



Speech by

Hon. T. McGRADY

MEMBER FOR MOUNT ISA

Hansard 22 June 2000

MINISTERIAL STATEMENT

Goods and Services Tax

Hon. T. McGRADY (Mount Isa—ALP) (Minister for Mines and Energy and Minister Assisting the Deputy Premier on Regional Development) (9.54 a.m.), by leave: In recent times there has been a growing awareness of the severe impacts of the GST on all Australians as the deadline draws close. This new coalition tax will have an immediate impact on all facets of our lives. Services such as electricity and gas, which are essential services, are not exempt from this tax, and the electricity and gas retailers are obliged to charge the coalition Government's goods and services tax of 10% on top of electricity and gas prices.

The much-touted savings from the abolition of other taxes, such as wholesale sales tax, do not amount to much. In fact, that saving amounts to about 0.2%, which means that most services bills will rise by about 9.8% after 1 July. This means, for example, that most quarterly electricity bills will rise by about \$15 to \$20 every three months because of the coalition's GST. This GST is going to cost people extra from the cradle to the grave.

Increased electricity prices will affect everybody, but they will be felt particularly by battlers, who are not trying to indulge in any luxuries but who are simply trying to go about their everyday lives. Every time the kids take a shower the hot water will cost nearly 10% more. The expression "go and take a cold shower" will be on the tip of every parent's tongue. Are we going to see people installing their own timers in the bathroom with mum and dad ready to chase their teenagers out of the shower once their time is up? Cold baked beans for lunch and cold fish and chips for dinner could become part of the Australian staple diet. In a cold snap it will cost 10% more to turn the heater on. Are we going to see the return of the old copper in the backyard—and that is no reflection on the police officers of this State. It will be costing nearly 10% more for people just to live. There are still unknowns involved in relation to these compulsory price rises on industry and business because of downstream effects. I find it astonishing that those opposite would support this impost on the community.

A few weeks ago we announced the first increase to the State's uniform tariffs in six years. It was a reasonable, responsible adjustment of just 3%—an adjustment that ensures that our Statewide uniform tariff is maintained so that people are not disadvantaged by having to pay higher electricity prices simply because they happen to live in Cloncurry, Cairns or indeed have the privilege of living in Mount Isa rather than in Brisbane. There had been no increase for six years. During those years there had been a total increase in the CPI of nearly 15%. In effect, there was a 15% reduction in electricity prices in real terms over that period. Even after the tariff adjustment, our Queensland electricity tariff prices remain among the cheapest in the country.

Those opposite tried to paint this 3% tariff adjustment as a massive impost on Queenslanders. In reality it was about \$1.60 a month. That is why I am amazed at the outcry from those opposite. This GST is a disaster, and this State coalition stands condemned in the eyes of all Queenslanders for its support of it.
