




Speech by
Jon Krause

MEMBER FOR BEAUDESERT

Hansard Thursday, 7 June 2012

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

 **Mr KRAUSE** (Beaudesert—LNP) (11.27 am): I rise to speak in favour of the bill before the House, the Treasury (Cost of Living) and Other Legislation Amendment Bill 2012. Cost of living is a big issue in the Beaudesert electorate. In fact, we should make no mistake that it was the single biggest issue in the Beaudesert electorate during the campaign and the single biggest issue that brought down the former Labor government.

People in my community know that the former government squandered the proceeds of a mining boom. I have a simple question for the party of five, as the member for Whitsunday called them: after 10 years of boom and staggering increases in mining royalties, where is all the money? Where is all the money and why have families been asked to pay more and more and more still for the same or lower levels of service? On 24 March Queenslanders called time on Labor's gouging of family budgets. They called time on Peter Beattie's sham electricity reforms. They called time on the deception of Anna Bligh and Andrew Fraser regarding the fuel subsidy. There is a sign in my electorate on the Mount Lindesay Highway heading towards Rathdowney which says, 'The last fuel stop in Queensland'. It hails from a time when Queensland was a low-tax state, when we had a fuel subsidy and we did have the cheapest fuel in the nation. The sign is still there but, of course, the fuel subsidy is gone. It is a great travesty on the people of Queensland that in the 2009 election campaign the Labor Party promised it would not scrap the fuel subsidy, but, of course, it did.

On 24 March the people of Queensland called time on the 15 per cent increases in public transport costs in the south-east. Those increases pushed people away from public transport and into cars. That was supported by the now Leader of the Opposition. I did not know that it was Labor Party policy to push people away from public transport, but perhaps it must have been.

The people of Queensland called time on the waste, they called time on the nearly \$3 billion annual deficit and they called time on the \$60 billion debt left to us by Labor. That debt is costing us \$600,000 an hour in interest. Believe me, just a sliver of that \$600,000 an hour in interest could have been put to use in my electorate to properly fund services at the Beaudesert Hospital that, slowly but surely over a period of 10 years, were removed by the former government. It is absolutely shameful that while the former government presided over the fiasco of the health department payroll scandal—which will cost up to \$1.2 billion over the next few years—people in all rural communities, but especially the Beaudesert community, were told that there was not enough money to go around to fund maternity services or any of the other services that had been removed by the Labor Party in the past 12 years. There was enough money to be wasted, but there was not enough money for essential services.

I turn to some of the cost-of-living savings that will be made through the passage of this bill. The first one I wish to speak about is the reintroduction of the stamp duty concession on the family home, saving families on average \$7,000 in transfer duty. Last year the Labor Party scrapped the stamp duty concession. It must seem like Labor wants to make it harder for people to buy a home. It shows the

economic illiteracy of Labor, which introduced an increased tax on family homes at a time when the housing market was already struggling. Members can ask any real estate agent in my electorate and probably around the whole state whether that was a good idea to spur the housing market on and to make it easier for people to buy a home. They will find that 100 per cent of agents will say that it was a terrible idea. Labor introduced a \$10,000 bonus for new homes, time limited of course, although I do not think the transfer duty was time limited. Then it took back \$7,000 in stamp duty. Labor gives with one hand and takes with the other. The other \$3,000 probably contributed to the waste that went on in the government departments administering the program.

We want to make it easier for people to buy their own home and to fulfil the great Australian dream that a man's home is his castle. The pain visited on working families—and I use that term advisedly because, unfortunately, it has been co-opted and corrupted by Labor politicians—by this decision, which at a stroke made it immediately on average \$7,000 more expensive to buy a family home, cannot be underestimated. Many families or young couples scrimped and saved for years and years to pull together a deposit for a home, while putting up with all the other gouging cost-of-living pressures visited on them by the former government. They have gone without holidays, new cars, new clothes, takeaway meals, dining out, movies for themselves or their children they have made and many of the other sacrifices couples and families make in their lives to save a deposit. For the former government to place the family home that little bit further out of reach by gouging from hardworking and hard-saving homebuyers, simply to pay for its waste and deficit, is outrageous.

Clearly, the Labor Party is no longer working for the working people. We saw that on 24 March when, in all parts of Queensland, working people turned their backs on the Labor Party for the first time. In working people, all the Labor Party sees is a source of tax revenue to pay for its waste and debt. I would love to see stamp duty on homes abolished altogether, but recognise that that may be some way off in the future as we have a big hole to dig the state out of.

