




Speech by

Howard Hobbs

MEMBER FOR WARREGO

Hansard Tuesday, 5 June 2012

TREASURY (COST OF LIVING) AND OTHER LEGISLATION AMENDMENT BILL

 **Mr HOBBS** (Warrego—LNP) (9.44 pm): I am pleased tonight to talk to the Treasury (Cost of Living) and Other Legislation Amendment Bill in this House. It is very important too because the Labor government has caused a great deal of hurt in this community. The level of debt is unprecedented in this state. I ask members to consider a couple of things. One is the fact that, if you look at the \$82 billion debt that we have, the interest bill on that alone per day will fund a 26-kilometre upgrade of the Warrego Highway—each day! That is the cost that we have to stump up because of the incompetence of the previous government. They are some figures that you may be interested to know. So we have no choice but to change the way business is conducted in this state.

Small business is the backbone of our economy. We need to assist them to help pull us out of this mess. Regulations keep growing and growing all the time. We have to pull them back. Regulations cause delays in council approvals. Then there are the forced amalgamations that we had. The debt that will be imposed on councils through the structures they have has gone from \$2 billion before amalgamation to \$6 billion, and within the next 15 years local government debt will be \$20 billion. How do we expect them to pay that back? That is the model for local government that was put together by the former Labor government, and we have to pay that debt—our ratepayers have to pay it and our councils have to pay it.

The cost of the basic needs of life—water—is the most expensive ever. We had the cheapest electricity in Australia. We almost had the cheapest water in Australia, apart from Tasmania. But now it is the most expensive. Do members know that the Labor government under Peter Beattie and Anna Bligh spent \$9 billion on the water infrastructure plan—and we have not got any more water than we had before? And if they had spent \$350 million, they could have built the Wolffdene Dam. Instead, they spent \$9 billion. It is crazy. It just defies logic to understand why they headed down this path. People like the Kevin Rudds of the world were there with Wayne Goss when they did away with the Wolffdene Dam. That gives you some idea of what has happened.

In relation to planning laws, it takes years to get approvals. That has to stop. I am really encouraged by the Minister for Local Government who is enthusiastic to get local government strong once again, to be able to provide the services that we need, to be able to drive our economy. Local government is our third tier of government, and it is a major driver in our economy. We have to get it right and we certainly will.

We have to grow our state. I have spoken in this House before about the workplace laws, and I gave an example of what happens at roadworks—the fact that you end up with four blokes holding signs, with utes and so forth, stopping people from driving through. The cost of that is enormous. If you go to places like the UK or even New Zealand, you drive around winding roads and so forth and suddenly you come upon a grader—a big Kiwi sitting in a Cat grader, just poking along doing his job, doing a final trim. You pull up and have look around and away you go. In Australia, we would have witches hats, we would have signs, we would have a police car at both ends with lights flashing. What is the cost of doing business in this state? We cannot afford it. Any business cannot afford to bear these costs. Regulation is killing us. It is

my strong belief that the Labor Party and the union movement have driven this. I think we need to do a close examination of the people involved in a lot of this activity. I believe that the union movement and the Labor government have created this unsustainable way of doing business in this state.

The reality is: we cannot afford to continue to do business the way we have. We have to change. The bill before the House today will change the way we do business. It will reduce the cost of living. It will reinstate the transfer duty home concession. That is very, very important. We saw how the housing industry saved Australia during the Asian economic crisis. Members will remember that John Howard made a big increase to the first home owner grant, which drove the industry. We got through that crisis as a result of that. The housing industry can help us this time also.

I refer to the increase to the payroll tax exemption threshold. Payroll tax has been a bone of contention for every businessperson in this state for so long. They have always said to us, 'You have to reduce payroll tax. Why do you want to tax the people who create the jobs?' We tried to do what we could, but now we are lifting the exemption threshold, which will be a very good thing.

In reference to electricity, as I said earlier, Queensland used to have the second cheapest electricity prices in Australia. Tasmania used to beat us because they had hydropower. I think our prices are now the highest or second highest. That has come about as a result of the gas policy. I am not saying that it is necessarily wrong to have more gas, because it probably is cleaner, but the drive by the Beattie government to increase the percentage of electricity generated by gas certainly led to a dramatic increase in the price we have to pay for our electricity. It is something we have to look at.

People think that using coal is not a clean way to generate electricity. They are half right, but the reality is that it is getting better and better. The scrubbers they put on power stations now are very good, and if they pick the right coal they can build baseload power stations and generate power for about a third of the price of gas. In saying that, I know that we have to have gas, which is a great industry. It is a balancing act.

