




Speech By
Hon. Curtis Pitt

MEMBER FOR MULGRAVE

Record of Proceedings, 2 June 2015

**PAYROLL TAX REBATE, REVENUE AND OTHER LEGISLATION AMENDMENT
BILL**

 **Hon. CW PITT** (Mulgrave—ALP) (Treasurer, Minister for Employment and Industrial Relations and Minister for Aboriginal and Torres Strait Islander Partnerships) (8.27 pm), in reply: Firstly, I would like to thank the Finance and Administration Committee for the work that it put into considering this bill through the public hearings, submissions and the report that it submitted. We can clearly see the value of a properly run committee process helping the legislative process. I would particularly like to thank the committee chair, the member for Bulimba, for her stewardship of this process.

It is unfortunate that I have to correct the shadow Treasurer and his side of the House on some incorrect figures that were thrown about during the debate. Sadly, this is becoming a little bit more regular but, on this occasion, I am happy to help out.

Mr Langbroek: What about the recession figures?

Mr PITT: We will talk about that. Members of the opposition have repeatedly referred to a figure of \$600 being the value of the payroll tax rebate. On the Office of State Revenue website, this equates to the scenario of a worker on exempt apprentice or trainee wages of \$50,000 per annum, showing a rebate of \$600, which is what those opposite have used as the figure. However, those opposite appear not to be aware that this \$600 figure relates to a single month only, also known as a periodic liability. Based on the given scenario, the annual saving for a taxpayer would be \$7,125, not \$600. So rather than the opposition's preferred comparison of a benefit of \$600 from the rebate versus a claimed one-off payment of \$6,000 from their measures, based on the OSR advice that I have, the comparison is, in fact, \$7,125 per year for each of the 2015-16, 2016-17, 2017-18 financial years. For the members' benefit, I table that page.

Tabled paper: Office of State Revenue webpage, printed 2 June 2015, titled 'Incentive rebate—Apprentices and trainees' [\[501\]](#).

So notionally we arrived at a figure totalling \$21,375 compared to the opposition's one-off incentive for \$6,000. When the opposition members mentioned figures in the debate, they got them wrong. When the Deputy Leader of the Opposition gets his figures wrong by a factor of 35 one has to wonder. There is reference to the \$6,000 incentive as 'the sorts of policies that would lead to spikes in employment'. If that is the case, if he is very positive about a \$6,000 figure, just imagine how positive he should be about our \$21,000 approach. I think that is something worth considering.

This payroll tax rebate is not a new initiative. The former Labor government had it in place. It makes one wonder how those opposite got it so wrong. We were criticised by those opposite about the government's projections in the MYFER when they thought they were Labor's numbers, when of course they were actually from the previous government's MYFER. If those opposite cannot get their sums right I am not sure where they will take us in the future.

As the member for Surfers Paradise continued, further contradictions occurred. Whilst on the one hand the member was supporting schemes to encourage the hiring of trainees, on the other hand

he justified scrapping Skilling Queenslanders for Work because he thought that it should be something that the federal government does. The member even mentioned new initiatives in the 2015 federal budget as justification for the former government's absence of any skilling policy. Let me get this straight: apparently they should have done nothing and promised nothing in the hope that the federal government would have come to their rescue five months after the election. That is not good enough. Young apprentices deserve more than two levels of government passing the buck between themselves and not claiming responsibility.

In their contributions some of the members opposite occasionally went a bit off the reservation and tried to rewrite the economic legacy that they had left the state with. The member for Broadwater told us that the previous treasurer worked 'so hard to reduce the payroll tax liability of businesses'. The member for Clayfield did not work hard enough, because straight after his first budget the LNP government broke its promise to increase the payroll tax threshold. It broke its own promise and then it promised it again. One cannot trust its last promise either. In the 2015 election campaign those opposite re-promised their broken promise from last time to increase the payroll tax threshold. Once again this was an LNP promise entirely reliant on the magic pudding of asset sales. Despite the member for Southern Downs alleging that the LNP had a revelation and no longer supported the sale of Queensland assets, time after time today members opposite have referenced policy positions of the former government, including its election commitments for the 2015 campaign, all of which were entirely dependent on asset sales. Their costing document called out their payroll tax promise for what it really was: an empty promise with no funding attached. I table page 10 from the costings which clearly shows that despite making a commitment to increase the payroll tax threshold to \$1.4 million there was no funding allocated to pay for this initiative and no offsets identified.

Tabled paper. Document titled 'Funding Queensland's Future—Revenue Measures' outlining LNP election commitments in relation to tax [\[502\]](#).