I commend the decision to scrap sustainability declarations on home sales, to save home sellers the cost and inconvenience of those declarations. I welcome moves by the Attorney-General, not in this bill but announced, to simplify the real estate contract process to make it easier for buyers and sellers to transact, and to cut down on the complexity in the process of buying and selling a home. As somebody who has worked with complexity in real estate contracts in the real world of finance, I look forward to that reform.

I wish to touch on another aspect of the bill, which is the freezing of the domestic electricity tariff 11 for one year. When we talk about the freezing of this tariff, we cannot fail to mention the moves made by the Beattie government that led to the rapid increases in electricity prices over the past five years. There has been a 60 per cent increase in electricity prices over the past five years. The former Premier undertook a reform of the electricity industry. He said that electricity prices would not increase. In fact, I think he may have said that they would go down. However, what we have seen is a 60 per cent increase in five years. I welcome the fact that Minister McArdle, the Minister for Energy and Water Supply, has already taken steps to implement reform in this sector. Some people are having to choose between heating in winter or airconditioning in summer. Some people are having to choose between using electricity or other essentials of life. Queensland has an abundance of resources that are used for electricity generation. It is criminal that the Labor governments of Peter Beattie and Anna Bligh have given Queenslanders some of the most expensive electricity in the world, even though we have some of the greatest natural resources in the world that can be used to make electricity. It does not make sense and the people of Queensland know that it does not make sense.

I note the burden placed on dairy farmers like the Dennis family at Tamrookum, south of Beaudesert. Their electricity bill increased from approximately \$10,000 to \$16,000 a quarter. That is \$6,000 out of their pockets every quarter, at a time when revenue for milk is decreasing. I draw attention to the vegetable processor at Boonah whose electricity bill is now \$25,000 a month. That industry has experienced similar cost increases to dairy farmers. That increasing cost comes straight out of the bottom line of his business, which is already suffering from low commodity prices, a high Australian dollar, increasing labour costs and a sea of red tape and regulation, including workplace health and safety regulations imposed by the Gillard Labor government and cheered on by Anna Bligh when she was in office. That business still employs over 50 people, but Labor did not make it easy to create jobs. In fact, it did quite the opposite. I commend all of the brave men and women in small business and primary production in my electorate who have struggled on and continue to advance their businesses and employ locals in the face of the economic vandalism of the former government and the continuing economic vandalism of the Gillard Labor government in Canberra. The carbon tax starts on 1 July and in my electorate the devastation on small businesses in primary producing industries will continue.

Many households are now paying more for using less. They are paying more for water, but are using less. They are paying more for electricity, but are using less. That money comes straight out of the back pockets of families, meaning that they have less money to spend at the footy; they are less able to go to the footy. They have less money to spend in supermarkets, at the newsagent, in other local stores and in

all manner of consumer spending. Cost-of-living increases affect the whole economy and are strangling the economy. Wherever I go, small business people tell me the same story: consumers are spending less, because more and more of their income has been consumed by the rising costs of living, particularly electricity costs.

Mr Rickuss: No discretionary money left.

Mr KRAUSE: There is no discretionary money left. Small businesses pay for these cost increases straight from the bottom line and jobs are lost or fail to be created as a result. Small businesses and primary producers in this country are being squeezed to death. There is no protection for them at all. We must work to bring down their cost of doing business.

Labor claims to be about jobs, jobs, jobs. However, let me tell honourable members that there can be no jobs under Labor when all costs do is go up, up, up. Of course, they do not understand that because none of them have ever had to work in a business or make a living in a business. They do not know what it is like to work in a business like Beaudesert Frame and Truss, a roof truss business visited by the Premier and me. That business will be hit by the carbon tax and has been hit by sustainability declarations and the downturn in the housing market. Stamp duty increases affect their business as well, as do electricity price increases, fuel price increases and so on.

The people of Beaudesert and I welcome the move to show the cost of the carbon tax on electricity bills. The carbon tax is a great big new tax on everything. It is an insidious tax on jobs and will achieve little, if any, of its stated aim of reducing carbon emissions. It will achieve great things in sending Australian jobs offshore into jurisdictions which do not have such costs imposed on them by government. I can see the increased carbon emissions coming out of factories in China right now at the expense of Australian manufacturing jobs and Australian workers. There are so many businesses in my electorate which are just hanging on by a thread, and the carbon tax is something which could quite simply send them over the edge.