We have to change the way we do government in Queensland. We cannot afford to continue in the same way. Our communities are hurting. We have to fix the roads. We have to get the railways working again. We have to put freight back on rail to lower the enormous costs of repairing the roads. It is not rocket science. On the Warrego Highway, a perfectly good railway line runs alongside the road. The road is being flogged to death by road trains, convoys and so on, while two trains a week use the line. It just does not make sense. We need to be able to at least use that facility, even if a depot has to be put back in Toowoomba, down the range or somewhere, so that freight can get to a certain point and then be transported. We have to get freight off the roads, which are being pounded to death, and put it on to rail.

I refer to the spiralling cost of insurance in flood-prone towns. I have a pecuniary interest in this issue. I have been flooded a couple of times as well. I refer to the ridiculous situation in my home town of Roma. In the past three years some \$100 million has been spent by insurance companies to fix houses, while it would cost \$10 million or \$12 million to put in a levy bank. So it is preventable. We have a policy to fix that problem. Insurance companies are putting pressure on the state government and the councils—and the councils have not been as good as they should have been in this instance.

Insurance premiums are going up dramatically. Household insurance will go from probably \$1,000 to \$7,000 a year. The member for Gregory told me that in Emerald premiums have risen to \$7,000. One lady had her contents insurance premium increase from under \$1,000 to \$4,600. In Roma, probably \$2 million or \$3 million extra a year will have to be paid out of that community. Many people will not be able to afford that. We have to do things to help those people.

Under the previous Labor government farmers were demonised. The government really did not care about what happened to them. Of course, there are flow-on effects from that. A strong industry will power through and help you. Many years ago we rode on the sheep's back. It has been a long time since that was the case. There are other industries, but we can balance it up and everything helps. As the old saying goes, if you save your pennies the pounds will look after themselves. If we look after those small industries, they will grow. They may be in the doldrums now, but they will pick up and become strong. There are people out there with many years of expertise in those industries and the kids coming through understand it, can manage it and will do well, but they need some assistance.

The vegetation management laws that we have were foisted upon the industry. I refer to the tick line. Because the number of stock inspectors has been reduced, there have not been sufficient quarantine inspections or surveillance and the ticks are coming down. The other day I received a phone call from one of the Gardiner boys from Charleville, from Coleraine. He told me that he takes a truckload of cattle down to Roma every week or every few weeks. He has to have his cattle scratched on a Sunday. In the past, the stock inspector would go out and check them and he would be right to go and he could hit the sale on the Tuesday. That cannot happen anymore because they cannot afford to pay these people and there is no-one left to do it. We are going to have to self-accredit many people to be able to do this again. I have spoken to the minister about it and he is very sympathetic. In fact, he has already announced three extra

staff for that tick line, which will be of great help. We are responding and responding quickly. That is what happens when you are not on the job, when government is lax. We have to ensure we are on the job all the time.

The price of fuel has a cumulative impact on regional Queensland. Everybody can whinge about the price of fuel, but the flow-on impact is quite extraordinary. Many members were not present, but I and others can recall—the Leader of the House was here—when the then Premier, Anna Bligh, took away the fuel subsidy. That was a real disappointment.

A government member: After the election.

Mr HOBBS: That is right. The impact multiplies the further out you go. The impact is really quite significant. It is important to the transport industry. We rely on transport operators for our livestock, for our freight. I have plenty of good mates in the trucking industry, and they run through to Mount Isa or Quilpie. The member for Gregory's brother is at Tambo. Johnson Bros runs a big business there. Transport operators are hammered all the time because the costs are beating them. We really have to try to help reduce those costs.

We are getting a lot of federal government interference in many of these industries, because there are national laws. Someone down in Canberra decides that they want to change the rules and in the past the state government was not savvy enough to understand that the impacts on Queensland are multiplied two or three times what they are in Victoria.

Mr Johnson interjected.

Mr HOBBS: That is the problem. As the member for Gregory says, it is the wrong people. I plead with all of our ministers to be very aware of the fact that these national rules are good—in many instances they sound sensible and it is right to have rules such as road rules across the whole of Australia—but the reality is that one rule does not fit all, particularly with the transport industry.

Mr Johnson: Especially with paved roads.

Mr HOBBS: That is right in terms of paved roads. They are the sorts of issues we have. This morning I heard the member for Gregory talk about the crossing of the Barcoo River at Blackall. That is a good example of a National Highway which has been cut. It was exactly the same with the Mitchell bridge when it was cut. These are serious issues to address. We cannot afford to have our National Highway—our Bruce Highway, our Warrego Highway, our links, our lifelines—cut, but this is in fact what has happened. The big daddy of them all is the carbon tax. That goes across the whole lot. Everything we touch—whether we consume or eat it, our clothes, our houses—is going to be dearer again with the carbon tax.

Mr Crandon interjected.

Mr HOBBS: The member is probably right; we probably will be here all night on this issue. The point is that, while this is not a state government issue, we have to ensure that we can fight it every which way we can. The carbon tax is very important and I say to members of the parliament that we need to be very aware of where this federal government is going, but our ministers are very keen to ensure that Queensland becomes the leading state in this nation once again.