




Speech By
Tim Nicholls

MEMBER FOR CLAYFIELD

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REVENUE AND OTHER LEGISLATION AMENDMENT BILL

 **Mr NICHOLLS** (Clayfield—LNP) (Leader of the Opposition) (1.09 am): Here we have a piece of legislation that the Treasurer claims as his own, which is, in the main, simply a repeat of legislation that was introduced by the previous government prior to the change of government in January 2015. It is good legislation that moves forward the process of allowing choice of fund, portability and the ability for the state super fund and others to compete in the private market—a long-held ambition of the previous LNP government.

We know that this lazy, tired, asleep-at-the-wheel Palaszczuk government—a government with no plan of its own, that came to government with no idea—has now, yet again, been caught out by repeating the process of putting into parliament legislation that the former LNP government had already placed in this House. The only new thing that this Treasurer has done in this legislation is attempt a raid on public servants' superannuation. He did not mention that in his introductory speech. It was nowhere to be found.

Mr Pitt interjected.

Mr NICHOLLS: He protests too much, because he knows that he has been caught out. It was nowhere to be found in the explanatory notes and it was nowhere to be found in his introductory speech. This Treasurer has yet to come up with an original idea. This Treasurer has yet to do the hard work to find the funds to balance the budget other than by raiding the superannuation fund, taking a contribution holiday and forcing government owned corporations to borrow more to pay 100 per cent dividends.

How is that policy going? In an article titled 'Qld Audit Office identifies risks to energy businesses from state debt reshuffle', Gene Tunny states—

... it is requiring the GOCs to pay a high rate of dividends based solely on their accounting profits, without regard to the actual cash they have available (noting that cash might be needed to fund CAPEX or repay debt), meaning the GOCs have had to borrow to pay dividends to the Government. As the QAO has suggested, this is not a sustainable long-run strategy.

This strategy of forcing GOCs to take on more debt, to borrow more to pay dividends, is not new. One of the most famous examples of someone who borrowed to pay dividends was Alan Bond. That was the thing that caused Bell corporation to go bust. That is the sort of accounting and financial trickery that Labor governments are always stooping to. Bondy was a great mate of Labor premiers in Western Australia. He could be the great mate of the Treasurer here. Instead of saying, 'Okay, we'll let you, the board, decide and we'll ask you, the board, to make decisions about how to invest our capital' what does this Treasurer do? He says, 'No, you can't borrow to invest in capital works. We want you to borrow to pay dividends to me.'

Mr PITT: I rise to a point of order. Whilst I am very happy to listen to the member for Clayfield drone, I seek clarification as to how this is relevant to the bill at hand.

Mr DEPUTY SPEAKER (Mr Elmes): Order! I am listening to what the Leader of the Opposition is saying but, I am having a little difficulty listening to him over your interjections, Treasurer.

Mr PITT: I rise to a point of order. Mr Deputy Speaker, I am simply asking for a ruling on relevance.

Mr DEPUTY SPEAKER: I will listen very carefully to what the Leader of the Opposition is saying. I will ask the Leader of the Opposition to stay relevant to the bill.

Mr NICHOLLS: Mr Deputy Speaker, indeed, I am very happy to stay relevant to the bill. For a Treasurer to assign to himself the power to say how much a superannuant can receive without any explanation, without saying to this House why it is necessary, and to vaguely describe it as something that has been done administratively in the past and produce no evidence of it and to not tell us how it works, can only be described as a risky, sneaky and reckless raid by someone who thinks that taxpayers' money is a bottomless pit. That is all one can say.

As for the other contents of the bill. It was all done. The work was sitting there for him, as it was with the work on the market-led proposals, as it was with the balanced budget with the operating surplus that had been delivered for two years, as it was with reducing the expenditure of government that was blowing out, as it was with fixing up the electricity bills by taking \$7 billion out of the future capital expenses of the GOCs that had been plugged into it by Andrew Fraser in his letter to the Australian Energy Regulator in 2010 in which he said, 'Please let us charge the consumers more so we can make money because our budget is going further into the red.' Does that sound familiar? Charge the consumer more. Lock in the prices for five years from 2010 to 2015.

This Treasurer has made unprecedented cash grabs into an art form. Before the last state election, not once did the Treasurer say, 'We will take a superannuation contributions holiday.' Not once before the last state election did he say, 'We're going to take \$4 billion out of the superannuation fund.'

Mrs Frecklington interjected.

Mr Pitt interjected.

Madam DEPUTY SPEAKER (Ms Farmer): Order! Member for Nanango and the Treasurer, no conversations across the chamber, please.

Mr NICHOLLS: Not once did the Treasurer say that he was going to take a leaf out of the Beattie and Mackenroth playbook and ramp up—

Mr PITT: I rise to a point of order. I have asked for a ruling on relevance a couple of times. I ask the member for Clayfield to point to the component of this bill that relates to his contribution because, at the moment, he is making a wideranging contribution. I would ask you to rule.

Madam DEPUTY SPEAKER: I have only just come into the chair and into the chamber. I am happy to give the member for Clayfield the opportunity to speak with reference to the long title of the bill.

Mr NICHOLLS: I am referring to part 8, titled 'Amendment of Superannuation (State Public Sector) Act' in relation to clause 68, titled 'Insertion of new s 28A', which is a power given to the Treasurer to alter the contributions payout for state superannuation funds that Treasury, in evidence to the committee, indicated could cost a public servant who had been employed for 30 years I think over \$210,000 over that period. I am not sure how much more specificity the Treasurer requires in relation to his own legislation. Perhaps it is because it is not his own legislation, perhaps it is because he is copying someone else's legislation that he requires such assistance.

Why does the Treasurer need the power to change the superannuation payouts? Because he has raided the superannuation fund. After this Treasurer and his Under Treasurer changed the goalposts in relation to the state superannuation fund, the State Actuary has said that the fund could be at risk of becoming insolvent because the rates of return are getting less. We know that the rates of return are getting less across the world. As yields drop, the returns drop. That means that there is less available to pay out to superannuants. This risky decision to treat superannuation as a bottomless pit means that the Treasurer now has to take steps to say, 'If we don't have enough money in the fund, I'm going to change how much is going to be paid out to the recipients.'

Here was the fund with variously a surplus on a financial measure or an accounting measure between \$2 million and \$10 million, here is a Treasurer who has changed the goalposts about what is an acceptable reserve by giving instruction through his Under Treasurer to the State Actuary, and now here is a Treasurer who is saying because we have gone from this amount to this amount and because there is a risk that if we take it out it is going to go into default, I am going to change how much the people who have been working and expecting to receive those funds are going to be entitled to receive, and he has done it without telling anyone that he is doing it.

There are only two interpretations to put on this: one is—and I am reluctant to put this interpretation on it—that he did know what was going on and did not disclose it to the House in his introductory speech or his explanatory notes; the other one is he did not know what was going on and so was unable to do so. In either event he is condemned for not being across his brief or for being tricky, mean and risky with other people's money. We know that this Treasurer never saw someone else's money that he could not raid to fix up his own black hole of debt and deficit. We know he has form because he never said any of this to the people of Queensland before the last election. He said he was going to create a trust and pay the dividends from the GOCs into the trust to pay down debt. We are still waiting for the trust to arrive.

There is much in this bill to support: that part of the bill that we introduced. There is one part that we cannot support and that is the part that gives a power to this risky Treasurer to make changes to people's superannuation payouts.