



Speech by

Mrs J. SHELDON

MEMBER FOR CALOUNDRA

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REVENUE LAWS AMENDMENT BILL

Mrs SHELDON (Caloundra—LP) (5.26 p.m.): I have some concerns that the Revenue Laws Amendment Bill, particularly with regard to payroll tax, is actually a disguised revenue grab. For a very small decrease of 0.1%, we are going to see a considerable broadening of the base which, over a period, will continue to broaden and more and more small businesses will be brought into the net. When one starts putting employer contributions for superannuation into the equation relating to the baseline of the people who have to pay payroll tax, one broadens the base quite considerably.

When the coalition was in Government, on two occasions we increased the threshold by \$50,000. The threshold was \$850,000 starting on the first day of 1998. As a result of that increase in the threshold, some 3,000 Queensland businesses received a new year's gift in the form of paying less payroll tax. Obviously, that number of businesses and more will be adversely affected by having their businesses dragged back into the payroll tax net.

The Treasurer keeps saying that that will not occur, but I know that it will occur. Indeed, he knows that it will occur. There is no other reason to make that change. One does not give a minuscule reduction in rate and broaden the base unless one knows that one will get more revenue. That is the real issue. This legislation will affect particularly small businesses or businesses with a reasonable number of people employed. This Government is supposedly out to create jobs, but this is not the way to do it. We should be giving more incentives and the threshold should be raised even higher so that fewer businesses are caught by what is a pretty iniquitous tax.

This is another in a series of cases in which the Government has not acted positively towards business. When I was Treasurer, the last Budget that I brought down provided a stamp duty exemption for the refinancing of loans and other financial instruments. The benefits to business were going to be significant. For example, there would have been an indicative saving of \$200 for refinancing a home mortgage of \$150,000 and \$400 for refinancing a home mortgage of \$200,000.

We were also going to look at helping businesses to refinance a loan, irrespective of how big or small they were, provided the same amount of the loan was to be refinanced; they would not have been allowed to up the ante or have a completely new loan. Upon refinancing a loan for the same amount, the stamp duty would have been dropped. That was not followed through. Business thought that was a really good incentive. Given that the prevailing interest rates were often much lower than when businesses took out their loans, renegotiating their loans at a lower interest rate would have saved them a lot of money in monthly repayments. One of the reasons a lot of them were not doing so was the Government stamp duty they would have to pay. We thought it only fair that stamp duty be removed so that people could refinance their loan. Unfortunately, that has not been followed through.

I am also concerned that this Government has not followed through on the proposed stamp duty exemption for crop insurance to be provided from 1 January 1999, which would have assisted farmers by reducing the cost of protecting crops. That would have had a revenue cost of \$1.3m in a full year, yet this Government has not followed through on it, which is terribly petty. That would not have been a big cost to consolidated revenue, but it would have been a big plus for farmers. It showed people battling on the land that the Government was concerned about how they were going and that, in a small way, we were prepared to help. Unfortunately, that has not been continued.

I am also concerned about what will happen to land tax. We made a commitment that we would totally phase out land tax and, in every year, we put in place steps to do that. I notice this Budget states that that will continue in this financial year. However, there is no mention of it continuing in the out years. There is a genuine concern that it will not continue. We increased the general land tax rebate from 5% to 10% and we introduced the new \$40,000 statutory deduction for companies, trusts and absentees. That helped people being hit with land tax. The old argument that only the wealthy pay land tax is a nonsense. It is a furphy put about by the Socialist Left Wing of the Labor Party, who believe that anybody who pays land tax has to fit into the category of the wealthy. That is a load of nonsense. A lot of people, particularly people on the land, battle to pay land tax. Because of land tax, a lot of people choose not to continue with any further investment. They may have money to invest, but if they do so they have to pay it back to the Government by way of land tax. However, if those investments were made, they would create jobs and business. The economic dollar is turned around. That is what moves the economy along. If we are going to adopt the negative point of view that no-one should ever make a profit or make any money, who will provide jobs and an economic lift?

Mr Sullivan: You're being silly.

Mrs SHELDON: No, I am not; it is people such as the honourable member for Chermside, who has a total welfare mentality, who are being silly. I note that even Noel Pearson is against that sort of welfare, and good on him. I think what he is suggesting has a lot of merit and it should be looked at in detail. That Aboriginal leader is showing that he has thought through the problems and is trying to help his people. I hope his ideas are looked at.

We have to show that we appreciate people who put in a hard dollar and take a risk and that, as a Government, we are prepared to give them some help. I know we are the low tax State, and I certainly hope we always stay that way. However, because we are also a very stable State financially and we have a great balance of assets over liabilities, a Government can, if it so wishes, give incentives to its small businesspeople and others who help turn the economy around and make jobs. It can say, "We understand your problems. As a Government, we are making our contribution as well." The axing of those incentives by this Government was a negative step. Yes, it might have saved some money for consolidated revenue.

I know that all of the tax reductions that we made in the first year were going to cost about \$63m to consolidated revenue. However, we know that the Government is receiving increased revenue from the gambling tax. Unless the Treasurer is prepared to make some genuine efforts to put more of the consolidated revenue that he gets from gambling tax into welfare and helping people who have problems, the Government is really just making a lot of money out of these people and not putting more back. As there is a considerable increase in the take for the Government, it would not hurt to increase the percentages put into the Sport and Recreation Fund, the Welfare Fund and the Gaming Machine Community Benefit Fund. I support the amendment flagged by Dr Watson. I urge the Treasurer to do likewise and to show some genuine commitment to trying to help small businesspeople and create jobs.