Queenslanders need to know how much Julia Gillard's misleading of the Australian people will cost them in their electricity bills. The parallels with Anna Bligh and Andrew Fraser are amazing: they say one thing before an election and do something else afterwards. I think back to Paul Keating's I-a-w law tax cuts in 1993. They were already in law before the election, according to Keating. Then what happened after the election? He said, 'Sorry, we spent too much and so we are not going to give you those tax cuts now.' That sounds familiar because the members opposite—the gang of five—were part of a government that did exactly the same thing.

That can be contrasted with the gutsy leadership of steel shown by John Howard, the former Prime Minister. He proposed a GST. Not all Australians supported this tax—and I acknowledge that a good number of people in my electorate would not have supported it in 1998, either—however, John Howard did the right thing, which members opposite do not know how to do. He proposed the tax, took it to an election and he won the election because he showed good faith with the Australian people. He implemented the policy.

Members on our side do not believe in saying one thing before an election and doing another thing after it. That can be compared with the misleading conduct of Bligh, Fraser and Keating, who, incidentally, left Australia with a debt not much larger than that left to Queensland by Bligh and Fraser 16 years later. There is simply no plausible way that anybody in the Labor Party can claim to act with fiscal and economic responsibility. When they get into office they spend, spend, spend and tax, tax, tax and then we are broke, broke, broke. I hope that the independent review established by the Minister for Energy and Water Supply will look at the overall structure of the electricity industry in Queensland and seek out areas where efficiencies can be achieved.

I wish to mention also the change to the payroll tax scales, with an increase in the threshold from \$1 million to \$1.6 million over six years. We on this side of the House know that there is nothing more virtuous in business than to grow and employ more people. That is why we will increase the threshold over six years. I urge the Treasurer to look at ways in which we can abolish payroll tax or phase it out over time because it is a tax on jobs. One would think those in the Labor Party would be deadset against payroll tax because they claim to be all about jobs, jobs, jobs. It just shows again the hypocrisy of members opposite, who see employers who succeed in business as cows to be milked for all the tax revenue they can possibly obtain without actually sending businesses to the wall.

Members opposite cannot have businesses going broke because when businesses go broke they cannot pay tax. I speak of businesses like AJ Bush and Sons in Beaudesert, an employer of nearly 100 people and one of the largest employers in my electorate. Yet every single new employee they put on in that business costs them money. With every single new employee a portion of the employer's income is sent into the coffers at George Street. Payroll tax is a tax on growth and we must look at ways to reduce it where we can. The opposition of members opposite to this bill being implemented as a matter of urgency so that we can ease the burden on business, stimulate local economies and increase employment is simply inconceivable and shows that Labor just does not get it.

I will speak briefly about the freeze on registration for family cars. I make the point that it is also a freeze on registration of utes of up to four tonnes that are registered for private purposes. The cost of car registration increased 30 per cent over the last two years of the former government. Everybody drives a car and in my electorate, as in so many electorates in Queensland, you cannot get anywhere without going in a car. Where has all the money from the increases in car registration gone? Has it gone into roads? Has it gone into the maintenance of roads? Has it gone into research into new technologies to reduce the cost of roads or to reduce the environmental impact of cars? Of course not! It has gone straight into the coffers to service the debt racked up by Labor. In fact, it probably went just to pay off some of the interest.

I welcome the measures in the bill to reduce red tape and to cut government waste, including the establishment of the Office of Best Practice. As the member for Warrego said earlier in this debate on Tuesday night, it is not rocket science. We need to govern with competence, and that is how the Labor Party failed: up to \$1.2 billion on the Health payroll debacle, \$600 million on the failed Traveston Dam—a dam for which the land was acquired before they even had approval to build it—and over \$1 billion on a desalination plant that is not working. We need to remember that every dollar that we take out of the economy is a lost opportunity for growth and jobs. Every dollar taken out of the community is a blow to that community.

I welcome the steps taken by the government, including the proposed plans of the government, to reduce waste and cut red tape for all types of businesses but, in particular, small businesses and primary producers, which are the heart and soul of my electorate. There is a lot of work to be done in reducing the cost of living and the cost of doing business. This bill represents a crucial first step and implements our election commitments to the people of Queensland. I commend this bill to the House.