



Speech by

## Ms Grace Grace

MEMBER FOR BRISBANE CENTRAL

Hansard Wednesday, 12 November 2008

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### DUTIES AMENDMENT BILL

**Ms GRACE** (Brisbane Central—ALP) (9.09 pm): I rise to oppose the bill. This Duties Amendment Bill has been based on a number of wrong assumptions. The first assumption is that, when we abolish it, it will not affect total state revenue and, secondly, abolishing the bill makes good sense because the administration and compliance cost to collect the duty is more than the duty collected. Firstly let me make a couple of statements. In 2007-08 life insurance duty contributed \$14.476 million to state revenues. Queensland already has a tax abolition schedule in place as part of its commitment under the IGA. In accordance with the IGA, Queensland abolished quoted marketable securities duty on 1 July 2001 and debit tax on 1 July 2005. The IGA also required states and territories to undertake a review of the need to retain a range of further listed duties in 2005.

**Mr Seeney:** Tell us what you think!

**Ms GRACE:** I am. By abolishing the two duties and participating in the review of other listed duties, the Queensland government met its IGA obligations for tax abolitions in full. Let me give the member a few facts about the listed duties that we have abolished. The Queensland government abolished credit card duty in August 2004; lease duty in January 2006; credit business duty in January 2006; hire duty in January 2007; duty on unquoted marketable securities in January 2007; and mortgage duty in two stages—50 per cent from 1 January 2008 and 100 per cent from 1 July 2008.

**Mr Seeney:** Tell us what you think!

**Ms GRACE:** I will let you know what I think. The total cost of the above abolitions will amount to \$840 million in 2008-09. In addition, Queensland will abolish transfer duty on core business assets in two stages—50 per cent from 1 January 2010 and 100 per cent from 1 January 2011.

**Mr Seeney:** I rise to a point of order. I move—

That the member for Brisbane Central table the speech that was provided to her by Treasury.

**Madam DEPUTY SPEAKER** (Ms Darling): There is no point of order.

**Mr Copeland:** There has been a motion moved, Madam Deputy Speaker.

**Madam DEPUTY SPEAKER:** I hope that was not a frivolous point of order.

**Ms GRACE:** Queensland has also reformed its remaining taxes outside of the IGA by reducing payroll tax rates to the lowest in Australia; extending duty concessions for homebuyers, particularly first homebuyers; and reducing the insurance rate for policies of class 1 general insurance from 8.5 per cent to 7.5 per cent. Neither abolition nor review of insurance duty was contemplated in the IGA. It would be inappropriate to consider abolition of life insurance duty and duty on life insurance riders in that context. Given the move by other states to reduce tax rates, increasing other taxes in Queensland to compensate for the abolition of life insurance duty and duty on life insurance riders will detract from Queensland's competitive tax environment.

The Leader of the Opposition has announced a review of taxes yet is tinkering around the edges. Let me give members a bit of a lesson on life insurance. Before superannuation came in, many workers did

not have life insurance. In fact, heaps of workers did not. It was the work of the union movement, together with the Labor government of the day, that brought in compulsory superannuation that gave many workers who had never had life insurance before a number of life insurances to provide for their families. This government, together with the union movement, delivered for ordinary workers in Australia. When it comes to delivering life insurance, we are the ones who delivered it for all Australians—not just those who could afford it, which these taxes refer to. Let me tell members about life insurance and what we did to cover ordinary workers. That is the way we delivered it, not the way that the LNP is proposing in this bill. It does not make sense; it never has. The arguments for abolishing it do not make any sense. Members opposite say it will cost more. Let me tell them about taxing the workers. It was the Liberal federal government that imposed 15 per cent on superannuation contributions. If those opposite are really serious and are saying that savings are great for families, they would not have done that and kept it going when they were in government federally. This does not make any sense. It is based on a false premise. It is put together with arguments that hold no substance whatsoever and I am more than happy to oppose this bill.