This is in stark contrast to Labor's approach, with the costs of the increase to the threshold at \$255 million and clearly identified as something that was not fiscally achievable given the state of the budget left by the LNP and our \$45 million commitment to the payroll tax rebate for apprentices and trainees. Now those opposite have taken their empty promise a step further. With absolutely no discussion on how much it would cost and whether the budget could afford it, those opposite have repeated the CCIQ's request for every single business in Queensland to receive an incentive for apprentices and trainees regardless of whether they pay payroll tax or not. This would cost several hundred million dollars per year. I do wonder how that would be viewed by the ratings agencies and how others would consider that sort of approach. Clearly they had not costed these things at the election. They had nothing in the line items in their costings document and now there is nothing in terms of how they would pay for something they are shooting from the hip on in opposition.

As the debate went on the views of the opposition on other areas of the bill got stranger and stranger. The member for Broadwater made some comments in relation to the amendments to the Criminal Law (Criminal Organisations Disruption) and Other Legislation Amendment Act 2015. These amendments essentially delay the commencement of a number of provisions that were due to commence in July pending the outcome of an ongoing review into these and a range of other laws. The member said we cannot anticipate the outcome of an inquiry so we should not stop amendments coming into force that the very same inquiry is looking at. That is a very strange position to take. Furthermore, the member stated that all LNP members recognise the suite of LNP antibiotic reform initiatives and consider these as a whole. If we are to look at a suite of policies as a whole as the member for Broadwater says we must, then we are forced to include the pink jumpsuits in this suite of policies and we all know where that policy ended up.

I note the member for Currumbin was reminiscing today about the four pillars. She appeared to be making the remarkable claim that 95 per cent of businesses were covered by the four pillars. We know that the infamous four pillars make up only 27 per cent of the economy and 22 per cent of employment. I would be interested to hear more from the member for Currumbin as to how she arrived at the 95 per cent of businesses covered by the four pillars.

Mrs Stuckey interjected.

Mr PITT: The member for Currumbin, I should also say, has made a lot about what is happening with the CCIQ and others. I would suggest that the member take a very close look at what she tweets and think about that before she tweets. That is very important, member for Currumbin, and I think you should take some of that advice.

In relation to amendments to the Plumbing and Drainage Act and the Water Supply (Safety and Reliability) Act, the member for Coomera spoke about the fitting of water meters being undertaken by people who are not qualified plumbers but have merely completed the relevant training modules. The member stated that one does not need the full qualifications to do the task. I am sure you can train

someone who is not a mechanic to service the brake lines on your car and four times out of five you might be fine, but I would hate to be driving down the highway on the occasion when they have not got it right.

The member for Stretton noted that the number of complaints that a water utility received had skyrocketed from the 2013-14 financial year to the current 2014-15 financial year after the introduction of the current arrangements. This highlights the need to have correctly installed water meters. Unlike the previous government, this government has heeded the concerns of industry and its election commitment to restore high standards in the plumbing industry. We undertook to ensure that the installation of water meters returned to the hands of fully qualified and licensed plumbers. These amendments will remove the ambiguity around who may install water meters and in doing so the bill will go a long way to restoring confidence in Queensland's plumbing laws which were eroded under the previous government.

I note the support of the members of Katter's Australian Party for these amendments and their desire to shorten the transition period. While we reiterate that two years is the appropriate transition period, I do note that some stakeholders have raised legitimate arguments about addressing safety concerns sooner. In relation to concerns raised around remote communities and their access to plumbers, the fact that a community is remote does not change the standards in terms of public safety. These communities are already required to engage plumbers to do all other forms of plumbing work and we will continue to look at ways to support and encourage the licensing of tradespeople in remote communities. There is no point having someone who is not a qualified plumber in the community directly when of course we can have people within that vicinity to do that work. What we should be focusing on is not trying to stop these laws from being changed but how we can get people within the community of Wujal Wujal to do the training. That would be an achievement and we should be focusing on that instead of trying to stop this legislation. We need to restore the high standards to the plumbing industry.

The member for Glass House raised concerns around the ratepayers of Wujal Wujal having to pay more to get plumbers to their community. Sadly there are not enough ratepayers in Wujal Wujal at the moment but we want to do more, not less, to provide opportunities for locals to upskill themselves in communities right across the state.

Coming back to another key initiative of this bill, the payroll tax rebate, we are committed to kick-starting jobs and growth in this state. The rebate delivers on a key election commitment and is expected to save Queensland businesses up to \$45 million over three years if we are able to get the full participation that we would like. This measure will benefit not only employers and the apprentices and trainees they employ; it will also support the broader economy through reduced expenses. I commend the bill to the House.