




Speech by

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MEMBER FOR INALA

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TREASURY (COST OF LIVING) AND OTHER LEGISLATION AMENDMENT BILL

 **Ms PALASZCZUK** (Inala—ALP) (Leader of the Opposition) (8.18 pm): I rise to support the position on the bill as set out by the Manager of Opposition Business. When the global financial crisis hit, Labor took the tough decision but the right decision to stand up for jobs and continue our infrastructure program. While jobs were being lost in record numbers around the world, we stood up for local workers and continued our investment. In the face of the worst economic crisis since the Great Depression and in the wake of the worst natural disasters in our history, Labor continued to invest in our building program—that supported jobs and created infrastructure that will benefit our communities and support economic growth for years to come.

But we can always do more for people, and the Labor opposition is interested in supporting real support for Queenslanders. When I look at the title of this bill, we note that it is the cost-of-living bill. This was a very important issue, an issue that the government went to the election on and championed that they would improve the cost of living for Queenslanders. But what they did not do when they went to the election was tell Queenslanders that thousands upon thousands of jobs were going to be cut—thousands of jobs were going to be axed.

What we heard today in this House was very clear. When questioned, the Premier said categorically that around 20,000 jobs are going to go. We also heard today—we finally found out—from the Premier the breakdown of the jobs in the Public Service. Let us go through them briefly. There are 37,374 temporary jobs in the Public Service. My challenge to the government tonight is: is the government going to keep these 37,000 temporary jobs? And where are the majority of these jobs? 13,774 are in Education and Training and 14,000 are in Health. Not only do we have temporary jobs; we have casual jobs. Over 18,000 casual jobs are listed here—18,000. So when you talk about priorities, when you talk about promises, no-one in Queensland heard before the election that these jobs—people's jobs—were on the chopping block. No-one heard this.

Mr Choat interjected.

Ms PALASZCZUK: No. You went to the election and you did not say you were going to cost people their jobs. So it is going to be very hard for people to pay their bills, put fuel in their car, pay for their mortgage, to do all these other things if you do not have a job. There is nothing more important to people than jobs. We are starting to see it. People are coming up to us day after day, week after week, telling us that they are concerned about their jobs.

Government members interjected.

Ms PALASZCZUK: You are laughing and you are dismissing it, but they will be coming to your electorate offices and they will be confronting you about this. There is nothing more important than a job to a person. What will the Labor Party stand up for? I will tell you what the seven members of the Labor Party will stand up for in this place—jobs, jobs and jobs. That is our commitment. We will stand up for jobs.

Government members interjected.

Ms PALASZCZUK: You can laugh about it, and I see the Deputy Premier over there smirking, smirking like Peter Costello. There is nothing more important to a family than to have a family member with a job. You will hear it. You will see them marching in the streets. The teachers are coming here tomorrow. They will be here at Parliament House and they are not happy.

Unfortunately, my voice is going on me tonight but I have a lot more to say. I seek leave to have the remainder of my speech incorporated in the *Record of Proceedings* and my office has provided a copy to the Speaker.

Leave granted.

Opposition will support this Bill

The Opposition supports moves to assist families with the cost of living.

But the LNP's design of these changes and the forced lack of Committee scrutiny of the legislation means that many families will be left short-changed.

Key issues raised in debate:

The Leader of Opposition Business set out a range of areas where the design of the package raised more questions than it answered and where some people will actually be left worse off.

We have seen throughout this debate, several important elements of this legislation discussed.

Electricity:

The issue of the government's approach to electricity costs is the clearest example of where examination of this legislation by Committee would have been beneficial.

The commitment of the LNP Government to address electricity prices for Queenslanders was very clear—they promised "savings of around \$120 a year on power bills compared with Labor".

Despite this clear commitment, the Opposition is seriously concerned that the decision announced by the Government will not deliver this outcome.

In freezing Tariff 11 for 12 months, the Government has not made comparisons with the pricing reforms that were set to be in place for the new financial year under the previous Government.

What this means is that for many average families they will not receive the benefits that the LNP promised and, in fact, some families may well be worse off.

These issues have been raised in the public debate and in this House and;

I ask the Minister to table comparisons between the Government's decision and the pricing reforms that he shelved.

I ask the Minister to clearly explain who will be better off and who will be harmed.

It is particularly important that the Minister table this information in the House, as the legislation was not referred to the Committee for proper analysis and scrutiny.

I also ask the Minister to explain what will occur after the 12 month period and what guarantees can he make that the so called savings this year will not simply be recouped the following years?

In addition, I ask the Minister to explain the cost increases for many in south-east Queensland, particularly those with electric hot water systems or swimming pools.

Stamp Duty Changes

Another aspect of this decision that has not been fully explored is its impact on the housing construction sector.

As we know, the construction industry is struggling, not only in Queensland, but across the nation.

And housing construction, in particular, was hard hit by the international economic downturn and is still facing further challenges.

That is why the former Labor government introduced the Building Boost—to help stimulate activity in housing construction.

