



Speech by

Hon. D. HAMILL

MEMBER FOR IPSWICH

Hansard 8 June 1999

COMMONWEALTH PLACES (MIRROR TAXES ADMINISTRATION) BILL

Hon. D. J. HAMILL (Ipswich—ALP) (Treasurer) (12.50 p.m.), in reply: I thank the honourable member opposite for his support for the Bill. I wish to briefly clarify a couple of points before we move to the Committee stage. Contrary to the impression that the honourable member for Moggill seems to have, we made no secret as a Government and as an Opposition that we did not support the coalition view in relation to the abolition of land tax. The Government certainly believes that all taxes should be easily enforced, they should be readily understood and they should be equitable. Land tax is one of the few measures which the State has at its disposal as part of what seems to be an increasingly narrow taxation base.

Dr Watson: Are you going to expand the base, though?

Mr HAMILL: You will see from the amendment here that we are clearly honouring a commitment we gave prior to the election that we would deliver the next tranche of the concession in relation to land tax. The concession that has been provided is worth more than the further amendments which the coalition was promoting last year.

Having said that, the Government believes that land tax remains an important element of a relatively narrow taxation base that is available to the States. Whilst I know that the property industry in Queensland would like to see the end of land tax, it has also been said to me that the industry would like to see the end of stamp duty. All business would like to see the end of payroll tax. The business community in Queensland would like to not pay State taxes at all. I can understand the industry's perspective. I can also understand that the business community wants to see the delivery of infrastructure and services. Unless the State has access to sources of funds, the State cannot fulfil its obligations in relation to the delivery of services and as a facilitator of important public infrastructure.

This leads me to the next point I wish to make. In the current discussion with the Commonwealth over national tax reform, the property industry in Queensland most wants to see reform in the area of stamp duty and stamp duty on conveyances. These are taxes which the Federal Government is determined are best to remain in place, given the troubles it has been having with the negotiation of its tax package. The Commonwealth has chosen to say to the States and the Territories, "Yes, we want to see the end of financial institutions duty and duty on marketable securities but you, the States, will have to hang on to other forms of stamp duty, including stamp duty on conveyances."

In the inter-governmental agreement which the Commonwealth faxed to us a couple of weeks ago, the Commonwealth suggests that the removal of those taxes will be a matter for the ministerial council. While the Queensland Government has maintained a very competitive position in terms of its revenue base compared with the other States, and whilst we have continued to levy taxes at rates lower than those which apply in other States, I do not hold out a great deal of hope that in the short term the ministerial council, made up of the Commonwealth Treasurer and State and Territory Treasurers, will be keen to see the removal of slabs of those States' tax bases. We are going to continue to be burdened with rather expensive and difficult taxes to comply with, such as stamp duty, for the foreseeable future. So it seems that land tax is here to stay, stamp duty is here to stay and payroll tax is here to stay. There is little in the Commonwealth tax package which will allow us to make any alterations. I conclude my remarks at this point and we will see if we can get the Bill through with dispatch.
