



Speech by

Hon. D. HAMILL

MEMBER FOR IPSWICH

Hansard 7 December 1999

REVENUE LAWS AMENDMENT BILL

Hon. D. J. HAMILL (Ipswich—ALP) (Treasurer) (5.35 p.m.), in reply: This afternoon I am pleased to draw this debate to a close. However, I admit that it is always a source of fascination to me to hear the former coalition Treasurer lecture us about tax. After all, who has forgotten the former Treasurer's first Budget? This afternoon we heard all about how taxes should be cut. The member for Caloundra was the person who brought into this House a Budget that contained no fewer than seven new taxes, charges and hikes—all in her first Budget. She knows how to put up taxes, but she does not know much about bringing them down.

Mrs SHELDON: I rise to a point of order. The Treasurer would have all of the information at his fingertips. He knows that is incorrect. I find it offensive and I would like it withdrawn.

Mr DEPUTY SPEAKER (Mr Mickel): Order! The honourable member for Caloundra would like a withdrawal.

Mr HAMILL: I did not want to offend her in any way personally.

Mr DEPUTY SPEAKER: Order! She would like a withdrawal.

Mr HAMILL: I withdraw anything that she may find personally offensive, and I would refer her and—

Mrs SHELDON: I would like it withdrawn in an unqualified manner.

Mr DEPUTY SPEAKER: The Treasurer will withdraw it in an unqualified manner.

Mr HAMILL: I unreservedly and unqualifiedly withdraw anything I have said which may have offended the tender sensitivities of the member for Caloundra. But I refer the honourable member to Hansard, where the issues are adequately and comprehensively canvassed and show that the Borbidge Government's first Budget foreshadowed some seven new or increased taxes and charges. It is there for all to see, yet the member for Caloundra is telling us how all of these taxes should be abolished and that the Budget measures contained in this legislation ought not be supported. Nevertheless, a number of other furrphies have been peddled by honourable members opposite. I would have thought that a former Treasurer would have known, for example, in relation to land tax that, contrary to her assertion that all of these people on the land are paying land tax, that is not the case.

Mrs Sheldon: I said "some".

Mr HAMILL: Of course, agricultural land is exempted from the payment of land tax. But then again it does not surprise me that the former Treasurer would have made such a blunder in that regard. Nor does it surprise me that I heard the member for Caloundra—

Mrs SHELDON: I rise to a point of order. I find those comments untrue and offensive and I ask them to be withdrawn.

Mr DEPUTY SPEAKER: The honourable member finds them offensive. I ask the Treasurer to withdraw them unreservedly.

Mr HAMILL: I am sorry. I do not understand. I was meaning to attack the member for Clayfield, but I am pleased to hear that the member for Caloundra still supports him.

Mr DEPUTY SPEAKER: No. The Treasurer did say "Caloundra".

Mr HAMILL: No, I had moved off the member for Caloundra; I was referring to the member for Clayfield.

Mr DEPUTY SPEAKER: The member for Caloundra found the reference to her offensive. I ask the Treasurer to withdraw it, and then we can get on with it.

Mr HAMILL: I must admit that I do not know what the member could have found offensive. If she found anything offensive, I withdraw it.

Just as the Opposition did not understand the levying of land tax, similarly we heard the Opposition betray its ignorance in relation to payroll tax. Where was the member for Clayfield when the member for Caloundra was the Treasurer? Obviously, he did not listen to her speeches. At that time, the member for Caloundra used to tell us ad nauseam how small business in Queensland does not pay payroll tax. I remember it well. The member for Caloundra used to say that, because of the highest threshold for the payment of payroll tax, only around 4% of Queensland businesses pay any payroll tax whatsoever.

Mrs Sheldon: I said there'll be more now.

Mr HAMILL: Was that offensive? Does the member want me to withdraw that as well? Of course not! Then the member for Caloundra sat back and allowed the member for Clayfield to mislead the House with respect to payroll tax.

The member for Clayfield was saying that all of these small businesses were going to be adversely affected because of the change to the base in payroll tax. The inconsistencies uttered from the Liberal Party in relation to taxation measures are worth noting by all members of the House. They really cannot be believed when they make these expressions of concern, as they have done this afternoon. But what of the measures in particular? The member for Clayfield talked about the increases in land tax. He talked about his constituents in Clayfield coming to talk to him about the increases in land tax. This Government delivered an extension in the rebate to land tax, and that was done in this Parliament not all that many months ago. We also heard from the member for Caloundra a litany of abandoned taxation measures. What we have from this Government has been the honouring of commitments in relation to land tax. We have had concessions in relation to stamp duty, including those contained in this Bill. They are important concessions to assist new capital raisings from Queensland companies on foreign markets. I trust that those opposite will support that.

