



Speech by

Mrs D. PRATT

MEMBER FOR NANANGO

Hansard 7 November 2002

PAYROLL TAX

Mrs PRATT (Nanango—Ind) (12.02 a.m.): I rise to speak about payroll tax, which is hampering many rural businesses that are competing with major companies. I received a letter from a chartered accountant and financial adviser who is based in south-east Queensland and who acts for a significant number of rural enterprises. Companies in the Burnett and Wide Bay region face economic hardship through becoming liable to pay payroll tax—a tax most foul' to quote from the letter that I received. The letter refers to two companies in particular involved in labour-intensive industries—one a large horticultural processor and the other a large-scale piggery production.

I have been advised that the Premier has been made aware of the plight of these two companies. I want to read from the letter, as the writer puts things very clearly. It states—

To a significant degree, these businesses do not have the luxury of "replacing people with machines"... it defies logic to think that your Government can continue to tax employment in such a way.

How in fact do you propose to achieve your most admirable employment levels if you continually put very real barriers of disincentive in front of the very people who are in a position to make a serious contribution to the employment of regional Queenslanders.

I also note with interest, that under the state's Land Tax provisions exemptions for land tax are available for land used in a primary production activity. Perhaps your Government may care to consider similar exemptions from payroll tax for rural based employers.

I note with interest that as Premier you have taken a very high profile interest in regional Queensland and I strongly encourage you to take a personal interest in this particular issue.

I assure you that rural based industries in this state do face very real business risks which are not experienced by other types of businesses.

I can also assure you that your state payroll tax has a very direct influence on the capacity of employers in rural industry to employ more people. It is a direct disincentive and simply another layer of bureaucracy and cost overlay attributable to the employment of additional staff.

I am sure you do not need to be reminded of the vitally important role that employment in regional Queensland plays in holding together the fragile fabric of a regional economy.

I implore you Mr Premier to counsel your Government in relation to its views on this issue and abolish this tax imposed as quickly as possible. Let the Queensland people remember Peter Beattie as the man who abolished payroll tax for the primary producers of this state.

Is the payroll tax that is being collected equal to the benefits that are obtained by the community as a whole for the employment that it gives those communities that are, in fact, the areas of the state that have the highest levels of unemployment? The cost of collecting the tax would be minimal compared to the benefits, both federally and state, of having these people employed and off the unemployment queues and off the list of charitable organisations and all the other little benefits that the unemployed get along the way. These people are forced to be unemployed. They would prefer to have a job.