



Speech by

Hon. PETER BEATTIE

MEMBER FOR BRISBANE CENTRAL

Hansard 20 October 1998

MINISTERIAL STATEMENT

Goods and Services Tax

Hon. P. D. BEATTIE (Brisbane Central— ALP) (Premier) (9.39 a.m.), by leave: On 13 November I will be attending a Special Premiers Conference in Canberra. The meeting has been called by the Prime Minister to discuss the Commonwealth's planned changes to the taxation system. I table the Prime Minister's letter of invitation.

I advise the House that I have written to the Prime Minister indicating that Queensland will continue to vigorously oppose a GST. We oppose a GST and the Commonwealth's proposed tax reforms because they could have an adverse impact on Queensland and the people of Queensland. The State's service industries, in particular hospitality and tourism, could be hurt. As well, a GST would raise questions about financial equity and distribution of funds between the States. Any proposal to introduce a GST has to recognise that Queensland is a low-tax State and that Queenslanders should not have to subsidise other States for their higher taxes. I also have to consider social equity and the impact on the disadvantaged. I table my letter to the Prime Minister, clearly setting out Queensland's position.

Despite our opposition to a GST and planned tax changes, I will be attending the 13 November meeting, along with the Treasurer, David Hamill, to ensure that Queensland is not short-changed, and officials from the Premier's Department and Treasury will be involved in preliminary meetings, prior to 13 November, the first being next Monday. During this process, we will be in there fighting hard for Queensland.

Let me now detail how Queenslanders will suffer if the GST is imposed on them. The real question is: what will Mr Howard's and Mr Costello's 10% goods and services tax do to the price of the basic food groups? Let me shed some light on this very important issue. Peter Costello's own costings, his forecasts— backed up by figures from Treasury—have predicted an average increase in the price of fruit and vegetables of 5.7%. What an outrage!

I table the relevant page of that document for the information of members. Under Mr Howard and Mr Costello, apples and oranges will cost 5.7% more. Bananas and pears will cost 5.7% more. Potatoes and carrots will cost 5.7% more, as will lettuce and tomatoes—all the basic salads. How can a Government claiming to be helping out the battlers tell us that essential foods will cost at least 5.7% more? The GST is a disincentive to eating healthy food.

The Queensland Heart Foundation has already identified serious problems with our children's diets. The foundation says 40% of primary school age children do not eat fruit and at least 27% of primary school children do not eat fruit or vegetables. It has reported serious problems with childhood and adolescent obesity, with up to 50% of Australian children recording high cholesterol levels. When we look at the trends being reported, consider the effect a 10% goods and services tax will have on our children's health. If children already prefer fatty foods, what incentive is there to encourage them to eat well if it is cheaper to eat takeaway than it is to have an apple? How can Australian parents encourage proper eating habits if they cannot afford to buy the food? The GST is a tax on our children's health.

Furthermore, any change in the nation's eating habits has severe economic implications on Queensland's farming communities—something about which I would have thought members opposite would be concerned. I am happy to fight for the farmers even if the members opposite are not. Mr Speaker, I will look after the farmers—don't you worry about that!

As I said, any change in the nation's eating habits has severe economic implications for Queensland's farmers, particularly on the Darling Downs and in north Queensland. And what of our rural and indigenous communities? How will this affect them? The high costs of freight to rural and remote areas has already pushed fruit and vegetable prices through the roof. This tax will make that situation much worse. This 10% tax on the poor will damage the work we have done in improving the living standards and conditions in our indigenous communities. All the vital education programs in place to teach people how important it is to eat the right food will be compromised, because this sector of the community will not be able to afford it.

In short, this is a tax on our children's health that will also hurt rural and indigenous communities and Queensland's hardworking farmers. It is an unfair impost on Australians who deserve much better from their leaders. I urge the Australian Democrats in the Senate and Senator Brian Harradine to stick to their public commitments and defeat the GST in the Senate.
