



Speech by

Andrew Powell

MEMBER FOR GLASS HOUSE

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REVENUE AND OTHER LEGISLATION AMENDMENT BILL

Mr POWELL (Glass House—LNP) (3.06 pm): I rise to speak on the Revenue and Other Legislation Amendment Bill 2010. As the shadow Treasurer pointed out, this bill amends some six revenue statutes as well as five other pieces of legislation. The shadow Treasurer, the member for Clayfield, has considered each of these amendments in detail and outlined the LNP's stance on each so I would like to concentrate on three of the amendments only.

Firstly, as stated in the explanatory notes, the amendments to the Payroll Tax Act 1971 will change, from 1 July 2009, the territorial nexus for wages paid to employees providing services in more than one jurisdiction to ensure consistency with other jurisdictions. I know from talking to business owners and primary producers in my electorate that payroll tax continues to be an onerous burden. As one of my constituents put it, why should successful businesses be penalised for being successful? It stymies and frustrates the entrepreneurial nature of business owners when they are slugged with excessive charges once their hard work and investment begins to bear fruit. As a state we need to be exploring alternative revenue-raising methodologies that do not penalise those businesses that are flourishing. That said, these amendments will clarify the existing application of payroll tax in Queensland.

Again as explained in the explanatory notes, issues recently arose with employees working in more than one jurisdiction in a month. These issues included the impact of modern banking arrangements which make it easy to change the place where wages are paid. To address these issues, all jurisdictions have announced an intention to change the payroll tax nexus arrangements. I note that the amendments will have an effect from 1 July 2009. Again we are challenged by that spectre of retrospectivity. I refer to the *Legislation Alert* tabled this morning. In respect of whether the retrospective operation would adversely affect individuals, the explanatory notes indicate that for some individuals this is likely to be the situation. The impact on taxpayers will vary as some may become liable to pay in a lower taxing jurisdiction when the wages were previously liable in a higher taxing jurisdiction and vice versa.

In respect of whether individuals may have relied upon or have legitimate expectations based on the existing law, the explanatory notes state the change ensures that Queensland arrangements remain consistent with those applying in all other jurisdictions. As the other jurisdictions publicly announced an intention to change the nexus arrangements from 1 July 2009, it was necessary for Queensland to do the same to prevent double taxation or avoidance. The Office of State Revenue has advised all taxpayers of the change.

I note in the explanatory notes that, in recognition of the retrospective effect of these changes, transitional provisions are being included to ensure that an employer whose liability under the Payroll Tax Act 1971 increases as a result of the amendments will not be subject to any unpaid tax interest or penalty tax under the Taxation Administration Act 2001 or a penalty under the Payroll Tax Act 1971. I further note from the explanatory notes that where an employer's liability continues under the new nexus arrangements and this affects the employer's ability to comply with either the Payroll Tax Act 1971 or the Taxation Administration Act 2001 the employer will not be taken to commit an offence under either act if the employer or an administrator for the employer takes corrective action by the required time. I accept these

conciliatory moves on the part of the government to ensure that no business owner will be hit with unpaid tax interest or penalty tax but still question the need for retrospective application in the first place.

Now I will touch briefly on changes to the Superannuation (State Public Sector) Act 1990. These amendments simplify the current process for the continuation of eligibility for membership with QSuper for employees who are no longer employed by a state public sector unit as a result of the restructure of a government business. I note that, although these amendments will be beneficial to affected employees in relation to the declared projects under the Infrastructure Investment (Asset Restructuring and Disposal) Act 2009, these amendments apply more generally to all restructuring of government businesses. As the shadow Treasurer highlighted, the new process will be facilitated by a gazettal notice to be initiated by the minister, providing some safety to the public sector employees in question.

Finally, I turn to the part of the bill that the LNP will not be supporting. We will be opposing amendments to the Infrastructure Investment (Asset Restructuring and Disposal) Act 2009 as it will facilitate the asset sales process, which is a process that we have opposed from day one. One of the amendments will make provision for the minister to approve workforce transition codes of practice directed at ensuring the appropriate and fair treatment of employees affected by declared projects. If only the government abided by its own words: appropriate and fair treatment. If only the workers at Forestry Plantations Queensland in my electorate felt like they were being treated appropriately and fairly; if only the workforce transition code of practice gave them some certainty of ongoing employment in their current location. Instead, their concerns are dismissed as rumour-mongering and the greedy cries of disgruntled individuals. On both counts, the government has it wrong. These are not rumour-mongers. They are government employees desperately seeking clarification as to their futures and the future of their families. They are not greedy, disgruntled individuals. They are part of the majority of the Queensland population that feels had, that continues to distrust the Premier and that continues to express dissatisfaction with her performance and the performance of this government.

The lunacy and dishonesty of the assets sale and other surprise taxes imposed by this government in the past 12 months was the focus of an article by Paul Syvret in today's *Courier-Mail*. After commenting on the government's increases of Queensland motorway tolls, Syvret rather cheekily proposes a few as yet untapped revenue honeypots that the Bligh government could still thrust a desperate paw into: a voting levy or poll tax, a licensed premise cover charge, beach passes, a no-more-its-the-law policy of calorie intake, registering of cycles, exhaust tunnel levies and perhaps a special Queensland residency fee to reflect the value of having a '4' at the beginning of our postcode. Syvret states—

There is a bountiful harvest of ripe fruit just waiting to be plucked. Then, we've established a good revenue stream, we can sell it.

Whilst clearly meant to be read with a significant amount of tongue-in-cheek, the underlying outrage at the government's dishonesty and inept economic management, at a time when it is needed most, is clear. In concluding my comments on the Revenue and Other Legislation Amendment Bill 2010, I indicate that I concur with the closing remarks of Mr Syvret, who stated—

God forbid that government ever look at the expenditure side of the equation instead.