When we hear the ultimate condemnation that the measures contained in this Bill are an attack upon business, then I say bah and humbug to the Opposition. If they look at the performance of this Government and the measures that this Government has put in place to foster economic and business activity in this State, they can clearly see that this Government has been extraordinarily successful. I illustrate the point. Apart from the revenue measures which I have just outlined, what was the business community's reaction to this Government's commitment to capital expenditure? Absolute rapture. Last year this Government delivered a record capital works program in this State of some \$4.979 billion, far in excess of anything that was delivered under the coalition Government—a capital program which fostered business confidence and business activity. In fact, were it not for the Government's capital works program, we would not have seen GSP growth in this State at near the level it was last year. We have been able to sustain a significant margin on the national figure for growth. It is likewise this year.

In the Budget we have foreshadowed growth which exceeds that for the nation as a whole. Yes, Treasurer Costello forecast an easing in growth in the Australian economy. After all, Queensland is a part of Australia. We cannot simply paddle our own canoe in the opposite direction to the rest of the nation. We are forecasting growth which exceeds the growth of the national economy again this year, notwithstanding the significant challenge that the Asian economic crisis and the impacts of low commodity prices have held for a number of our export industries.

Those opposite talk about not being sympathetic to the needs of business. In the formulation of the Budget this year this Government identified some \$568m worth of lazy money, money which was not working in the best interests of the people of Queensland. We directed those funds into capital works and services without cutting services. I would have thought that any business that reordered its activities in a way which ensured that services were enhanced and output increased would be a business that ought to have received the approval and support of honourable members opposite. That should be the case in relation to the Government's Budget.

What of the amendment moved by the Leader of the Liberal Party this afternoon? Apart from the fact that the amendment of the Leader of the Liberal Party would see his adjustments to payroll tax rates occurring immediately upon assent of the Bill and despite the fact that there is a mismatch with the start-up time for the inclusion of superannuation in the base of assessments for payroll tax, I suggest that the amendment is fundamentally flawed. I had been led to believe that the Opposition, because of their silence on the matter, had given us support in relation to the economic principles which were enshrined in our charter of social and fiscal responsibility. I believed that the Opposition supported us in our objective to at least maintain or seek to increase total net worth of the State. True? Come on!

It is not a trick question. I believe that the Opposition endorsed that principle. I believe that the Opposition also endorsed the principle of maintaining in a full and actuarial basis the provision for the contingent liabilities of Government.

Dr Watson: That's right.

Mr HAMILL: You do?

Dr Watson: So what?

Mr HAMILL: The honourable member says, "So what?" It is a very important principle without which Queensland would go down the slippery pole of that of other States and Territories.

Mrs Sheldon: It's not a new principle.

Mr HAMILL: It is an oldie but a goodie, and one to which we adhere. I also thought the Opposition would have supported the principle that Governments do not go around borrowing willy-nilly for social infrastructure and that, within a Budget, Governments only borrow for capital infrastructure and only to the extent of, if borrowing outside the provision where there is an income stream directly able to service the borrowing, at least borrowing within the operating bank of the operating surplus. That was the sort of principle outlined in the commission of audit report which had been commissioned by the former Government and which they endorsed.

Mrs Sheldon: Very good.

Mr HAMILL: The member for Caloundra says, "Very good." I agree with her. It is very good. It is a principle which we enshrined in our charter of social and fiscal responsibility. I would have also thought that the Opposition would have believed that it is important that, in the provision of services, those services can be afforded and that the provision of these services can be sustained. That is a tricky one, isn't it? They are deathly silent.

Opposition members interjected.

Mr HAMILL: You do not disagree with that principle either? The way we do it is through the maintenance of that operating surplus in GFS terms. Those opposite also believe, and I have heard them say—

Dr WATSON: I rise to a point of order. The Government has borrowed \$350m via the GOC. That is what the Government has done. That is the only reason it is staying there.

Mr DEPUTY SPEAKER (Mr Mickel): Order! There is no point of order. The member will resume his seat.

Mr HAMILL: The member for Moggill and the Leader of the Liberal Party should not talk about \$850m. That was the magic figure they raided from the electricity industry in 1997. We all know about that, too. But my point is this: the Opposition this afternoon has said that they support the maintenance of a competitive tax environment in Queensland. This legislation does so. Through the analysis I have done of our Charter of Social and Fiscal Responsibility, they also support the other measures that are part of those five measures that make up the charter. Yet this afternoon in this House, the Leader of the Liberal Party came into this place and sought to move amendments which would result in the removal of the operating surplus which would put us into an operating deficit. That would be the impact of the measures that have been moved by the Leader of the Liberal Party.

Dr WATSON: I rise to a point of order. I would have thought that the member for Ipswich would have known what a non sequitur was and would not have done it in the House.

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

Mr HAMILL: I know what an economic fraud is, and it sits opposite. What we have here is a Leader of the Liberal Party who would put forward an amendment to the taxation revenue of the State that would plunge the Budget into an operating deficit. That is the sort of economic management we have come to expect from the likes of the member for Moggill. That is the sort of economic irresponsibility that this Government will not tolerate. The impact of the Opposition amendments would be to plunge the Budget into deficit. It should not be supported.

Mrs Sheldon: That is absolute garbage, and you know it.

Mr HAMILL: I am sure the member for Caloundra calling it garbage will sway the vote in the House.
