



Speech by


# Deb Frecklington

MEMBER FOR NANANGO

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## TREASURY (COST OF LIVING) AND OTHER LEGISLATION AMENDMENT BILL

 **Mrs FRECKLINGTON** (Nanango—LNP) (2.56 pm): I rise to support the Treasury (Cost of Living) and Other Legislation Amendment Bill 2012. The bill encompasses measures that will lower the cost of living for all Queenslanders. This bill is essential and will bring a lower cost of living in particular to the residents of the Nanango electorate, who are sick of the rising cost of living and the incredibly steep hill of rising taxes and charges that were forced upon them under the previous Labor government. Under the previous Labor government administration, the cost of living spiralled out of control. As I go around my electorate speaking to mums and dads, business owners and retirees I find that this is the No. 1 issue raised with me.

It was why the people of Queensland gave the LNP this mandate, as we want to make it easier for all Queenslanders to balance their budgets. The Newman LNP government will deliver cost-of-living relief and red-tape reduction for families and businesses. Throughout Queensland red tape, fees, levies and charges drain approximately \$7 billion out of our business economy each year. I support the introduction of this bill, which will reinstate the transfer duty home concession and the previous transfer duty rate structure; increase the payroll tax exemption threshold from \$1 million to \$1.1 million; freeze tariff 11, the standard residential retail electricity tariff, and display carbon price impacts on electricity bills; facilitate the establishment of the Office of Best Practice Regulation within the Queensland Competition Authority; and remove the requirements to prepare and provide sustainability declarations prior to the sale of residential dwellings.

In my role as Assistant Minister for Finance, Administration and Regulatory Reform, I had the opportunity to read the Treasury incoming government brief. As the Treasurer has mentioned on numerous occasions, he was mortified to read this brief—as was I—which stated that Queensland's fiscal position and outlook are unsustainable and that restoration must be an urgent priority for this term of government. We have inherited a debt-ridden state, with a debt that is now blowing out to \$1 billion. We now know that the Commission of Audit has discovered that the general government gross debt has grown ten-fold in the past five years. Total government gross debt would reach \$10 billion by 2018-19 if something were not done to stem this flow. Interest is now our fastest growing expense, and since 2005-06 expenses have outstripped revenue. Our capital program is almost entirely funded from borrowings.

All of this occurred at the same time that Queenslanders were suffering from the increased cost of living. Thank goodness for the incoming Newman government—a government that has received the overwhelming mandate to urgently address cost-of-living pressures for all Queenslanders. On the first available date, the Treasurer did the right thing to ease the cost of living by introducing this bill into this House. I thank the Treasurer and, trust me, so do the people of the Nanango electorate for it is about time that the people of my electorate get some relief instead of another tax, charge or fee.

This bill contains amendments to the Queensland Competition Authority Act 1997 to facilitate the establishment of the Office of Best Practice Regulation within the QCA. The responsibilities of the OBPR will include to review and report on regulatory impact statements by government departments for both

primary and subordinate legislation; to review the existing stock of our legislation; to publish annual reports of departmental performance against regulatory burden benchmarks; and, at the discretion of the ministers, to undertake in-depth principles based investigations on matters relating to industry, productivity or best practice regulation.

Onerous red tape and regulation is a constraint on all business growth, productivity and investment. We must review the regulations currently in place to identify where outdated, onerous and unwarranted regulation can be cut to save business and government both time and money. The Productivity Commission reports that Queensland has over 70,000 pages of regulation, making Queensland the highest and most regulated state in all of Australia.

Our Premier has made a commitment to establish the OBPR within the first 100 days of government. I have been given the role of working with the Treasurer to establish this office. Importantly, this office is to cut regulation by 20 per cent within the first term of our government. It is also essential that we liaise with business and industry to ensure that both government and stakeholders are on the same page in relation to what is considered excessive, unreasonable or costly regulation.

New members like myself would ask how the state could rack up such a debt. The answer could be with disastrous spending. It is also difficult to imagine the incredible decision making without any stopgaps or balances—decisions like wasting \$600 million on the failed Traveston Dam project or \$1.1 billion on the Tugun desalination plant or the Health debacle, which I am now told has blown out to approximately \$1.235 billion. There is also the introduction of a smart card licence system, meaning the cost of drivers' licences will double from \$73.70 to \$152.50.

The establishment of the OBPR will enable ministers to direct the QCA to review and report on regulatory impact statements prepared by those departments for new primary and subordinate legislation. This will allow new regulation to be developed in accordance with best practice principles and will ensure that any regulatory burdens imposed on business or the communities are not only appropriate but are justified. Simply, it will prevent the creation of unnecessary red tape and debt that the people of Queensland have given us a mandate to get rid of.

The reduction of red tape will not only help small business but midsize and big business. To give an example, there is a business that has been operating for approximately seven years currently employing 25 people, including three apprentices and trainees and three juniors. The compliance red-tape cost based on the federal government's business cost calculator is some \$356,000 per annum and an estimated 35.54 hours per week just to undertake compliance activities. A major supermarket chain has quoted to me that the compliance costs of duplicate regulation—as they trade across borders—is the cost of approximately one extra staff member per week working 38 hours per week. At the other end of the scale, a Kingaroy builder who employs five people and numerous subbies quotes that compliance regulation costs him approximately five hours per week. The cost of red tape and regulation to business is simply prohibitive.

To get the state back on track, we need to ensure that the Queensland economy is productive and competitive. By utilising the Office of Best Practice Regulation we can provide independent advice and recommendations that will help the government achieve this goal. Effective and efficient regulation is a key component of a competitive, well-functioning economy. Regulatory reform will improve competitiveness and the productivity of our economy.

