



Speech by

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MEMBER FOR SURFERS PARADISE

Hansard Wednesday, 19 May 2004

PAYROLL TAX

Mr LANGBROEK (Surfers Paradise—Lib) (10.24 a.m.): I rise before the House today in the sitting before the state budget and I place a challenge to the state government: if the government's economic prowess is as good as it says it is and if the government is going to deliver the surplus it promised us before the election, then the government should give Queensland businesses a break by cutting payroll tax. Over the last four years payroll tax has been cut by 0.25 per cent, alleviating some of the strain on local businesses. These cuts, though, do little to give businesses paying payroll tax the reprieve they need. Let us take, for example, a man who owns a medium sized business in my electorate. Due to the make-up of his business with regard to commissions and bonuses, he ends up paying over \$10,000 a month in payroll tax. He has expressed to me that this money could easily go to hiring two more staff or investing in other ways to expand the business.

What hurts these businesses, though, is that they are trying to compete with fractionally smaller businesses that fall below the \$850,000 payroll tax threshold—businesses that are not paying payroll tax. As a result, when it comes to quoting prices, the smaller business can quote a couple of per cent under the payroll tax company and that can be the difference in getting the job. Moreover, only three per cent of Queensland businesses pay the tax. These businesses see the Queensland government providing concessions to multinationals and larger companies to lure them to this state and they wonder why they are the only ones lugging this \$1.3 billion burden. I am not advocating for more businesses to share this burden. I am asking for the burden itself to be reduced.

In the next financial year Queensland will receive over \$400 million more than any other state as a result of the federal government's tax reform. We are living in a good economic climate and the federal government has been able to deliver tax cuts. I ask this state government to follow the federal government's lead. If those members opposite are serious about expanding Queensland's economy and providing jobs, they should help Queensland businesses by cutting payroll tax.

On a different issue, this morning the Premier tabled the government response to Mr Springborg's—
Time expired.