



Speech by

**Hon. M. FOLEY**

**MEMBER FOR YERONGA**

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Hansard 9 June 1999

**MINISTERIAL STATEMENT**

**Goods and Services Tax; Arts Industry**

**Hon. M. J. FOLEY** (Yeronga—ALP) (Attorney-General and Minister for Justice and Minister for The Arts) (9.44 a.m.), by leave: Much attention has been given recently to the Australian Democrats' deal with the Federal Government on its proposed great secret tax—the GST. While the Democrats' leader, Meg Lees, has proposed spelling out a recipe for bread in the Federal coalition's new tax legislation, she and the Federal Government have colluded on a deal which spells out a recipe for disaster for the Queensland arts industry.

Senator Lees and Mr Howard also appear to be reading from different recipe books when it comes to their understanding of compensation for the arts industry. A statement released by Senator Lees after her deal with the Prime Minister, outlining so-called key concessions she had won, reads in part "a process to carefully assess the impact of the GST on Australia's arts industry and ensure that any adverse effect is remedied through funding support". However, in a letter to Senator Lees dated 28 May the Prime Minister says that the Federal Government will "review the need for additional assistance to the arts in the light of the Nugent review of arts funding, with a view to ensuring that the arts are not adversely affected by the impact of the GST".

The Nugent review does not encompass the GST in its terms of reference and covers only major funded companies in the performing arts. The Queensland arts industry, which employs about 54,000 people directly and indirectly, is much broader than the segment covered by the Nugent review and includes visual arts, craft and design, public art, literature, film, digital art, museums and festivals. The deal struck between the Democrats and the Federal Government includes no up-front concessions to offset the effects of the restructured GST, and cash-strapped arts organisations cannot afford to absorb its impacts. Evidence from other countries where goods and services taxes have been introduced shows a significant downturn in ticket sales.

Last week in Canberra I met with the Federal Arts Minister, Richard Alston, and he was unable to give me any assurances in relation to arts industry funding and the impact of the GST, other than to wait and see what happens. The arts industry will be hit hard by this unfair tax, and so will those many Queenslanders who enjoy the fruits of its labours. In short, the deal struck by the Democrats and the Federal Government on this regressive new tax spells out a recipe for disaster for the Queensland arts industry.

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