In relation to the payroll tax exemption threshold changes, the Newman government wants to work with business and encourage growth. It wants to see business prosper, employ more people and grow their business without strangling them with rising taxes and charges. The LNP blueprint for Queensland small business provides a policy commitment to provide payroll tax relief available for all Queensland businesses. The bill amends the Payroll Tax Act 1971 and allows for the first incremental threshold change from \$1 million to \$1.1 million, meaning that the benefit of the payroll tax deduction will be extended. The deduction currently cuts out when the employer's payroll reaches \$5 million. The changes mean the deduction will now cut out at \$5.5 million. This section of the bill allows for approximately 90 per cent of our state's employers—that is Queensland employers—who will not be subject to paying a payroll tax. That means a saving to approximately 1,200 employers, meaning more employers can employ more people, giving opportunities to many residents of my electorate. The bill is the first step in our commitment to increasing this threshold to \$1.6 million over six years.

The bill also extends to changes in the home concession. Unbelievably, mid last year when the Queensland people were really suffering under the weight of the rising cost-of-living pressures, the Labor government removed the home concession effective from 31 July 2011. Thankfully, the amendment to the Duties Act 2001 rights this wrong. When this change occurred let me explain what happened to all of the small businesses and all of the buyers and sellers of real estate within the Nanango electorate. Their business stopped. In my then position as a local solicitor I was inundated with calls of outrage. I recall taking a call from Jane Erkens from Nanango Real Estate saying that if this change came in, her business would stop. This story was the same for every single real estate agent I spoke to. I doubt there was one real estate agent in Queensland who voted for Labor in this previous election.

We will introduce the stamp duty concession, saving Queensland families up to \$7,000 on the price of their home. Not only will this save them that amount, but it will allow them to buy again or get back into the market. As members from the real world would realise, \$7,000 can make or break a family desperately trying to purchase their home or to get out of the vicious rental cycle. This reinstatement brings relief to small business such as the local conveyancer or law firm, local real estate agents and all associated businesses such as valuers, maintenance persons right down to the local carpet cleaner. They are real Queenslanders who are out there trying to earn a living and, in some cases, fighting to stay afloat so that they can continue to employ staff. This bill delivers on the LNP's promise to lower the cost of living for families and this bill will back up the government's plan to boost activity within the housing market.

Under Labor, the average Queensland family saw \$700 added to their household power bills over the past five years, despite Labor's promise that nobody would be worse off under the Bligh government's electricity reform. Like every person in my electorate, Beryl Virgo, a wonderful resident of my electorate, needs this relief. She needs relief from the rising cost of electricity. She needs to feel comfortable to be able to turn on her heater in winter and her air conditioner in summer. The Newman government will freeze the standard domestic tariff 11 and help cut the cost of electricity bills. This bill will provide savings of around \$120 per annum compared with prices under the previous Labor government.

We will also give consumers transparency in electricity pricing. We will make sure electricity bills display the impact of the federal government's toxic carbon tax and the cost of the green energy schemes on families' cost of living. By ensuring that the impact on householders' cost of living is included on every electricity bill, families will be able to determine whether the federal government's compensation is sufficient. This information will be open and transparent—consistent with the approach now taken in New South Wales. Queenslanders need to know what they are paying for. This ridiculous carbon tax will increase our cost of living every time we turn on a light and every time we open the fridge. The effect on businesses will be disastrous.

In relation to the sustainability declaration, for all my time in business this would have to be one of the most ridiculous pieces of red-tape regulation and time-wasting ever introduced into our lives. The cost-of-living bill will amend the Building Act and Property Agents and Motor Dealers Act to make the required changes that will mean that, effective immediately on the bill receiving royal assent, the sustainability declarations will be null and void—not required—including for those houses that are on the market. Can I say this is not a minute before time. The declaration never did anything in relation to sustainability issues. A blank piece of paper contains about as much weight as this declaration.

More often than not, this form was signed on the bottom and not even filled in. I recall talking to a young couple from Crows Nest who were trying to sell their home. This young couple were struggling as it was and the extra burden of completing this form was simply too much. It was just simple, useless red tape. When I was talking to local real estate agents, like Jackie Allery in Kingaroy, Mark and Tim from Toogoolawah and David and Vivienne from Esk, they all said that sellers already highlight the energy sustainability issues as this is what sells property and buyers will pay more for these features. They said they did not need a government to stretch into their lives and weigh them down with more red tape. Enough is enough. People are not simple and they understand that investing in energy and water efficiency not only improves the value of their home but it makes it cheaper to live in. I also wonder about the cost to the state to administer the enforcing of the \$200 fine per person for those people who apparently were going to fail to complete this piece of paper.

This bill will help get small businesses back to what they do best: focusing on running their business, creating new local jobs and, in turn, helping to lower the cost of living for all consumers, an essential element of our government's commitment to the people of Queensland. The cost of living is a big issue for a great many Queenslanders. No matter where you go or who you talk to, whether it be the local farmer, the local real estate agent, a cafe owner, a builder, nurses, teachers or truck drivers, no member of this parliament could have missed the message that the cost of living is affecting everyone's daily life. From talking to my colleagues this is a consistent message across our state that has stemmed from an attitudinal problem: an assumption by the previous government over the past 20 years that somehow all the little costs on people really did not matter. But all these little costs have added a cost burden on families that is now becoming impossible to bear. They are struggling with an increasing financial burden and the continued challenge of making ends meet, especially people on fixed incomes and people with growing families. The cost of supporting these families inevitably grows.

With this bill the Newman government will ease the costs of living to Queenslanders. We need to stop the spiralling costs and help ease the pressure on family budgets so that they can afford the little extras such as new school shoes, a family holiday or a trip to the movies. We will help business cut through the red tape that is holding them back. We will be a government that has a positive attitude towards business and works with them rather than against them to help them succeed. I commend this bill to the House.