




Speech By  
**David Janetzki**

**MEMBER FOR TOOWOOMBA SOUTH**

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**APPROPRIATION (PARLIAMENT) BILL; APPROPRIATION BILL; REVENUE  
LEGISLATION AMENDMENT BILL; BETTING TAX BILL**

 **Mr JANETZKI** (Toowoomba South—LNP) (5.42 pm): It is true, as I think the member for Clayfield said, that the budget is a serious document and it requires sober and wise contemplation. I think it was a very sober, sound and wise contribution from the Leader of the Opposition today along with the shadow Treasurer, who set forth not just a plan, but a vision. It is one thing to have an economic plan, but it is another thing to have a vision for the state. I think there was an outstanding contribution by the Leader of the Opposition and the shadow Treasurer today.

I will break up my contribution into three areas: economic analyses, portfolios and my local electorate. It is one thing to play politics with the budget, but because it is such an important document and sets the tone for government it is sometimes important to take these documents apart. I would argue that what we have here is a Treasurer who has been gifted with some very good luck. I will take a couple of moments to look at the revenue lines and where that luck has come from.

Firstly, there has been a bump of \$1 billion in coal royalties in this budget. Those are royalties from an industry that the Treasury and many in the Labor Party would see shut down. The second little bump in revenue they received is from Commonwealth transfer payments. That is a fancy economic term for GST revenue. We hear an awful lot from that side of the House about Malcolm Turnbull. I have not heard them congratulate Malcolm Turnbull for gifting them a large GST pool which benefited Queensland by \$900 million, so that is another little benefit in this budget. Thirdly, there are electricity dividends amounting to an additional \$600 million, and they have left Queensland's general government revenue 4.3 per cent higher than it was in the 2017-18 budget.

The improvement in the 2017-18 actuals reflects a higher royalty revenue—mostly from higher hard coking coal prices—and those royalties lifted 11.6 per cent. We see some downside risks to the revenue line, and I just want to comment on those for a moment. I would argue that the budget's revenue projections are overly optimistic in that there is a weaker housing market and lower sales volumes from tightening credit conditions which will likely negatively impact transfer duties and land tax revenue. We know that there is an oversupply of apartments in Brisbane, and when you have that, together with new taxes introduced in the budget, it adds to the downside risks of this part of revenue. Foreign landowners will be hit with an additional 0.5 per cent in land tax for properties worth more than \$10 million, plus an increase in the foreign transfer duty from three per cent to seven per cent. Both of these taxes will raise \$326 million over the next four years. My question is: how much can this government tax the property industry?

As we know, these taxes were disseminated during the darkness of the media blackout immediately prior to the election and have not undergone any particular analysis. It will be a drag on the property industry in Queensland which this government relies on to underpin its budget. The numbers speak for themselves. Fifty per cent of Queensland's state taxes and local government fees and charges are derived from the property industry: that is \$10 billion. It is not just the amount of tax we

are talking about here, but one in six Queenslanders directly or indirectly draws a wage from the property industry. When we continue to go after the property industry and tax it that raises the risk of an adverse impact to the revenue line of the budget.

Speaking of potential downside risks to revenue, Treasury has anticipated significantly higher coal royalties relative to its Mid Year Fiscal and Economic Review, MYFER. Increased volume accounts for some of that but it is mostly attributable to new Treasury coking coal price forecasts, which were \$120 a tonne in MYFER but are now US\$130 a tonne. Some analysts believe that this is an optimistic forecast, and I too share concerns about the downside risks in this regard. For instance, NAB thinks that coking coal prices will bottom at \$100 a tonne by the end of 2018-19.

Why does this matter? It matters because there is great sensitivity to small changes in coal prices. This budget, as I have already said, has had a \$1 billion lift from coal. A one per cent change in coking coal prices will see movements in coal royalty revenue of \$50 million, so that shows the sensitivity of this government's revenue to minor changes in coal royalty prices. There is another downside risk that was mentioned only briefly in the budget papers, and that relates to the ongoing dispute between Aurizon and key mining companies. It is estimated that an ongoing dispute there could see coal exports reduced by up to 20 megatonnes per year.

The second major economic point I want to raise relates to Queensland's credit rating. It has been said a couple of times by those on this side of the House that somehow at the height of the mining boom a Labor government conspired to lose our AAA credit rating. It is an extraordinary story of mismanagement and waste that our AAA credit rating was lost back in 2009 at the height of commodity prices around the world. Moody's has noted some—what I might categorise as clouds—challenges, as royalties are likely to fall and the population increases. This is all at the same time as Labor has suddenly decided that it has to spend something on infrastructure. Moody's has stated—

This imbalance would lead to growth in debt over the forecast period, challenging the state's credit profile.

