




Speech By
Hon. Curtis Pitt

MEMBER FOR MULGRAVE

Record of Proceedings, 17 June 2016

**APPROPRIATION (PARLIAMENT) BILL; APPROPRIATION BILL; DUTIES AND
OTHER LEGISLATION AMENDMENT BILL**

 **Hon. CW PITT** (Mulgrave—ALP) (Treasurer, Minister for Aboriginal and Torres Strait Islander Partnerships and Minister for Sport) (8.21 pm), in reply: I rise to close the debate on the 2016-17 Appropriation Bill and the other cognate bills. It is hard to follow such a positive contribution. It really was a constructive contribution to this debate. I think it took him about 14 minutes before he finally got to the point. After denigrating people for 14 minutes, he then started complaining—

Mr SEENEY: I rise to a point of order. That is not even right. I find the Treasurer's comments personally offensive and I ask for them to be withdrawn.

Mr PITT: I withdraw. The member used the word 'unbelievability' quite a few times, and I think it is unbelievable that he is still here. He is from a bygone era and he has tonight shown that he himself has no respect for the parliament, nor does he have respect for you and your role, Mr Speaker.

Mr SEENEY: I rise to a point of order. I find that comment personally offensive and I ask that it be withdrawn.

Mr PITT: I withdraw. Glass jaw—shattered! There are a few things the member for Callide said that I want to address. While in government last term he sat in this chair over here and he kept on decrying how the former Beattie-Bligh governments had funded infrastructure. He hated how that infrastructure was funded, and what did he do? He went along, he smiled for the cameras and he cut the ribbon on those projects. He and all of those opposite hated how we funded things because—

Mr SEENEY: I rise to a point of order. I find that comment personally offensive and I ask that it be withdrawn.

Mr PITT: I withdraw. What I was trying to get to before is that the member for Callide has been here a long time, and in all seriousness he does know that there is a longstanding rule about incorporation. It is the right of members to do that if they have spoken with the Speaker and had their speech cleared. For whatever reason they wish to incorporate their speech, they are able to do so. I think that is something the member for Callide knows. He knows that to be true, but tonight he has chastised almost all government members for doing just that.

It is sometimes funny how these things come up and all of a sudden things drop in your lap, because I have just been handed a few speeches by the member for Callide. There is a speech from 7 March 2007 where the member for Callide rose, spoke two paragraphs and said, 'I seek leave to incorporate the rest of my second reading speech into *Hansard*.' I table that.

Tabled paper: Extract from *Hansard*, dated 7 March 2007, of a speech by the member for Callide, Mr Jeff Seene MP, on the Civil Liability (Good Samaritan) Amendment Bill [\[1002\]](#).

There is also one from 15 March 2007 on the Terrorism, Organised Crime and Anti-Corruption Surveillance Bill. After two paragraphs he said, 'I seek leave to incorporate the rest of my second reading speech into *Hansard*.'

Tabled paper. Extract from *Hansard*, dated 15 March 2007, of a speech by the member for Callide, Mr Jeff Seeney MP, on the Terrorism, Organised Crime and Anti-Corruption Surveillance Bill [1001].

Mr RICKUSS: I rise to a point of order. I do not think the Treasurer's speech is relevant to the budget debate.

Mr SPEAKER: There is no point of order; it is relevant. I have made specific announcements in relation to the opportunity for members to have parts of their speeches tabled in parliament and *Hansard* will reveal that. Members in this House would recall the specific statements I have made in relation to the tabling of parts of members' speeches during the debate on these bills. I call the minister.

Mr PITT: I want to take people way back to 10 September 2003. The member for Callide rose and moved that the bill be now read a second time. Then he said—

This is the second bill that will enshrine in law our charter of property rights. I seek leave to incorporate my second reading speech in *Hansard*.

Tabled paper. Extract from *Hansard*, dated 10 September 2003, of speech by the member for Callide, Mr Jeff Seeney MP, on the Land Acquisition Amendment Bill [1004].

The point is that the member for Callide has used this technique on a number of occasions in this House, and then he went and chastised all on this side; that is what is unbelievable.

Tabled paper. Extract from *Hansard*, dated 31 October 2007, of a speech by the member for Callide, Mr Jeff Seeney MP on the Freedom of Information (Open Government-Disclosure of Contracts) Amendment Bill [1003].

I hope that we will now be able to maintain some kind of civility. What I was looking at when we were tabling those was the body language of those opposite. I thought it was very interesting that the member for Callide—

A government member: Allan Pease!

Mr PITT: The Allan Pease of our time.

