



Speech by

Dr DAVID WATSON

MEMBER FOR MOGGILL

Hansard 8 June 1999

COMMONWEALTH PLACES (MIRROR TAXES ADMINISTRATION) BILL

Dr WATSON (Moggill—LP) (Leader of the Liberal Party) (12.44 p.m.): I rise just very briefly to speak on this particular legislation. It is a Bill that the Opposition will be supporting and, because of that, I will not be saying a lot about it.

The Bill mentions two policy objectives. The first, of course, is to ensure that there is the proper operation of State laws in relation to some corresponding Commonwealth-applied laws to facilitate State administration of those Commonwealth-applied laws. That comes about because of a decision made by the High Court in the *Allders* case, which effectively said that the States were not allowed to apply State taxes to organisations or firms conducting business on Commonwealth property; that the only competent jurisdiction was, in fact, the Commonwealth Government.

As members would know, things such as the privatisation of Commonwealth airports around the country were going to lead to an incongruous situation in which some entities in the private sector would be able to avoid—because they operated on Commonwealth property—the normal taxes and charges that the State applies to those businesses. While the coalition was in Government, the Commonwealth agreed to rectify that situation by passing the appropriate laws in the Commonwealth to allow the States to apply their taxes in this situation, and this particular Bill is complementary to that. It is backdated to 6 October 1997, and it is appropriate that it be backdated to then, because that was the date that the Commonwealth announced it would go ahead and undertake this process. I suppose that this is simply another example of the High Court interpreting laws in a particular way.

Mr Hamill: And being helpful.

Dr WATSON: As the Treasurer said, "being helpful".

Mrs Lavarch: It is funny the way they interpret them.

Dr WATSON: They are supposed to apply the laws. But they have interpreted the Constitution again in a way that does not affect the relative taxing situation of the Commonwealth and the States. However, it does, of course, add to the complexity of the relationships. As I said, this is simply another example of that. It is an aspect which we understand will cause any State Government of any political persuasion difficulty if this Bill does not go through.

The second policy objective of this Bill is to amend the Land Tax Act 1915 to increase the general rebate from 5% to 15%. I must admit that I am glad that the Treasurer has finally gotten onto the bandwagon that the coalition started in Government, namely, to reduce the impact of land tax and its effect on businesses and individuals—a very narrowly based State tax. It was disappointing, of course, that the Treasurer, in the Budget he presented last year for this financial year, did not meet the commitment made by the coalition to move the general rebate from 5% to 10%. I notice that, for the next financial year, by increasing it from 5% to 15% the Treasurer is playing catch-up.

Mr Hamill: We have jumped ahead.

Dr WATSON: No, the Government has not jumped ahead.

Mr Hamill: Leapfrogged.

Dr WATSON: The Government has not leapfrogged at all because, this year, the rebate was supposed to move from 5% to 10%. As well, there were some statutory reductions which the Treasurer has not implemented. We made the commitment to phase it out over 10 years. In the next financial period, the coalition's proposal would have been to go from 10% to a much greater percentage. I am glad that the Treasurer is now going down that particular track.

Mr Hamill: Trapped?

Dr WATSON: Track—t-r-a-c-k—for the benefit of Hansard and the Treasurer. It is a little disappointing that the Government has not given a commitment that it will continue phasing out land tax beyond this financial year. I did not hear the Minister say that in his second-reading speech.

Mr Hamill: You won't.

Dr WATSON: We won't? So you don't intend doing that? We are still going to have this narrowly based, ubiquitous tax. Unfortunately, the Treasurer is not going to take the matter any further. I am sure that will be news to people involved in the property industry. With those few comments, the Opposition supports the Bill.
