



Speech by

# Hon. PETER BEATTIE

MEMBER FOR BRISBANE CENTRAL

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Hansard 17 November 1998

## MINISTERIAL STATEMENT

### Goods and Services Tax

**Hon. P. D. BEATTIE** (Brisbane Central—ALP) (Premier) (9.35 a.m.), by leave: At last week's Special Premiers Conference in Canberra, Prime Minister John Howard and Treasurer Peter Costello tried to vandalise Queensland's financial position. What Canberra proposed was nothing short of theft—the theft from Queensland taxpayers of \$465m. That theft is being aided and abetted by the Leader of the Queensland Opposition.

On Friday, Queensland got the rough end of the pineapple to the tune of \$465m. Queensland was told that, in return for the introduction of the GST—a regressive abomination of a tax—Queensland taxpayers would subsidise the removal of taxes in high-tax States such as New South Wales and Victoria. In the first three years of John Howard's and Rob Borbidge's GST, any additional revenue flowing to Queensland will be clawed back by the Commonwealth to fund guaranteed payments to other States and Territories. Every other State will get to keep the extra revenue that they get from the GST, but Queensland has been asked to wait an extra three years and sacrifice \$465m in the process. That is money for schools; that is money for the treatment of patients in hospitals. This is grossly unfair, but then the GST is a grossly unfair tax.

I and the Treasurer, David Hamill, have been warning this House for months about the evils of John Howard's and Rob Borbidge's GST. Now this evil tax, this pernicious tax, is coming home to roost. Canberra is asking Queensland to foot the bill for high taxes and wasteful spending in the rest of Australia. Canberra is asking Queenslanders to pay higher taxes via a GST but share in none of the benefits. It is asking us to hand over hard-won competitive advantages to New South Wales and Victoria. The Liberals and Nationals in Canberra are picking Queensland's pocket to pay the Bankcard bills run up by Victoria and New South Wales.

This is the GST that Mr Howard and Mr Costello told us we had to have. This is the GST package that the honourable member for Surfers Paradise told this House just last week would see Queensland "compensated for taxes that we do not have". Not in recent Australian political history has anyone been so naive and so utterly wrong as the Leader of the Opposition, the Queensland sales rep for the GST. The Opposition's toadying connivance with its coalition colleagues in Canberra has demonstrated that, like Canberra, it has absolutely zero regard for Queensland taxpayers. What an unholy alliance: Jeff Kennett, Peter Costello, Bob Carr and Rob Borbidge—the four horsemen of the tax apocalypse!

At the Premiers Conference on Friday, Queensland did not agree to the tax reform package. Treasurer Hamill and I refused to sign any deal which would see Queensland robbed of \$465m. We refused to see Queensland penalised for years of sound financial management. Over the past few days, the Treasurer and I have been in discussions with the Democrats. We have been in discussions with Senator Mal Colston and with Senator Brian Harradine. We will be talking to anyone who has an interest in securing a fair deal for the taxpayers of Queensland.

What have we heard from the Leader of the Opposition or the Leader of the Liberal Party? We have heard nothing but cheap politicking. Not once have they stood up for Queensland. On this issue, people are either for Queensland or they are against Queensland. We on this side are for Queensland; those on the other side are against. That is because they are more determined to curry favour with their masters in Canberra than they are to stand up for Queensland. I urge all Queensland representatives in

Federal Parliament—no matter what their political colours—to go in to bat for a fair deal for this State. This is because any failure to do so will be hurting their constituents; it will be hurting all Queenslanders.

I am calling for a full Senate inquiry into the GST, and this Government will be lobbying Senator Colston and other senators to ensure that such an inquiry takes place, that Queensland is not short-changed and that the special needs of Queensland—the decentralised needs of Queensland for our schools and hospitals—are considered. It should be noted that, in Victoria, 72% to 73% of the people of Victoria live in Melbourne; the same applies in New South Wales: 62% to 63% of people live in Sydney. In Queensland, only 46% of people live in Brisbane.

If this GST package is so good for Queensland, why does the Prime Minister not campaign in the Mulgrave by-election alongside Mr Borbidge and Dr Watson? If the GST is such a good deal, I challenge the three of them—in particular the Prime Minister—to campaign in Mulgrave and argue Canberra's case for higher taxes in Queensland.

**Dr Watson** interjected.

**Mr BEATTIE:** I am astounded by the lack of spine of members opposite. They should come to Mulgrave and we can argue about this. Let them tell the people of Mulgrave why they are losing \$465m from their schools and the Cairns Base Hospital. Sir Joh would never have kowtowed to Canberra like this. Sir Joh would have put Queensland first. He would never have rolled over like the Opposition is doing. I promise this House now that this is a fight that we are not going to give up on.

I table for the information of the House a Treasury document which highlights the fact that Queensland will be \$465m worse off in the first three years. I table that for the information of all members and the people of Queensland. I also table a per capita contribution of revenues impacting on the State Budget comparison between Queensland and New South Wales, which highlights the point. I also table for the information of the House a letter that the Treasurer, David Hamill, and I have written to John Howard and Peter Costello setting out the Queensland Government's opposition. In particular, I draw to the attention of the House a paragraph on page 2 of the letter, which says this—

"For taxpayers in States such as New South Wales and Victoria, there will be a reduction in their tax burden in respect of taxes impacting on States' Budgets. For Queenslanders who have enjoyed the benefits of the low tax policies of Queensland Governments, there will be an increase in their tax burden. Initial estimates by Queensland Treasury show that average indirect taxes per capita will rise an estimated 24% in Queensland by 2002-03, but decline by an estimated 11% in New South Wales."

I table those documents, both of which have been approved and verified by Queensland Treasury, which highlight the case that the Treasurer and I have been putting. They are tabled for the information of the House.

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