LEGISLATIVE ASSEMBLY QUEENSLAND

Speech by

Mr D. BRISKEY

MEMBER FOR CLEVELAND

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REVENUE AND OTHER LEGISLATION AMENDMENT BILL

Mr BRISKEY (Cleveland—ALP) (5 p.m.): The amendments contained in the Revenue and Other Legislation Amendment Bill 1998 are largely administrative and affect three Acts—the Debits Tax Act 1990, the Fuel Subsidy Act 1997 and the Stamp Act 1894. The changes to the Debits Tax Act 1990 are in response to the Wallis report. This report emerged from the Commonwealth Government's financial system inquiry aimed at improving the performance of the financial system through greater competition.

The report recommended that the Commonwealth Government amend the Cheques and Payments Orders Act 1986 to allow building societies and credit unions to issue their own cheques from 1 December 1998. As a consequence, amendments are necessary to Queensland's Debits Tax Act 1990 to place all financial institutions on an equal footing by ensuring that cheques issued by non-bank financial institutions are also liable for debits tax from the date that the Commonwealth amendments have effect. Non-bank financial institutions have been advised of these amendments and are aware of their liabilities in relation to debits tax changes.

A number of amendments are also being made to the Fuel Subsidy Act 1997 to give retrospective effect to existing administrative arrangements which ensure the effective operation of the subsidy scheme. The State Government, in response to the 1997 High Court decision, introduced the fuel subsidy scheme. That decision invalidated State licensing fees. The Fuel Subsidy Act provides for the payment of subsidies equivalent to the fuel surcharge levied by the Commonwealth. The changes outlined in this Bill reduce red tape and minimise costs for fuel consumers and the Office of State Revenue, which administers the scheme.

These amendments ensure that any person who sells fuel, other than under a net sale, is required to extend the implied terms of trade to the buyer. By being entitled to defer the payment of the Commonwealth fuel surcharge component to their suppliers, distributors of fuel will not be financially disadvantaged by the scheme. The amendments also extend the operation of the off-road diesel consumers scheme to allow retail quantities of diesel to be used for on-road purposes in limited circumstances. This will particularly assist primary producers who use small quantities of diesel in their on-road vehicles by reducing administrative obligations.

The third Act to be amended by this Bill is the Stamp Act of 1894. The amendments to this Act prevent avoidance of stamp duty on the issue of unit trusts, following a recent Queensland Court of Appeal decision in Thakral Fidelity Pty Ltd v. Commissioner of Stamp Duties; prevent avoidance of conveyance duty in commercial subsale situations, following a recent Queensland Court of Appeal decision in Barob Pty Ltd v. Commissioner of Stamp Duties; ensure that share buybacks continue to attract stamp duty, as was the case prior to a Victorian Court of Appeal decision in Coles Myer Ltd v. Commissioner of State Revenue (Victoria); and ensure that duty is not payable on the transfer of Suncorp-Metway Exchanging Instalment Notes Series 2. That public offer document referred to the intention to provide the exemption.

The amendments outlined make a number of important changes to Queensland's revenue legislation to address particular anomalies that have arisen. Taxation is a complex policy area. It is a policy area that affects all of our lives, both economically and socially. It is crucial, therefore, that Governments are responsible when they make changes to the taxation regime, because the consequences can be significant. This truth is particularly pertinent when discussing the Howard Government's new 10% tax on everything—the GST. Members of this House are well aware that our Treasurer has been locked in battle with the Commonwealth over the implications for Queensland and Queensland industry of the implementation of a GST. If the Opposition in this State had any intestinal fortitude, it would fight this tax.

Dr WATSON: Mr Deputy Speaker, I rise to a point of order. With all due respect, the GST is not relevant to this Bill.

Mr DEPUTY SPEAKER (Mr Reeves): Order! There is no point of order.

Mr BRISKEY: As the lowest taxed State in Australia, Queensland is in a unique position. Unfortunately, it now seems that we will be penalised for that. Under the Federal Government's tax reform proposal, all GST revenue will be distributed to the States——

Dr WATSON: With all due respect——

Mr DEPUTY SPEAKER: Order! Is this a point of order or a statement?

Dr WATSON: It is a point of order. I ask the member to state which section of the Bill refers to the GST.

Mr DEPUTY SPEAKER: Order! There is no point of order.

Mr BRISKEY: I will be brief because I know that this is embarrassing for the Opposition. The Opposition has not fought its Federal colleagues in relation to the rip-off of $465m that Queensland will suffer because of the introduction of the GST. Those opposite know that Queensland is the lowest taxed State in Australia and they will not do a thing to fight their Federal colleagues and stand up for Queensland. It is about time that they did.

