

~~The Queensland Government is ready for that conversation. Governments have no right to be preaching to businesses about productivity and efficiency until they get the basics right themselves.~~

~~The best part about this reform is that it won't cost taxpayers a cent, but it does take courage and a grown-up attitude as well as an acknowledgement of the reality that Governments can't solve every problem. We really need a grown-up in government in Canberra. Let's hope we get that after September 14.~~

CONCLUSION

~~Madam Speaker, in March last year the new Government said how it would go about fixing Queensland's finances and delivering services for Queensland. How we would be a "can do" Government for a "can do" State.~~

~~Last September, in our first Budget, I laid out the chart for the journey back to sound State finances, while at the same time supporting the four pillars of the economy and boosting confidence. I said it was the most important Budget in a generation. It started the hard work and reforms necessary to make sure Queensland is a better State, a stronger State, a great State.~~

~~This Budget is another way point on our journey.~~

~~It supports the growth we need to pay off the debts of the past while providing the jobs of the future.~~

~~It builds resilience, not just in our finances, but in our community. By lowering interest bills we can spend more on services and strengthen our communities by giving them the help they need when they need it.~~

~~It rebuilds not just the State's balance sheet, but the facilities and infrastructure that we all need and rely on every day—roads, schools, hospitals, parks and playgrounds. It empowers people to invest and grow with confidence.~~

~~Madam Speaker now is not the time to waver or change course. This Budget continues the journey of ensuring Queensland is a Great State with Great Opportunity.~~

~~I commend the Budget to the House.~~

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First Reading

~~**Hon. TJ NICHOLLS** (Clayfield—LNP) (Treasurer and Minister for Trade) (3.11 pm): I move~~

~~That the bill be now read a first time.~~

~~Question put—That the bill be now read a first time.~~

~~Motion agreed to.~~

~~Bill read a first time.~~

~~**Madam SPEAKER:** Order! The bill is set down for its second reading in accordance with standing order 177.~~

REVENUE AMENDMENT AND TRADE AND INVESTMENT QUEENSLAND BILL

Message from Governor



Hon. TJ NICHOLLS (Clayfield—LNP) (Treasurer and Minister for Trade) (3.12 pm): I present a message from Her Excellency the Governor.

The Speaker read the following message—

MESSAGE

REVENUE AMENDMENT AND TRADE AND INVESTMENT QUEENSLAND BILL 2013

Constitution of Queensland 2001, section 68

I, PENELOPE ANNE WENSLEY AC, Governor, recommend to the Legislative Assembly a Bill intituled—

A Bill for an Act to amend the Duties Act 2001, the Electricity Act 1994, the Financial Accountability Act 2009, the Fire and Rescue Service Act 1990, the First Home Owner Grant Act 2000, the Payroll Tax Act 1971 and the Taxation Administration Act 2001 for particular purposes, to repeal the Future Growth Fund Act 2006, and to provide for an Act to establish Trade and Investment Queensland and to amend the Industrial Relations Regulation 2011 for related purposes

(sgd)

GOVERNOR

Date: 4 JUN 2013

Tabled paper: Message, dated 4 June 2013, from Her Excellency the Governor, recommending the Revenue Amendment and Trade and Investment Queensland Bill 2013.

Introduction



Hon. TJ NICHOLLS (Clayfield—LNP) (Treasurer and Minister for Trade) (3.13 pm): I present a bill for an act to amend the Duties Act 2001, the Electricity Act 1994, the Financial Accountability Act 2009, the Fire and Rescue Service Act 1990, the First Home Owner Grant Act 2000, the Payroll Tax Act 1971 and the Taxation Administration Act 2001 for particular purposes, to repeal the Future Growth Fund Act 2006, and to provide for an act to establish Trade and Investment Queensland and to amend the Industrial Relations Regulation 2011 for related purposes. I table the bill and the explanatory notes.

Tabled paper: Revenue Amendment and Trade and Investment Queensland Bill 2013.

Tabled paper: Revenue Amendment and Trade and Investment Queensland Bill 2013, explanatory notes.

Madam Speaker, the bill I have presented amends a series of acts that are consequential upon the announcements that I have made in the budget. Details in relation to the changes and the reasons for those changes are contained in the speech which has been presented to your office, and I seek leave to incorporate the remainder of the speech in *Hansard*.

Leave granted.

Madam Speaker, the Bill will give effect to the 2013-14 State Budget measures and amend Queensland's revenue legislation to maintain its currency and ensure its proper operation. The Bill also provides for the establishment of a new statutory body, Trade and Investment Queensland ('TIQ'), to become the lead agency responsible for facilitating and promoting trade and investment opportunities for Queensland, and in particular, between Queensland and foreign countries.

Insurance duty is imposed under the Duties Act 2001 on contracts of insurance relating to Queensland. Different duty rates apply depending on the nature of the risk insured against.

As a budget initiative, the rate of duty on insurance premiums for Class 1 and Class 2 general insurance products will increase to 9 per cent. This change will apply to premiums paid on or after 1 August 2013 for policies entered into on or after that date. The new rates will be equal to the standard rate in New South Wales and lower than the standard general insurance duty rate applied in all other States.

There will be no increase in the duty rate applicable to premiums for workers' compensation insurance, compulsory third party motor vehicle insurance or life insurance. Existing exemptions will continue to apply including for charitable institutions and private health insurance.

The Bill makes amendments to the Fire and Rescue Service Act 1990, refocussing the urban fire levy to ensure a sustainable funding base for emergency services. The levy will be increased and its coverage broadened to deliver a more equitable way of sharing the cost of these services across the whole community. The amendments ensure that the Act supports the implementation of levy changes by addressing the way levies are applied to farming land, strengthening appeal provisions and clarifying how the levy may be expended. The amendments also give some flexibility to local councils to ensure implementation of the levy changes can occur smoothly in the first year.

