



Speech by

Hon. Andrew Fraser

MEMBER FOR MOUNT COOT-THA

Hansard Tuesday, 23 March 2010

REVENUE AND OTHER LEGISLATION AMENDMENT BILL

Hon. AP FRASER (Mount Coot-tha—ALP) (Treasurer and Minister for Employment and Economic Development) (5.53 pm), in reply: I thank all members for their contributions. I particularly acknowledge the contributions, not only in this debate but also as being agents for change, of the members for Murrumba and Yeerongpilly, both of whom have made contributions in this debate towards addressing issues that existed in the law, in advocating for the law to change for the benefit of communities that they have represented in their electorates. The positive change that is brought about in the amendments that we see here today is representative democracy in action.

This is a bill that principally provides for a wide range of benefits. It legislates a series of benefits that have been for the most part administered in the past, which is a usual practice under the administration of revenue law. It also protects the revenue base in many respects where those issues that arise in a complex society and a complex economy also require reinforcement through legislative action at a time that is required.

There was a question about the timing for this. It simply relates to the efficient passage of such matters that are usually stored up together so that there are not consecutive amendments. There is no disbenefit from the operation of these administratively, principally when they are to the benefit of the taxpayer. When there is a requisite wellhead or a requisite critical mass, then they are formed into one bill. That was one of the questions that the shadow Treasurer asked during his contribution.

In relation to payroll tax, which some people have commented upon, it is true that there is a national harmonisation going on here. But one thing that we are not harmonising is that the lowest rate of payroll tax in Queensland remains. This is about avoiding the prospect of double taxation. This was national reform. Interestingly, Western Australia's Liberal government was one of the first to enact on this front reform that we announced and that was advised publicly some time ago to clarify the operation of the payroll tax regime as part of the national effort to harmonise the operation of payroll tax to ensure that compliance costs and compliance issues are reduced for businesses. This is part of that effort and, therefore, I think of broad benefit to the economy.

I acknowledge in particular by exception the contribution of a couple of members. We heard tripe from the member for Gaven, who banged on about payroll tax but of course provided no commitment. There is a great tradition in this place of members opposite many times raising the ills and the evils of every single tax but always stopping short of providing the next part of the equation as to whether or not they would amend it, change it, abolish it or do anything. They just like to be the reflectors of the criticism and never the proposers of a solution. It is not for them the burden of proposing an alternative. It is not for them the burden of proposing positive alternatives. Far be it for them to ever put forward their own policy. It is much better that they come in here and only ever decry the current circumstance in a way that I think represents the worst of base politics.

In that regard I also acknowledge the lunacy advanced by the member for Burnett in his contribution. Before I leave the member for Gaven, he made some remarks about Suncorp while indicating that he would be supporting the bill. I would refer him to the rather erudite explanation of the shadow Treasurer in

that regard. He answered his own questions. I am sure the member for Gaven will be more than edified by a review of the shadow Treasurer's remarks.

The shadow Treasurer did raise some questions in relation to Suncorp. It is not a New South Wales company. It has its registered offices here in Spring Hill. It does have a range of other businesses operating around Australia and therefore has some other registrations in other places, but that reflects the nature of it being a national business. Its ABN is registered here in Queensland. I think his question concerned the consequence of not observing the requirements that are contained in the act and that will be preserved in terms of one of the managing directors ordinarily resident. Ultimately, it is always an extraordinary experience to be resident in Queensland. There is no such thing as being ordinarily resident in Queensland.

Mr Nicholls: Why would you want to be anywhere else?

Mr FRASER: I take the interjection from the shadow Treasurer. Ultimately, part 6 of the existing legislation provides for injunctive relief should it ever arrive at that point. I do not suspect it would, however.

One of the beneficial amendments contained in this act relates to reform to the benefit of the property industry. The reform that is undertaken here to introduce top hatting is one that I know has been particularly cheered for by the property industry. This is one where we utilise the capital gains relief provisions that exist to ensure that, where top hatting can be pursued by the property industry to more efficiently structure its investments and therefore advance the interests of the property industry, this can now take place in Queensland.

The member for Hinchinbrook raised some questions about the nature of those people who presently relate to FPQ. I can assure him that what is occurring here is that existing contracts, whether they relate to customers, joint venture partners or other people in commercial arrangements, will all be transferred holus-bolus to the new entity. Therefore, the issue around compensation does not arise. Given that the rights of entities—indeed, as the rights of employees—are being transferred to the new entity, that question is not one that ultimately arises.