As I said, under the Federal Government's tax reform proposal, all GST revenue will be distributed to the States. In return, the States will abolish numerous State taxes such as FID, bed taxes, debit taxes and stamp duties on commercial transactions. The bottom line for the State as a whole is that, if the current proposals are adopted, we will be short-changed by $465m and indirect taxes in this State will rise by 25%. Because of that new GST on everything, indirect taxes per capita will fall by 11% in New South Wales. This is because Queensland, as the low tax State, is subsidising the removal of taxes such as financial institutions duty and bed taxes in other States—taxes we do not levy.

Under the Howard Government's new tax on everything, money raised by the GST in Queensland will not stay in Queensland. It will flow to New South Wales and Victoria to fund the removal of taxes in those States. In other words, we get high taxes and zero benefits. This situation is not an equitable outcome and the Treasurer has made Queensland's position clear. The Beattie Government will not sign up to the new tax deal that means Queensland faces a 25% increase in taxes per head of population. As the Treasurer told the Australian Financial Review, our taxes are going up, and we are not getting that revenue back. I support the Treasurer's strong position and all the work he is doing to ensure Queensland gets a fair deal.

I also support the Government's proposal to the Commonwealth to retain the extra $465m and use it to cut stamp duty on business property conveyancing and boost spending on key areas such as health and education. If the Opposition in this House cared about Queensland business, it would support us in trying to keep this $465m that will be ripped off and it would support the Queensland business community and use that $465m to cut stamp duty on business property conveyancing.

This proposal will remove yet another tax yoke from business at all levels and create growth and flow-on jobs. Stamp duty on conveyancing of business property is worth about $300m a year and has been identified by business leaders as one of the major hindrances to business growth in Australia. The Commonwealth Government has indicated that it wants these taxes on business phased out under its tax package, anyway. What the Treasurer is saying is that if Queensland is given a fair deal—a fair deal that this Opposition should support—we will deliver and deliver quickly. We will deliver for business and we will deliver for job seekers.

An important point to note when discussing changes to taxation legislation, and particularly the impact of the Howard Government's 10% new tax on everything, is that it further weakens the State's ability to control its own tax revenue. It leaves Queensland even more beholden to handouts from Canberra. The GST directly challenges Queensland's capacity to raise revenue through gaming. As the Parliamentary Secretary to the Treasurer, I have responsibility for gaming policy in this State. I am, therefore, acutely aware of the problems that the introduction of the GST represents in this policy area. The Queensland Government raises 10% of its State revenue through gambling taxes. In 1997-98, this represented $543m. The contribution of gambling taxes to Queensland's revenue has grown 49% in the five years from 1992-93 to 1997-98. The growth rate is more dramatic on a national scale, where all State and Territory revenue from gambling grew by 70% from $2.2 billion to $3.8 billion in the five years from 1992-93 to 1997-98.

Gambling taxes have become an important source of revenue for State Governments. The Commonwealth Government, however, is expecting State Governments to reduce their gambling taxes to offset the impact of a 10% GST on gambling. This would have a direct impact on State Governments' fiscal flexibility. The Queensland Government currently varies its gambling tax rates for a range of reasons, including the nature and purpose of the gaming venue. The GST will reduce the Queensland Government's ability to adjust its gambling tax rates to meet specific policy objectives. It will also impact on the level of money directed to community benefit funds. The Gaming Machine Community Benefit Fund receives 8.5% of the gaming machine tax collected. If State taxes are reduced correspondingly with the introduction of the GST, then the amount allocated to the Gaming Machine Community Benefit Fund will be correspondingly reduced, potentially putting further demands on the State's Consolidated Revenue Fund.

The indirect impacts of a GST on the gaming industry are also significant. It is expected that administrative costs for sites will increase. Michael Hudson, the General Manager of the Queensland Hotels Association, has estimated that one person for up to two days a week would be needed for record-keeping duties. This will obviously vary from site to site, but the additional costs may be significant and this may, in turn, impact on site viability. Another important consideration for clubs and hotels is the impact of the GST on expenditure patterns of those who purchase their goods and services. To the extent that low-income groups will be adversely affected by the GST—and low-income groups are disproportionately represented as purchasers of goods and services from clubs and hotels—then the impact on clubs and hotels may be adverse. I have significant concerns about the impact of this tax on the State's economy.

Taxation is not a popular topic, but if Governments are to provide society with a level of services that Australians have come to expect, Governments must have a consistent revenue stream. But—and this is an important point—these revenue streams must also be equitable and socially responsible. The Howard Government's new 10% tax on everything is not equitable and has a detrimental impact on Queensland. Queenslanders, however, can be confident that the Beattie Government will continue to press for an equitable outcome, and particularly the need for Queensland to be compensated for the introduction of this new tax.

Unfortunately—and unfortunately for Queenslanders—the Queensland Government does not have the full support of the Opposition when it comes to fighting for Queensland's rights. On that score, members opposite are beholden to their Federal masters. As I said, it is outrageous that this Queensland Opposition will not support the Queensland Government's fight with the Federal Government, which is trying to short-change this State by $465m. Members opposite should be out there supporting their Federal Government Queensland members in their fight against being short-changed by that amount of money.