




Speech by

Bruce Young

MEMBER FOR KEPPEL

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TREASURY (COST OF LIVING) AND OTHER LEGISLATION AMENDMENT BILL

 **Mr YOUNG** (Keppel—LNP) (12.13 pm): I rise to speak in support of the Treasury (Cost of Living) and Other Legislation Amendment Bill 2012. I had the pleasure of attending the Central Queensland carbon footprint forum in early 2011. The study was a snapshot of Central Queensland companies affected by the introduction of the carbon tax. The main company reviewed was Stanwell Power Station. Stanwell has four 365-megawatt generators producing 1,460 megawatts of power each year. Stanwell is a coal fired power station that burns through about 3.7 million tonnes of coal each year. It emits generally about seven million tonnes of CO₂ per year. From 1 July 2012 the federal Labor government will introduce a carbon tax priced at \$23 per tonne of CO₂—carbon dioxide. The introduction of a carbon tax significantly decreases the carrying value of Stanwell's operating sites and will add considerable operating costs comparable to the company's fuel costs. The seven million tonnes of CO₂ emitted from 1 July will cost Stanwell Power Station \$161 million per year. The National Greenhouse and Energy Reporting scheme regards Stanwell as one of the more efficient coal fired power stations in Australia. However, the cost of producing electricity in Queensland will jump by 43 per cent. The estimated costs of this carbon tax to each household will increase by approximately \$317 per household per year. The Rockhampton Regional Council, as part of that study, will have to pass on a staggering \$3.5 million to the ratepayers of Rockhampton. According to research carried out by the University of Queensland commissioned by the Fitzroy Basin Association, a leading Rockhampton transport company noted in that study will now have a financial impost of \$500,000 which it will pass on to its customers, ultimately affecting households in Rockhampton.

How does one quantify the financial costs of those firms that are trade exposed and compete with offshore companies that may not be subject to a similar carbon pricing scheme? A quick flyover of Central Queensland would indicate that the major employers there are those that are deemed trade exposed. Coalmining and allied industries that service the mining sector will be faced with a staggering financial cost of this carbon tax, and what are the employment implications from this toxic tax? I have pensioners in my electorate of Keppel using photovoltaic garden lights that they bring into their house each afternoon in order to save money on power bills. Pensioners are struggling with the cost of living, rates, medical and household insurance and now power. These are very real concerns for those who have made it through the hard times and are now doing it tough again all because of Labor's financial mismanagement.

Under the Treasury (Cost of Living) and Other Legislation Amendment Bill 2012 the LNP government will freeze tariff prices for one year to ease the financial burden of the introduction of the carbon tax. The freezing of tariff 11 will save the people in my electorate of Keppel on average \$120. The LNP will also deliver on its commitment to show the full costing and the financial impact of federal Labor's toxic carbon tax on people's electricity bills. The LNP strongly opposes the introduction of the carbon tax because it will have significant impacts on people's cost of living. Only an LNP government will address the cost of living for Queenslanders by cutting red tape, cutting waste and growing a four-pillar economy.

In 2008 Western Australia—another mining-rich state—went to an election. At that point Western Australia was carrying no state debt. Sadly, in 2008 Queensland had in forward estimates a debt of \$62 billion. This was prior to the global financial crisis, prior to Cyclone Yasi and prior to the Brisbane floods. In what can only be described as a fire sale of state assets as a veiled attempt to maintain the state's credit rating, the worst decisions were made. One of these was the sale of Forestry Plantations Queensland. This magnificent asset was sold for \$605 million prior to carrying out an asset and liability audit. The audit after the sale was finalised delivered a finding that Forestry Plantations Queensland was worth \$1.1 billion. The Bligh government had sold Forestry Plantations Queensland \$405 million too cheap!

Now, after the interim Costello report, Queensland is staring down the barrel of almost \$92 billion of debt by 2015-16. The interest just to service this state debt will be our fastest-growing expense. The Bligh-Beattie government created unsustainable growth and gross debt. General government and gross debt has grown tenfold in the last five years. So when the good people of Gracemere, west of Rockhampton, phoned me declaring the need for a high school, I informed them that we could build two high schools each week for the state debt interest repayments alone.

Queenslanders are struggling—struggling because of the rising cost of living due to the former Treasurer's total lack of financial mismanagement. The honourable Minister for Health recently announced that the Health payroll debacle will now cost the state \$1.2 billion to rectify. What health outcomes could be achieved for the many people who walk through my door every day, such as those who are on the waiting list to get on to the waiting list for elective surgery? How do you tell someone you have known all of your life that there is a waiting list for 12 months just for a consultation—just to see the surgeon—let alone making it onto the list for actual surgery?

Many years ago Queensland Health was the envy of the Western World. How can it be that areas like Rockhampton and Gladstone, surrounded by rivers of mineral wealth and now coal seam gas, are in the middle of a state that went broke? We are not Greece; no-one is going to bail us out. The federal government is not going to come to our rescue. They are going down the same path as Queensland under Labor. Only an LNP government—the people with real-life skills, real management know-how—are going to get Queensland back on track. I urge Queenslanders to be patient and to get behind us as we travel down that rocky road to recovery.