on small businesses—and the majority of film and television businesses are small—30 times more than it will on larger businesses. It does not take an Alfred Hitchcock to realise that this is a horror story. Let me quote Brian Tucker—

"Where the film industry is involved there are really two issues. The first is that there will be a paper work imposition on film makers—the other is that the production of motion picture films at the moment is exempt from sales tax which is what the GST is notionally replacing. So anyone who has been working in a regime which is free of sales tax is immediately going to be disadvantaged because now they will be ... covered by GST."

Mr Tucker continues—

"Furthermore sales tax only covers goods, but all services in the production process will now be subject to a GST of 10%. Everything—pre-production costs, research material, copyright licence fees, actual production costs, from the fee you pay the make-up artists, to the costs of

props, hiring of cameras and crew and post-production costs whether stock or services—will be subject to a 10% GST."

While a 6.4% rise in the price of legal, accounting, marketing and business management services to ordinary Queenslanders is bad, this double whammy on the small operators who make up Queensland's film and television industry will damage that industry and the jobs and revenue it provides in this State.
