



Speech by

# Hon. PETER BEATTIE

MEMBER FOR BRISBANE CENTRAL

Hansard Tuesday, 5 June 2007

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## MINISTERIAL STATEMENT

### Beattie Labor Government; State Budget

**Hon. PD BEATTIE** (Brisbane Central—ALP) (Premier and Minister for Trade) (9.53 am): The Treasurer, Anna Bligh, will hand down her second state budget later today. She has done an excellent job. I am sure that all Queenslanders will be impressed with the result, and I congratulate her on doing so. One thing I do want to highlight, however, is our tax record and tax position. Queensland retains its competitive tax status, with per capita tax estimated at \$2,226 in 2007-08 compared to an average of \$2,357 for the other states. From 1 January this year we abolished hire duty and transfer duty on unquoted marketable securities as part of the abolition of nine taxes and duties worth \$4.5 billion over seven years. The 2,200 hiring businesses that pay hire duties will save around \$19 million per year as a result and scrapping the duty on unquoted marketable securities will save investors around \$40 million per year.

In addition, since 2005 Queenslanders have saved more than \$330 million by not having to pay debits tax, lease duty and credit business duty. Credit card duty in Queensland was abolished in 2004. In 2006 we raised the payroll tax threshold from \$850,000 to \$1 million, and that means that around 90 per cent of Queensland businesses do not have to pay payroll tax at all. In recent years we have also rationalised the payroll system by reducing the rate from five per cent to 4.75 per cent, raised land tax thresholds, reduced tax rates and simplified the land tax system. We have extended the transport duty concession for the purchase of first homes from \$80,000 to \$250,000, extended the mortgage duty exemption threshold for first homebuyers from \$100,000 to \$250,000, and extended the transfer duty home concession from \$250,000 to \$300,000. We have reduced the base rate for insurance duty from 8.5 per cent to 7.5 per cent, increased the tax-free threshold to resident individual land tax payers from \$450,000 to \$500,000, and introduced first home transfer duty concessions available for the purchase of vacant land valued under \$250,000.

They are significant tax reforms, and that is why Queenslanders pay less tax than residents of other states. I heard Peter Costello talking all sorts of nonsense about the state's position. The GST simply replaced a number of taxes we had at a state level, so the states had to forgo that income, had to forgo that revenue. In addition, what happened? Queenslanders had to pay more tax in the GST. While the GST is a growth tax, we have received less in the last two years. Even though it is a growth tax, we have received less of a share. So let us not have any more nonsense from Mr Costello. Queenslanders under the Howard government paid more tax and we had to forgo revenue as part of that GST deal. Anyone would think it is Mr Costello's money! It is Queenslanders' money. Bearing in mind that we get something like 900 to 1,000 extra people every week from interstate and overseas, we are entitled to have it because we need that money to fund that growth. There are a number of other things in relation to the budget, and I seek leave to incorporate them in *Hansard*. I know that members opposite will have very little to gripe about later today when the Treasurer brings down the budget.

Leave granted.

Obviously I can't pre-empt what is in the Budget but I would like to highlight some of the initiatives we have already announced.

These include:

- \$70 million over four years for boosting bus services as part of a record \$1.2 billion spending on public transport. This will help put around 100 more buses on the road in high demand and growth areas across South East Queensland.
- An increase in annual funding to the Royal Flying Doctor Service of almost 80% a year—from \$16.5 million to \$29.3 million.
- An extra \$18.3 million over four years to fund five more 'rural generalist' positions next financial year with more positions funded in the following years. Rural generalists are an emerging type of specialist doctor able to carry out a range of advanced skills such as delivering babies, administering anaesthetics and performing some surgery.
- \$6.5 million over four years for a statewide study to identify new groundwater resources across Queensland. The project will investigate the potential of sedimentary and fractured rock aquifers across the State, ranging from Cairns in the north to Warwick in the south.
- \$20 million over the next four years on new initiatives to improve water quality in South-east Queensland. This funding will focus on practical projects to reduce rural and urban pollution, restore degraded waterways, and improve waterway health into the future.
- \$231 million dollars in capital works to build new prisons and upgrade existing facilities. We're spending a total of \$163.7 million this year on the new women's prison and the upgrade of the men's correctional centre in Townsville.

The budget also commits \$19.9 million to complete the \$55 million expansion of the Arthur Gorrie Correctional Centre and \$44.3 million to complete the \$110 million redevelopment of the former Sir David Longlands prison which will open as the Brisbane Correctional Centre in December. These projects will deliver an extra 690 prisoner beds at correctional facilities by April 2008.

- \$7.5 million for a Solar Thermal Demonstration Plant in Queensland. This is a great opportunity for Queensland, CSIRO and private enterprise to work together and build a solid scientific knowledge base on the application of solar thermal energy to reduce greenhouse gas emissions from the use of natural gas.
- \$19.36 million in funding over four years to establish the Youth Substance Misuse Treatment Program in high-risk locations. This will boost treatment and rehabilitation services for Queensland young people with significant drug-related health problems.
- A record increase of \$528.8 million over four years to assist Queenslanders with mental health issues.

This whole-of-Government funding injection was the largest increase in mental health investment in Queensland's history and included \$198.3 million towards new and improved mental health infrastructure.