Also included in this Bill are amendments to the Electricity Act 1994 to insert a power for the Minister for Energy and Water Supply to set the retail electricity prices for 'transitional and obsolete' tariffs, which generally supply farming and irrigation customers, for the 2013-14 tariff year.

On 31 May 2013, the Queensland Competition Authority released its Final Determination on regulated retail electricity tariffs for 2013-14, which indicated that many customers on transitional and obsolete tariffs would face average price rises of between 14 and 24 per cent, depending on the tariff.

Given the importance of the agricultural industry to this State and this Government's commitment to grow agriculture as one of the four pillars of the Queensland economy, this Government has taken action to limit the increases in transitional and obsolete tariffs, which include farming and irrigation tariffs, to no more than 10 per cent for 2013-14.

To achieve this, amendments to the Electricity Act, as contained in this Bill, are required to insert a power for the Minister for Energy and Water Supply to set these particular tariffs. This amendment will only apply to the 2013-14 tariff year, commencing 1 July 2013 until 30 June 2014.

This Bill, Madam Speaker, also provides the platform to revitalise the Government's premier body for advancing Queensland's trade and investment interests in overseas markets.

Late last year, I commissioned the Hon John Mickel and Mr Geoffrey Thomas to undertake a comprehensive review of Trade and Investment Queensland (TIQ)—a division within Queensland Treasury and Trade.

In keeping with the wide terms of reference, the Report made a total of 86 recommendations across all facets of the organisation, with key recommendations focussing on TIQ's role and operations domestically and overseas, including the alignment of resources in current and emerging markets, and its corporate structure and governance.

The review found that successive machinery-of-Government changes and departmental hosting arrangements have contributed to a progressive erosion of organisational capacity, direction and systems capable of dealing with global operations. In short—the reviewers found an organisation under considerable stress.

The reviewers concluded that, if the Government is to continue promoting the states' trade and investment interests, it is essential to establish a corporate model that allows TIQ to fulfil its mission without undue administrative burden. To this end, it recommended creating a statutory authority with a board drawn from appropriately qualified business people to:

promote Brand Queensland globally;

identify new business opportunities and partners for Queensland exporters;

attract global companies to invest in Queensland; and

co-ordinate the Queensland Government's global presence to maximise the impact of its overseas activities.

The Bill will establish TIQ as a new statutory authority, and facilitate the transfer of assets, liabilities and employees from Queensland Treasury and Trade's (QTT) Trade Office.

The Bill gives effect to the key institutional and governance features recommended by the Review. The object and functions for TIQ reflect its core, dual export and investment roles. A board will be established to oversee the entity, comprising a senior-level representative from each of QTT and the Department of State Development, Infrastructure and Planning the Government's foremost central economic development agencies and independent members appointed by the Governor in Council. A chief executive officer role for TIQ will also be established. The new entity will operate in accordance with the highest standards of governance and accountability—without being hamstrung by over-administration.

As Treasurer and Minister for Trade, I will retain a reserve power of direction—providing a mechanism to ensure the strategic objectives and priorities of Trade and Investment Queensland match the Government's economic development priorities.

The Bill also requires regular reporting to the Minister on TIQ's operations, and that the board keeps the Minister informed about TIQ's operations, financial performance and financial position and the achievement of strategic and operational objectives.

In addition, the Bill provides for the preservation of rights and entitlements of employees transferred from QTT to TIQ. The Bill confirms that, among other things, the transfer of employment does not affect an employee's total remuneration, or prejudice existing or accruing rights to superannuation, and recreation, sick and long service leave.

Madam Speaker, several of the amendments contained in the Bill relating to revenue legislation extend or provide additional exemptions. Other amendments clarify the operation of the legislation which will assist taxpayer compliance and the administration and enforcement of the revenue laws by the Commissioner of State Revenue. The remaining amendments protect the integrity of the tax system.

Many of the amendments to the Duties Act 2001 deliver benefits to taxpayers with retrospective effect, reflecting the fact that they have been operating under administrative arrangements. The majority of these amendments respond to changes in the way business is done in the banking and finance sector, and superannuation industry, including changes in Commonwealth legislative regimes.

The first of these will enable a pooled superannuation trust or "PST" to qualify as a pooled public investment unit trust. PSTs are trusts in which regulated superannuation funds, approved deposit funds and other PSTs invest. PSTs have similar characteristics to certain registered managed investment schemes and exempt managed investment schemes as defined in the Corporations Act 2001 (Cwlth), which may already qualify as pooled public investment unit trusts under the Duties Act 2001. This entitles unit holders in those schemes to concessional transfer duty treatment. The amendment allows PSTs to qualify if they meet the conditions for exemption.

A related amendment enables unregistered managed investment schemes with members comprising only wholesale clients also to qualify as a pooled public investment unit trust. This will be achieved by extending the definition of exempt managed investment scheme.

Developments in securitisation practices have prompted another amendment extending the existing transfer duty exemptions for asset-backed and mortgage-backed securities to particular covered bond transactions under the Banking Act 1959 (Cwlth). The Banking Act 1959 (Cwlth) was amended in 2011 to enable authorised deposit taking institutions such as banks, credit unions and building societies to issue covered bonds. This Bill recognises that there are similarities between covered bonds and securitisation transactions which currently benefit from the transfer duty exemptions. Conditions apply to ensure equitable duty treatment of covered bond arrangements with securitisation transactions.

First Reading

Hon. TJ NICHOLLS (Clayfield—LNP) (Treasurer and Minister for Trade) (3.14 pm): I move—

That the bill be now read a first time.

Question put—That the bill be now read a first time.

Motion agreed to.

Bill read a first time.