



Speech by

JAN JARRATT

MEMBER FOR WHITSUNDAY

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CHARTER BOAT INDUSTRY

Ms JARRATT (Whitsunday—ALP) (10.14 a.m.): Two weeks ago the Australian Taxation Office handed down a draft ruling that, if implemented, will have dire consequences for the future of Australia's charter boat industry. This matter is particularly important in my electorate as the charter boat industry largely underpins the success of the Whitsundays as a tourism destination.

The draft ruling seeks to amend the existing section 26-50 of the Income Tax Assessment Act 1997 and would, in effect, prevent boat owners, who on-lease or hire out their vessels, from claiming related expenses, interest and depreciation through the taxation system. The ruling not only prevents boat owners from claiming their expenses as legitimate business deductions into the future but also it will be retrospective, requiring owners to repay moneys claimed over the past four years.

I fail to see how entering into a hire arrangement with a boat is any less a legitimate business activity than negative gearing an investment property. The potential consequences of this ruling are breathtaking in their dimensions. At a national level, we stand to lose up to \$250 million in annual economic output, up to 2,000 jobs could disappear and our boat manufacturing and tourism industries could incur permanent damage.

The true irony of this decision is that it comes exactly 12 months after the twin events of September last year that saw our tourism industry suffer a major blow. In the Whitsundays, we have managed to fight our way back, but I doubt that we could recover from the consequence of this ruling, which would affect up to 95 per cent of our charter fleet. Should this ruling stand, we would see significant job losses involving those directly employed in the charter industry as well as those providing support services. Our marina development program would grind to a halt and our fledgling Queensland Marine Academy would be placed in jeopardy.

Like Minister Rose, I have written to the federal Treasurer, Tourism Minister and Minister for Industry. I urge each and every member in the House today who cares about the future of our tourism industry to take up their pens and follow suit. This ruling must be overturned and I seek the bipartisan support of those opposite to achieve this goal. To fail is an outcome too horrendous to contemplate.