One of the more interesting parts of the debate related to the discussion on the first home owner grant. This is a government that makes absolutely no bones about our decision and our leadership position. We led the way at a national level back in the 2008-09 budget during the last parliament in introducing nation-leading reform for the abolition of stamp duty for homes in Queensland for first home buyers up to \$500,000.

We brought forward the abolition of mortgage duty. That was a saving of up to \$10,000 for first home buyers in this state. It provided a leg up for people to get into the housing market. The first home owner grant is a state program. It is a state funded program. The \$7,000 has always been provided by the state and continues, at this point, to be provided by the state, as it will into the future.

We took the policy decision that if someone were to purchase their first home, at that time, above \$1 million we did not think they needed the leg up that we were seeking to provide everybody else, in terms of the abolition of stamp duty, to get into the housing market. Just as there are progressive tax scales, just as there is reasonable means testing of a whole range of benefits at all different levels of government, that governments of both political persuasions have pursued through the modern history of this nation and others, we believed that this was a policy measure that should be targeted to those who need it most. Yes, we do believe that those folk who are buying their first home above \$750,000 do not need a helping hand, do not need a hand up from the people of Queensland to give them a first home owner grant.

To put that in perspective, the shadow Treasurer asked the question about how many people this would affect, acknowledging that it is presently a \$1 million limit. Last financial year 75 people claimed the first home owner grant above \$1 million. Last financial year there were 256 claims between \$750,000 and \$1 million. This is a policy decision. It was taken in the context of our wide-ranging reforms relating to the abolition of stamp duty and the bringing forward of the full abolition of mortgage duty for everybody. The number of first home owner grants under \$750,000 was 34,134. So this does relate to a class which, in the last financial year, was represented by 256 applicants. Clearly, we believe that this is about making sure that the assistance is appropriately targeted.

It is important to emphasise that the median house price in Brisbane, the capital city, is \$410,000. The average house price for first home owner applicants—those people who go through the first home owner grant system—is \$340,000. The limit that we are putting in place here is more than double the average price that first home owners pay. We believe it is an appropriate reflection of community standards.

It is a great insight into the members opposite that they sought to draw this into question. It gives us a unique perspective on their position. That perspective might be informed by the fact that should someone buy a first home at \$750,000 on the standard 20 per cent deposit, which avoids mortgage insurance, that

would mean their repayments on a 30-year mortgage would total more than \$7,000 in two months. So the application of the \$7,000 first home owner grant would in fact represent a mere two months of their repayments as they signed up for a 30-year mortgage.

I ultimately believe, and this government believes, that if a person's first home is going to have the double lock-up garage with room for the two four-wheel drives, the billiard room, the spare room, the rumpus room and everything else, they probably do not need a hand from the Queensland taxpayer. We make no apologies about targeting that assistance to those who need it most.

Ultimately, I got a feeling that we were not the real audience here today for the speech from the shadow Treasurer or those who followed him. I suspect what we saw during the debate today was in fact the Tim supporter parade on show. I think what we saw from the shadow Treasurer was a gallant effort, although a little bit astride the barbed wire, to try, once and for all, to declare that the light of the Liberal Party has not in fact been snuffed out in this state.

What we saw was a rather meek, handwringing contribution about why he does in fact support privatisation even though he has voted against it. What we saw was a dog whistle, an appeal to the business community, an appeal to the natural base of the Liberal Party who are so outraged and perplexed by the unenlightened opposition of the opposition in this place. The audience today was not in here; it was down the road at Waterfront Place. It is down the road to those who are the natural supporters of the Liberal Party. More to the point, it was to his colleagues in the party room; it was to the Liberal Party base who are cheering for someone to come and bring some sense of policy responsibility to the vocation of the opposition in this parliament.

It was a stump speech the likes of which we usually see at preselection. It was an appeal to the base. It was going back to the old ideals of why it should in fact be that if one just happened to be buying their first home at \$5 million they should not deserve a fair go from the taxpayer. What we saw was an appeal to the business community. What we saw was an appeal to the Liberal base from the shadow Treasurer. I encourage him at a million miles an hour to put his hand up, to put his hat in the ring and actually bring some policy responsibility to this debate.

These debates will be so much better for it when there is actually a bit of purchase in the debate and someone who is prepared to put something forward. Ultimately what we saw with this confected anger around the idea that we should cap the first home owner grant for those poor souls who buy million dollar properties as their first home, those poor souls who need a leg up from the other taxpayers in this state was not a contribution of a shadow Treasurer but a contribution of a leadership aspirant. With that, I commend the bill to the House.