The Building Boost helped save jobs in the construction sector by stimulating building activity.

It was targeted at the construction of houses, not merely the sale of houses. In Labor tradition, it was targeted to support construction jobs.

In fact, the NSW Liberal Government acknowledged the importance of targeting construction of new homes. The NSW announced—just last week in their budget speech—a building boost program that contained the targeting of construction of new homes, similar to the Queensland scheme.

The new Queensland Government should join their NSW colleagues and recognise that the targeting of the building boost to the construction of new homes was the correct priority for the previous Government.

3rd Party support:

The Building Boost was supported by stakeholders such as the Housing Industry Association, the Property Council and the Master Builders Association—as they all knew, first-hand, what impact the economic downturn was having on their industry.

For example, Master Builders Association made the statement on 14 June 2011 that:

"A new \$140 million 'Building Boost' grant scheme, announced today as part of the state government's 2011-2012 State Budget, is a kick start measure desperately needed by Queensland's building industry, according to Master Builders, Queensland's peak body for housing and construction.

Master Builders Executive Director, Graham Cuthbert, said Master Builders welcomes the decision to introduce a \$10,000 incentive for all consumers building a new home in Queensland.

"By announcing this new grant as part of the 2011-2012 State Budget, the government is recognising the vital role the building industry plays as a key driver of Queensland's economy." [end quote]

Madam Speaker, the LNP Government has unfortunately not allowed this important bill to go to Committee. The LNP has denied proper review of the legislation by the Parliament and has denied community and industry stakeholders a voice in the review.

So in the absence of a Committee hearing, that should be part of the legislative process, the Opposition undertook to provide an avenue for stakeholders and the community to have input.

The view of the industry from when the Building Boost was introduced has been reinforced in the past few weeks by the Housing Industry Association as part of the Opposition's consultations on this Bill.

The HIA advised that:

"The home building industry in Queensland is in a parlous state with activity down around 40% from pre-GFC levels and little sign of improvement in the short term.

"It was against this background that HIA strongly supported the Bligh Government's Building Boost.

"While HIA would have preferred to see stimulus measures continuing only for new home building, we do support the restoration of the principal place of residence stamp duty concessions in the belief that it might encourage more activity in the established housing market with a positive spin-off for new home building among trade-up buyers."

As the HIA points out, the reintroduction of this concession is hoped to have some positive impacts on the established housing market.

The Opposition has concerns though, that this could result in negative impacts on the number of new homes being built.

So I have some further questions for the Treasurer:

Has the government done any modelling on the impact of this policy on the number of new homes that will be built in Queensland?

What modelling has been done on the budget costs of these changes?

Will he release the modelling on these questions to this House?

What support is the government providing to workers and businesses in the housing construction sector?

There is a very real prospect that as a result of these changes to the stamp duty concession, people are more likely to move into established homes than they are into new homes.

This could potentially have a devastating impact on housing construction at a time when it is already struggling.

I am sure the industry would appreciate the government's explanation about the impacts of these changes on this sector, and whether it has fully thought through the longer-term repercussions of this move.

No Scrutiny:

The Premier, Treasurer and the Government have a particular responsibility to table in the House their modelling and budget calculations in this debate because they have denied this legislation the proper scrutiny and the appropriate consideration.

Declaring the bill urgent and refusing to send it to Committee was a tactic to deny proper scrutiny and deny the public the chance to contribute through public debate.

This bill was introduced and declared urgent on the first real sitting day of this Parliament—over a month ago.

In that time, Committees have met, considered a wide variety of legislation, held public hearings and delivered Committee reports to try to improve legislation.

But not this Bill. The LNP refused to allow scrutiny, even though it could have been sent to a Committee and back again by now.

Even more troubling for the LNP's approach to the House and legislative scrutiny, is that this Bill is yet to be completed.

The LNP had an entire week of Parliament when the Bill could have come on for debate—but they held it back.

Then we had a second full sitting week where the LNP chose to shelve this Bill, choosing instead to prioritise drastic changes to Industrial Relations.

How ironic that the 'urgent' Cost of Living bill was sidelined by legislation that will deny workers' pay and conditions. That does nothing but increase the cost of living pressures on working Queenslanders and their families.

In Conclusion:

As we have set out, the Opposition supports moves to assist with the cost of living, but we have concerns that particular elements of the proposed changes will end up hurting the very people this Bill intends to support.

I have summarised a range of areas where the Opposition are concerned about the effect the Government's changes could have on Queenslanders—especially the changes to stamp duty and the particularities of the proposed changes to electricity tariffs.

Underlying all the Government's rhetoric about improving the cost of living for Queenslanders is one, crucial question that the LNP refuse to answer ... How does it help workers to meet the cost of living by taking away their jobs?

This Government has no credibility on cost of living when:

They are already breaking election commitments that affect cost of living

They are threatening the livelihoods of thousands of workers in the public sector.

If the Government was serious about reducing cost of living, they would use all the available resources of this Parliament to ensure the best possible legislation and the best outcomes for Queenslanders.

I urge them to do so in the future.