Mr SPEAKER: Before we go further, it has just been brought to my attention that I used the word 'tabled' when I should have used the word 'incorporated'. We have debated this point: let us move on to the reply.

Mr PITT: I think we should bring some civility back to the House, and I am very happy to get on with it.

I would like to thank all members for their contribution to the debate on the 2016-17 Queensland budget. It is a back-to-work budget to advance Queensland's economy. This budget sets out a clear path for job creation based on three priorities. This budget is about growing innovation through our \$405 million Advance Queensland strategy. In reply, the opposition leader dismissed this investment in the new economy as a 'squander' and 'not for the government to micromanage'. This is the dead hand of the man who continues to boast that governments should not be doers, just enablers.

This budget is also about attracting investment through incentives to expand our existing Queensland businesses as well as lure new businesses from interstate and overseas, which is something that the opposition leader disgracefully dismissed in his budget reply as corporate welfare, bribery and a cash cow—this from the party who is allegedly of business and for business. He talked about 'trousering' and then strangely quoted from the Bible, Exodus 20:17, to pillory our investment attraction policy and talking about 'coveting thy neighbour's wife'. I am surprised he did not go on to use the rest of that passage, which goes on to talk about donkeys and manservants.

My point is that this is in such contrast to this side. This morning I was at the convention centre with the Minister for Communities and the Minister for Women, Shannon Fentiman, and we announced our women's budget statement. We are not talking about coveting neighbours' wives and using things in gest. We have shown that there is a very important difference between this side and that side, and we very much value the place of women in our economy and the economic participation of women. The fact is that there should be no gender bias and no gender inequality, and I think there is such a strong contrast. I was proud to do that this morning with the member.

If the member for Clayfield had won the election and he was still the treasurer, instead of him reading from Exodus 20:17 I think we would have had an LNP exodus in 2017. This budget is about many things, but at its core it is about jobs. Those jobs will come from the infrastructure we build—building the state's infrastructure needs now and for the future. On the opposition's own preferred measure, capital purchases as a percentage of gross state product have improved from the 2.2 per cent delivered last budget to 2.5 per cent in 2016-17, despite the member for Clayfield's attempts to tell this House otherwise yesterday.

While our three i's of innovation, investment and infrastructure offer a positive path to job creation, the opposition leader's budget reply talked about rip-offs, raids and writedowns. He ripped off our Back to Work policy, yet somehow made his version offer less but cost more; he raided his own indexation policy, with an unfunded \$350 million promise to take money out of schools, hospitals and roads by returning to CPI; and he wrote down a further \$8 billion through a budget black hole created by rejecting our debt reduction and infrastructure investment.

The pervasive negativity of the opposition continues. It has been five years now—five years of talking down our economy. If being negative was not enough, there was a series of mistruths in the Leader of the Opposition's budget reply. He told Queensland that unemployment was not forecast to fall below six per cent for the next four years. This is simply not the case. Page 4 of Budget Paper No. 2 clearly shows the unemployment rate consistently falling to 5¾ per cent over the forward estimates. He accused our government of overstating growth. Surely there can be no greater example of this than the six per cent and 5¾ per cent growth the member for Clayfield forecast as treasurer, when every other independent analysis had forecast growth around half this figure. He talked about the infrastructure profile but neglected to tell Queenslanders that the 2016-17 budget delivers capital purchases that are, on average, almost \$850 million a year higher over the forward estimates 2016-17 to 2019-20, compared to his 2014-15 budget. The one thing he did not talk about was asset sales, although he was unsurprisingly downcast about GOCs and any assets owned by the state. He rejected the merger of Ergon and Energex and rejected the \$680 million in savings that will result. The LNP 'spendometer' now totals \$8 billion in new spending or savings measures they oppose, with no alternative plan for debt reduction or infrastructure.

Many members of this debate have remarked on the measures contained within the Duties and Other Legislation Amendment Bill that accompanies the budget and appropriation bills. These measures reflect our priorities as a government. To ensure young Queenslanders have an incentive to own their first home and contribute to our property market, this budget boosts the Queensland First Home Owners' Grant from \$15,000 to \$20,000. This will make a real difference to Queenslanders who have been saving for their first home. As I have said before, in towns like Mackay that is almost half the 10 per cent deposit on the median house price. In Rockhampton it is almost the 10 per cent deposit.

The duties bill also provides for a new transfer duty concession for the transfer of land used by a family primary production business, including adjacent residential land and personal property used to conduct the business on the land, between specified family members. This concession only currently applies to the extent the transfer is by way of gift. This measure will help Queensland families to pass down the family farm to the next generation.

