



Speech by

Hon. D. HAMILL

MEMBER FOR IPSWICH

Hansard 20 June 2000

GST AND RELATED MATTERS BILL

Hon. D. J. HAMILL (Ipswich—ALP) (Treasurer) (5.50 p.m.), in reply: I thank honourable members for this most interesting and somewhat illuminating debate. As I indicated when I introduced the Bill, the Government is certainly not a supporter of the goods and services tax. But in answer to a number of the issues raised by honourable members in their speeches, I have to say this: we cannot be ostrich-like. We cannot allow our systems to fall foul of the new tax laws. If we do not make amendments to our legislation to accommodate systems that will comply with the law of Australia, it is the taxpayers of Queensland who will suffer, and suffer severely.

This GST has come at an enormous cost to the State Government. We have not only found ourselves locked into financial arrangements that do not benefit Queensland; when I look at the Federal Budget papers and see that billions of dollars are being poured into other States to compensate them for the removal of the likes of financial institutions duty and yet I see no similar recognition of a need to maintain Queensland's lower tax status, I find this to be a very unfair system indeed. All evidence of that can be seen in the intergovernmental agreement, which is appended to the Bill.

It is also the case that probably of the order of \$75m to \$80m has been expended internally by the Government to try to put systems in place to cope with the impact of the GST. The Government is exposed in the same way a variety of community organisations are exposed if they do not have their ABN numbers and register for the GST. As I indicated this morning in question time, the Gaming Machine Community Benefit Fund, for example, is experiencing difficulty dealing with the vast number of community organisations that do not have an ABN. Under the GST and pay-as-you-go legislation, 48.5% of the grants that will be made available to those charitable and other worthwhile community organisations must by the law of Australia be withheld from them because those groups do not have an ABN. This is a terrible situation—something over which we have no control whatsoever.

Similarly, with respect to our legislation, if we did not make provision for the GST in relation to our various charges, we would be in breach of the law. If we do not make arrangements to deal with the GST with respect to the grants we make, we would find that a lot of community organisations would have to face the full impact of the GST upon the grants that have been directed to them. As a Government, we have sought to address as far as possible the social consequences of this unfair and iniquitous tax by our endeavour to gross up grants to charities and community organisations where they have registered for the GST. In other words, we wear the cost of grossing up the grant to protect those organisations from having to pay one-eleventh of what they receive directly to the Federal Government.

This is not a fair tax. It is not a fair tax system. This Government is implacably opposed to it. We have established our credentials on this time and time again. But we are not going to go down the path of exposing Queenslanders to even greater unfairness by not complying with the law of Australia. That is why this Bill is in the House today. That is why, regardless of what honourable members think about the GST—whether they support this iniquitous tax or in common with the Government oppose it—they really must support this legislation. To do otherwise is to expose Queenslanders to an even greater peril, that is, the full force of the GST without any of the safeguards that a State Government can put around it for the community. On that basis alone, I commend the Bill.