



Speech by

GORDON NUTTALL

MEMBER FOR SANDGATE

Hansard 14 March 2000

QUEENSLAND ECONOMY; JOB CREATION

Mr NUTTALL (Sandgate—ALP) (6.50 p.m.): Those of us who watched question time in Federal Parliament this afternoon would know that the big issue raised was the GST, which will put the brakes on job growth in this State and in every other State in this country. As the Treasurer has said, this GST is a nightmare waiting to happen. It will start on 1 July. We on this side of the House are as one on this draconian and aggressive tax. It is a tax by stealth. It has been imposed already on the people of Queensland by insurance companies, through club membership fees and through advance purchases for travelling. Day by day, we have seen the escalation in prices for groceries, higher interest rates and higher fuel costs, thereby effectively eliminating the future value of the so-called Costello tax cuts.

Under the new tax system, although there is a welcome reduction in company tax, people cannot understand why PAYE earners will be stuck at an income tax rate as high as 47c in the dollar. There will be an unfair financial noose around the necks of low and middle-income Queenslanders and their families.

We must continue to oppose the GST. We must help business, especially small business, to understand the GST. If we do not, the Queensland economy may well slow and the rate of job creation will suffer accordingly. The GST will inflict punishment on small business by way of unfair compliance costs. I will give some examples of those unfair compliance costs. The Department of State Development was good enough to produce some fact sheets to try to help small business cope with the GST. The accompanying flow chart in the registration requirements is just for people to find out if they have to register as a business. How complex is that for small business?

The GST will take away much of that hard-earned and competitive advantage that small business has managed to eke out in the marketplace. After years and years of long hours and hard work, the considerable financial investment that small businesses have made to find a niche market for their product and services will be gone. In relation to job creation, if the main business of the enterprise cannot be sustained because of the red tape and the difficulties involved in compliance under the GST, small business will inevitably suffer. As sales fall, jobs will be lost.

In relation to taxable supply categories, I refer to specific exclusions as they relate to money. The fact sheet states—

"Although money, coins and bank notes are tangible personal property, the legislation specifically states that the supply of money does not constitute a supply unless the money is provided as consideration for a supply that is a supply of money."

How clear is that? As clear as mud! In relation to plain old water, the fact sheet states—

"The supply of water, including bottled water, is generally GST-free under this section if water is supplied in a container with a capacity of less than 100 litres. However, such a supply may be GST-free as food under section 3.3.4— Basic foods."

How clear is that? As clear as water! That is really easily understood! The final example that I will give relates to the definition of food. I would like members to listen carefully to this. The fact sheet states—

"Live animals are not food, however, they may become food when processed into meat. This means that GST will generally apply to the sale of sheep but not to the sale of a raw lamb chop."

No wonder butchers are giving away the job. If small businesspeople simply cannot understand the GST, how on earth are they going to go about their jobs? How are they going to go about creating wealth? How are they going to go about giving people the opportunity of jobs when they have to try to comply with the GST?

Time expired.
