



Speech by

# Hon. PETER BEATTIE

MEMBER FOR BRISBANE CENTRAL

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Hansard 10 November 1998

## MINISTERIAL STATEMENT

### Goods and Services Tax

**Hon. P. D. BEATTIE** (Brisbane Central— ALP) (Premier) (9.37 a.m.), by leave: This week's Special Premiers Conference at which the Commonwealth tax cake will be shared is an historic occasion. It is not the act of splitting the tax cake that is historic, rather it is the recipe for that cake which is new. Instead of sharing in the traditional income tax pool, States and Territories will be sharing in a pool of money raised through the Howard Government's insidious goods and services tax.

Let no-one be under any illusion. I believe that the goods and services tax is an abomination—a hideous nightmare of a tax that was dreamed up by economic rationalists. I opposed the Federal coalition's GST plan during the recent Federal election, and my presence at the Special Premiers Conference should not be seen as an endorsement for its introduction.

Having stated my views on the GST, let me also inform this House that my presence at the conference, along with Treasurer David Hamill, should not be seen as an endorsement of the proposed sharing arrangements either. As I said, the tax cake recipe has been changed. However, the larger States also want to change the way in which that cake is shared.

This great country was built on the foundation of mateship, of giving the less well off a hand up. It was also built upon the principle of making sure that everyone had access to a reasonable standard of essential services, like health and education. Horizontal fiscal equalisation is the technical or economic term. I call it giving everyone, no matter where they live in Australia, a fair go. The continuation of a GST and the greed of the larger States may change that.

During the past week or so, the larger States have engaged in what can only be described as intellectual dishonesty. My Labor colleagues in New South Wales have spent something like \$1m on advertisements saying that most of the GST will be raised in New South Wales so they should get most of the GST cake. In Victoria, the friend of the worker, Premier Jeff Kennett, advised me to keep quiet because the big boys know what is best for the country. I have news for Mr Kennett: I do not want the big boys in Collins Street deciding the quality of life for the people of Charleville.

Let us look at the facts. The reality is that the larger States are trying to blame Queensland—and the Federal Government—for their wasteful spending. Queensland Treasury figures show that if New South Wales spent at the same level of efficiency as Queensland it could slash its total taxation by more than \$1,500 per person. The story is much the same for Victoria. Quite simply, neither New South Wales nor Victoria is anywhere near as efficient as Queensland when it comes to providing services. They are just profligate spenders.

Treasury research confirms that Queensland is not a begging bowl State, as has been alleged. Our budgeted Federal payments this financial year total \$5.9 billion, which is just \$35m greater than our per capita share. Put another way, that is about \$10 extra for every Queenslander—a pittance when we consider the challenges of providing infrastructure in such a vast, growing State with a widely spread population.

The New South Wales/Victoria argument is fine if the vast majority of the population lives in the capital city where services are easier to provide. However, the reality is that 72% of Victorians live in Melbourne—and they have our sympathy—and 63% of the people of New South Wales live in Sydney.

Queensland is the only mainland State in which most people live outside the capital city, with only 46% of Queenslanders living in Brisbane.

My Government is doing all it can to improve life for people in rural and regional Queensland. If Bob Carr and Jeff Kennett had their way, all of the people of Australia would be living in Sydney or Melbourne. That is too high a price to pay. If New South Wales and Victoria have their way, Queenslanders will be worse off.

During the past week or so, I have stepped up my efforts to ensure that Queenslanders do not have to pay the price for the greed of Victoria and New South Wales. So far, the Queensland Nationals and Liberals have been silent—mute apologists for the Federal coalition's GST—and, even worse, lame duck acceptors of the Victorian and New South Wales arguments to cut Queensland's share of Commonwealth funds. These people opposite stand condemned for their silent complicity. We will fight for Queensland.

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