The final component of the duties bill is the introduction of a three per cent additional foreign acquirers duty. It is important to ensure foreign buyers of residential property who benefit from government services and infrastructure make an appropriate contribution to their delivery, as local buyers do. High-quality government services and investment in infrastructure in an area contribute to growth in property values for investors. Foreign buyers are beneficiaries of this. Foreign buyers of residential property, however, are not necessarily subject to some of the other major sources of state government revenue such as GST.

The Palaszczuk government welcomes foreign investment, and we are confident that foreign investment will continue because Queensland's competitive advantages will continue: our diversified economy, our climate, our natural assets, our connection to global supply chains and our shared time zone with expanding Asian markets. These are the reasons foreign investment in residential property will continue to grow.

When it comes to transfer duty, Queensland will remain more competitive than the rest of the eastern seaboard. The Victorian government has introduced a seven per cent surcharge on transfer duty and a further 1.5 per cent surcharge on absentee landholders. New South Wales has confirmed that it will introduce a four per cent surcharge on transfer duty and a 0.75 per cent surcharge on land tax. In stark contrast, Queensland's transfer duty regime remains below the national average. The Commonwealth Grants Commission's analysis for 2014-15 indicates that Queensland's transfer duty tax effort is 92 per cent of the national average. An interstate comparison with principal place of residence duty payable based on a house price of \$465,000 in Brisbane, near the median price at the time the analysis was prepared, shows the transfer duty payable on a principal place of residence based on the median house price in Queensland is over \$10,000 lower than the average of other jurisdictions. Clearly, with house prices in New South Wales and Victoria, the duty payable in those jurisdictions on a median home will be even greater.

There are a number of factors that are likely to influence foreign buyers' decisions to invest in property in Australia, including changes in economic conditions in their own domestic economies; in the case of China, given it is a major source of foreign investment, any tightening of capital controls; any changes in policies impacting on foreign student enrolments, given its share of foreign residential property purchases is for use by families studying in Australia; exchange rate risk; and change to bank lending practices for foreign investors.

The impact of the introduction of the surcharge on foreign demand for new homes in Queensland relative to other states is likely to be mitigated by several factors including the introduction of similar or even higher surcharges on buyers in other jurisdictions—

Mr Hart interjected.

Mr SPEAKER: Treasurer, one moment. Thank you, member for Burleigh, I was thinking the same thing. Members, there is too much private conversation.

Mr PITT:—the relatively lower level of foreign investment in Brisbane's new apartment market compared with Sydney and Melbourne; average Brisbane property prices remaining significantly lower than in Sydney and Melbourne; ongoing underlying demand from foreign investors for residential property in Australia; and low interest rates in Australia continuing to support domestic demand for new dwellings. Within this context, Treasury does not anticipate a significant impact on foreign investor demand for Queensland property as a result of the surcharge.

I appreciate the concerns raised with me by the property industry, and today I met with the Property Council of Australia to discuss these concerns. The Palaszczuk government remains committed to ensuring the bill applies to foreign acquirers of residential land, including those who make these purchases through company structures and trusts. We are also committed to working through industry concerns. I want to outline the consultation framework for the application of the bill.

Once the legislation to give effect to the amendments has received assent, the Office of State Revenue will issue guidelines for publication about the operation of additional duty. The scenarios raised by the property industry will be considered in this context and guidance provided. This material will then be published in time for the commencement of application of the liability, on 1 October 2016. I have also instructed the Office of State Revenue to convene the Property Consultative Committee to work through the development of guidelines between now and 1 October to ensure the appropriate application of the duty including an *ex gratia* relief framework.

It is important to note that the provision of general discretionary power to the Treasurer to provide exemption from taxation is not a method able to be used in Queensland as to do so would raise issues with our fundamental legislative principles, delegating the legislative power of the parliament to a minister or to an administrator. The appropriate mechanism to achieve relief in Queensland would be *ex gratia* relief supported by published guidelines.

The ability to grant *ex gratia* relief based on guidelines will be an important feature of the administration of this surcharge. In Victoria, for instance, guidelines have been developed to take into account relevant circumstances such as the impact on the economy where a developer can demonstrate that it is actively investing in and significantly adding to the supply of housing stock; and the impact on the community, where the entity has a considerable level of Australian participation and the entity predominantly employs or contracts the services and materials of Australian building contractors and suppliers. An example in Queensland may be instances where priority development areas contribute significantly to Queensland's economic activity and where accompanying developer contributions are significant. Consultation about the development of similar guidelines in Queensland between now and 1 October, as well as examining expected legislation from New South Wales following their budget next week, will enable Queensland to get the balance right with the introduction of this surcharge.

