



Speech by

Hon. PETER BEATTIE

MEMBER FOR BRISBANE CENTRAL

Hansard 13 April 1999

MINISTERIAL STATEMENT

Premiers Conference

Hon. P. D. BEATTIE (Brisbane Central— ALP) (Premier) (10.05 a.m.), by leave: Last Friday in Canberra saw a turning point in Queensland's financial relations with the Federal Government. The previous Government allowed the Howard Government to raid Queensland's financial reserves to prop up Commonwealth finances and those of the other States. The Howard Government tried it again on the distribution of the GST, saying that Queensland could not get its fair share until the other States had caught up.

Last Friday, Queensland drew a line in the sand with the Commonwealth. No longer will Queensland stand by and lose what is rightfully ours. Queensland stood up to Canberra and refused to accept an unfair deal on the distribution of GST revenue, should the GST be passed by the Senate. We fought hard for Queensland on this issue for the last six months. We asked for bipartisan support from the Opposition but, sadly, it was not forthcoming. Standing alone against the Federal Government, their State Opposition mouthpieces and the other States and Territories, my Government has won back for Queensland taxpayers \$178.5m that no-one wanted to give us. Members opposite were not prepared to support us in the fight.

I made it clear at the Premiers Conference that the proposal for Queensland to cover almost 50% of the cost of compensating other State Budgets in year 3 of the transition period was completely untenable, unfair and not on. At our insistence, that transition period has been wound back to two years, where the cost to Queensland was much less significant. Instead of the transition costing Queensland \$465m, as it was calculated initially, it will now be only \$130m. The Treasurer and I also negotiated for Queensland an additional \$70m to offset the inflationary impact of the GST on public housing costs, \$54m in compensation to the State Budget for the loss of some tax equivalent payments from Government enterprises, and another \$38m in compensation for indirect tax savings to local government. That all adds up to an additional \$350m for Queensland over the three years starting in July 2000.

We left Canberra \$350m better off than when we arrived—with no support from the Opposition. This is a significant victory for Queensland, which will mean extra capital works and lower business taxes in years to come. But it does not end there. This deal means that Queensland can abolish seven taxes, assume responsibility for local government—

Mr Borbidge interjected.

Mr BEATTIE: The Leader of the Opposition said that there is more. You bet there is more under this Government. This can-do Government will be doing a lot more. This deal means that Queensland can abolish seven taxes, assume responsibility for local government funding and introduce a first home owners scheme while improving our overall Budget position.

As a result of meetings I have had with the Local Government Association and with my relevant Ministers, the State has agreed that local government will have secure funding by receiving from the State a fixed share of GST revenue. That is a significant contribution to local government in this State. Today I am happy to confirm that to the House. Queensland is alone among the States in its willingness to work with local government on funding arrangements.

The deal means the end of the BAD—bank accounts debit—taxes. It means the end of stamp duties on mortgages, credit arrangements, marketable securities, leases and business conveyances, including a more rapid removal of stamp duty on rural property conveyances. First home buyers will have access to assistance of \$7,000 from July next year. All that because we stood up for Queensland, and the State Budget will be better off.

This is what the people opposite could never have delivered. They would have meekly accepted the Commonwealth's attempt to make the changes revenue neutral for Queensland. They would have let Queenslanders pay more indirect taxes under the GST without getting any of that extra tax back in services to Queensland. That is the difference between Labor and the coalition. The Labor Government will stand up for Queensland and hang in there for the best deal possible. Labor can deliver for Queensland. The Borbidge/Watson Opposition only seemed to deliver for the Federal Government.

I want to thank the business leaders who had the courage to stand and support the Government and ask for a better deal for Queensland. They stood with us. I thank the Queensland community generally for supporting our long running campaign—the successful long running campaign. I just wish the State Opposition had supported us instead of playing petty, negative politics.

I table the signed intergovernmental agreement for the information of the House and the information of all Queenslanders. I point out that clause 3 on the front clearly states our position in relation to the GST. This fight for Queensland was a good day for Queensland.