This matters because credit ratings relate directly to how a government funds its debt. We should also acknowledge the role of the QTC, which has the responsibility of going to the market to refinance the state's debt. We are fortunate they are on the job. I note that QTC significantly prefunded for 2018-19, thereby minimising net new borrowing needs for the year with most issuance simply being refunding maturities.

I will turn to my portfolio as shadow Attorney-General and shadow minister for justice and address the additional funding to Queensland courts and justice services. That is welcome funding because it will help respond to increased criminal, domestic and family violence, dangerous sexual offenders and other justice system initiatives. It is pleasing to see increased funding of \$11.4 million over two years to provide victims of crime with additional financial support. They are all too often forgotten in the criminal justice system.

In the 2016-17 Supreme Court of Queensland annual report I note the Chief Justice observed that the courts' criminal workload has almost tripled over the years, but the number of judges sitting in the trial division was one fewer than in 2012-13. Her honour added that the ratio of staff numbers to finalisations of matters in both the civil and criminal jurisdictions was lower in Queensland than in any other state or territory. We will watch with interest if this injection of funding assists the courts in their weighty responsibility of dispensing justice throughout Queensland.

The Crime and Corruption Commission allocation went back \$500,000 in last year's budget. This was at a time when Labor had weakened criminal gang laws, overturned strong juvenile justice reforms and underfunded the court system—all against a backdrop of increasing crime rates across Queensland. They have now, in the face of ongoing and widespread allegations of corruption in councils, especially the Labor controlled Ipswich City Council, allocated appropriately an injection of funding to the CCC to support it in its activities.

I note that the Attorney-General has allocated \$2.3 million to the Anti-Discrimination Commission to prepare for the operation and administration of the proposed human rights act in Queensland. This is a piece of legislation that has been talked about by the Labor government for a number of years. There has never been any certainty about when it could be released. There has been no discussion paper and no clear leadership from the Attorney-General on what is happening here. We know that the former Victorian attorney-general who introduced a human rights act in Victoria has been meeting with the government. My question is: given there is no bill on the table and there is no law to be implemented or managed, what will the Anti-Discrimination Commission be doing with the \$244,000 allocation in the 2018-19 budget?

Perhaps instead of spending \$2.3 million over the forward estimates, or \$244,000 this year, it would have been far wiser to invest further in community legal centres around Queensland. That probably would have been wiser, because they are the ones actually on the front line right now, dealing with people who are struggling to gain access to the legal system, the underprivileged and vulnerable people. Surely it would have been a better use of taxpayers' money to service those needs in the community. It has been one of the most rewarding privileges of my shadow portfolio responsibilities thus far to meet so many community legal centres right around Queensland—in Brisbane, Townsville, Cairns, Gold Coast and of course my home town of Toowoomba. Next week I will be visiting the Sunshine Coast.

The member for Burnett spoke briefly about a number of other issues, including blue cards. An awful lot of money is being thrown at the blue card issue—\$17 million over the next couple of years. There have been many reports recently of significant problems with the blue card system. I certainly will be taking that up with the Attorney-General at estimates. I find it confusing that the budget for the Queensland Family and Child Commission is being reduced by \$575,000 in 2018-19. This does seem strange, particularly when it was important for the commission to monitor, implement and watch over the blue card reforms throughout Queensland. I note that the member for Burnett also spoke in relation to a number of youth justice concerns. When the minister was delivering her budget speech I lost track of all the money that is being distributed. The problem is that more money is not solving the problem. Again, I will be taking that up with the minister at estimates.

I have spoken repeatedly in this House about the need in the community for a car park at Glenvale State School. Again it has been ignored. The LNP has committed \$500,000 to this major project. The Labor government and the education minister have continued to ignore this need in the community. They have also ignored the need for some future planning for a high school south-west of Toowoomba. Some 30,000 people are moving into the western and southern suburbs of Toowoomba and there is absolutely no planning whatsoever. There is no funding. If the minister would like to make a public commitment tonight to funding the Glenvale State School car park, I would welcome that. In fact, I will be listening to the education minister—

**Ms Grace** interjected.

**Mr JANETZKI:** I take the interjection. I cannot wait for her speech tonight. I would love for her to commit to \$500,000 in funding to get this project built for the protection and safety of children in our region.

Worst of all is the complete lack of vision for the Toowoomba and Darling Downs region. We are an economic powerhouse. During the budget speech the Treasurer could not even mention Toowoomba and the Darling Downs. She has ignored the Toowoomba Regional Council's infrastructure priorities, whether it be flood mitigation, new roads or connecting Highfields in the north to Toowoomba, to Westbrook in the south.

There is no vision for our region. Thankfully for the Toowoomba region there is a thriving private enterprise, with families like the Wagners and the Gardners that are willing to invest millions of dollars of their money into our economy because this Labor government does not see the benefit of Toowoomba to the Queensland economy. It will never understand what drives the Toowoomba economy and how it can be a beacon of light for Queensland.

*(Time expired)*