I want to conclude tonight by stepping through that this is a budget that delivers for all parts of Queensland. In Brisbane, this budget delivers over \$2 billion in infrastructure, supporting 5½ thousand jobs, including a \$50 million down payment on Cross River Rail. There are major school upgrades at Bulimba, New Farm and Kelvin Grove. The member for Moggill even praised the funding we have delivered in his electorate for the Moggill Koala Hospital.

On the Gold Coast this budget delivers over \$1 billion in infrastructure, supporting 3,000 jobs through projects like stage 2 of Gold Coast Light Rail and \$50 million on the Carrara Sports Precinct in preparation for the Commonwealth Games. In Logan this budget delivers over \$235 million in infrastructure, supporting 500 jobs, including the state's share of funding to fix the M1-Gateway merge south bound, South-East Queensland's biggest bottleneck. In Ipswich this budget delivers \$865 million

in infrastructure, supporting 2,500 jobs through projects like the \$400 million Ipswich Motorway upgrade between Rocklea and Darra. On the Darling Downs this budget delivers over \$1.2 billion in infrastructure, supporting 3,500 jobs, including the Toowoomba Second Range Crossing, with \$400 million to be spent on the range this year alone.

Across Moreton Bay and the Sunshine Coast this budget delivers over \$1.6 billion in infrastructure, supporting 4,500 jobs, including the Bruce Highway-Boundary Road interchange at Narangba and the completion of the Sunshine Coast Hospital. Across Wide Bay this budget delivers over \$639 million in infrastructure, supporting 2,000 jobs on projects like a new police and fire station at Howard and important Bruce Highway upgrades at Tiana and between Maryborough and Gin Gin. In the Fitzroy region this budget delivers over \$823 million in infrastructure, supporting 2,500 jobs, including a new state high school at Calliope and Yeppoon foreshore revitalisation. In the Mackay region—

Honourable members interjected.

Mr SPEAKER: I apologise, Treasurer, but pause the clock. Members, we need to be able to hear the Treasurer.

Mr PITT: In the Mackay region this budget delivers over—

Honourable members interjected.

Mr SPEAKER: Pause the clock. Member for Burleigh, that is not an invitation to start a conversation straight after the Treasurer resumes. You are warned under standing order 253A.

Mr PITT: In the Mackay region this budget delivers over \$435 million in infrastructure, supporting 1,500 jobs, including the Vines Creek bridge. The member for Whitsunday praised the mental health spending for his electorate that we have delivered in this budget. In the Townsville region this budget delivers over \$586 million in infrastructure, supporting 1,500 jobs on projects like the \$200 million Townsville Ring Road, Riverway Drive and the Townsville stadium. Across outback Queensland this budget delivers over \$620 million in infrastructure, supporting 2,000 jobs on projects like sealing the Hann Highway and a \$40 million western roads upgrade program. Finally, and very close to my heart, in Far North Queensland this budget delivers over \$636 million in infrastructure, supporting 2,000 jobs on projects like the Cairns Performing Arts Centre, the Cairns Innovation Centre, the Thursday Island Hospital and refurbishment of the new Atherton Hospital. Across every region of Queensland, this really is a back-to-work budget.

In summing up I want to say this: there are a number of people who need to be thanked in relation to this budget. I certainly thank all members of our caucus for their great contributions and I thank them for respecting the rules of the House in offering to ensure that we get a free-flowing debate at the same time as managing the business of the House. Thank you, members of caucus. I want to thank my cabinet colleagues. I want to thank all of them for coming and speaking with me and the other members of the Cabinet Budget Review Committee in ensuring that we had the best look at what was needed across government to ensure that we could deliver for all of Queensland. In particular, I want to thank the Premier and the Deputy Premier. I want to thank the Treasury for its support in preparing this budget. Treasury does not often get the marks for being the big entertainers, but I can tell you this: it is made up of a very highly dedicated group of people who are extraordinarily professional and I thank them for their tireless and dedicated work in helping bring this budget together—the second budget of the Palaszczuk government.

I want to thank my ministerial office. My ministerial office has worked around the clock for so long to bring this together, and they are the hardest working people across government. I have worked with many people, but this group of people are a special group and they really have done the hard yards to deliver what I think is an exceptionally good budget on behalf of a Labor government. Finally, I want to thank my family. I want to thank my wife, Kerry, and my children, Tristian, Layla and Kobi. I have to spend many days and nights away from home, away from my family, but the one thing that always makes me forget about any of the things that sometimes come up in this House are the things that stick in my mind—the memories of my children and the support that they and my wife give me in enabling me to do my job. This budget is a real Labor budget, one that is delivering for Queensland about growing innovation, attracting investment and building infrastructure. I commend the bill to the House.