Speech By
Stephen Bennett

MEMBER FOR BURNETT

Record of Proceedings, 14 June 2019

APPROPRIATION (PARLIAMENT) BILL; APPROPRIATION BILL; REVENUE AND OTHER LEGISLATION AMENDMENT BILL

Mr BENNETT (Burnett—LNP) (11.39 am): Firstly, I take this opportunity to thank everyone who attended last night's Bundaberg celebration of all things good. It was a pleasure to be able to do that with the member for Bundaberg.

I have read this bill and it is clear: it is a big-borrowing, big-spending and big-taxing budget. It is a debt bomb for everyone. We will have more debt, more taxes and, we believe, fewer jobs. From what I have seen in the budget papers, this budget is 100 per cent squarely designed to shore up support for Labor held seats, particularly in regional Queensland. We know that total government owned corporations' debt is rising. The debt-to-revenue ratio is increasing to 105.5 per cent. It will be up to 122.5 per cent in 2022-23. I contrast that percentage to the percentage in New South Wales of 85 per cent and in Victoria of 76 per cent. Those two states have maintained their AAA credit rating. We would need to pay back approximately $11 billion in debt to get our AAA rating back.

I guess Labor does not care. It certainly does not care that every man, woman and child in Queensland now owes $67,000 as a result of Labor's fiscal mess. As we know, and as we knew in 2011, Labor cannot manage the budget. Do members remember Labor borrowing to pay its public servants? It is at it again. It is also clear that soon we will be shelling out $3.5 billion a year in interest payments. I remind members that that is enough to fund many projects in our electorates, such as the much needed Bundaberg Hospital and flood mitigation in my electorate. Those two projects have no allocation in the budget.

From the 2019-20 financial year, the payroll tax rate of 4.95 per cent will apply to employees with total annual bills above $6.5 million. Petroleum royalty rates will increase to 12.5 per cent. In July, the government will increase the land tax rates for companies, trusts and absentee owners for every dollar above the value of $5 million.

I can advise the House that the preliminary estimate for Bundaberg Sugar is that its tax will double, sending it broke. From 2019-20 the land tax absentee surcharge will be harmonised with the rate charged in Victoria and New South Wales. In Queensland the scope will be widened to also include foreign corporations, trustees and foreign trusts. Local and overseas property owners have again been slugged with unjustifiable and uncompetitive land tax increases in the Queensland budget. Land tax has increased for all property holdings over $5 million in value in Queensland, with some offshore investors potentially seeing a near doubling of their overall land tax bill.

We know that it is not accurate to suggest that these taxes will not be paid by Queenslanders or will not affect job-creating investment in this state. Almost all of the properties that will be impacted by this tax hike are home to businesses employing thousands of Queenslanders in industries such as manufacturing, tourism, logistics, trade and agriculture. It is the bottom line on an investor's spreadsheet that determines whether they invest in Queensland. This tax slug makes job-generating investment by offshore players in key sectors—and I mentioned tourism and agriculture as examples—less likely in Queensland.

I will highlight how much of an impact these new taxes will have. It is staggering when we consider that agricultural investment, such as in my electorate where there is significant investment in macadamias, agriculture and feedlots, will be crippled. Some iconic brands will be captured by this tax. I refer to Billabong, XXXX, Bundaberg Rum, Golden Circle, Weis Ice Cream, Kirks soft drinks, Pauls, MIM Holdings—Mount Isa Mines—and Defiance Flour. They will pay nearly double their taxable liabilities.

Mr Nicholls: Bundy rum.

Mr BENNETT: Bundy rum. I also remind members that 6.1 per cent of all land in Queensland is foreign owned, mainly by the British. Last year's rates increase on foreign investors was due to be brought forward—and it was brought forward—by two months. Last year, Bundaberg Sugar's bill increased by $300,000 to $1.27million. This year, with these new taxes, that amount will double. Bundaberg Sugar's bill will be nearly $3 million—an additional $1.1 million. This year, the increase in this budget for MSF Sugar is $700,000. That figure will double that company's liabilities.

This week, it has also been raised with me that this tax increase could be in conflict with free trade agreements. For example, in the free trade agreement with Thailand there is a clause called most favoured nation. I understand that a foreign nation cannot be treated differently. Previously, I highlighted agricultural investment. I point out that most agricultural investments work on returns of between two per cent and five per cent. It is a tough industry. Members can imagine what a two per cent new tax slug on these big businesses will do. It will hurt and it will have a negative effect, contrary to what we heard this morning in ministerial statements and other speeches about how great investment in Queensland is.

Sadly, this tax increase is just the latest in a long line of tax hits for people who have chosen to invest in Queensland. Since October 2016, the Queensland Labor government has introduced a new additional foreign acquirer duty on residential property; increased that additional foreign acquirer duty from three per cent to seven per cent; introduced a land tax surcharge on absentee landowners; increased the land tax surcharge from 1.5 per cent to two per cent for absentee landowners; extended the land tax surcharge to include foreign companies and trusts; introduced a new land tax category for owners with holdings over $10 million; again increased the rate of land tax for those holdings; and increased the rate of land tax for holdings over $5 million. That is nine new or increased property taxes that have been introduced by this government.

Some obvious and overdue funding measures have been missed in this budget. There was talk about abolishing stamp duty on agricultural insurance. That was a big one for people in my part of the world. There was also backing for a holistic industry led schools engagement program and the better addressing of electricity and water affordability. We know that, as a result of Labor's poor investment decisions, Queenslanders are paying too much for their electricity. Over the past decade the gold-plating of transmission lines and the fat profit margins being collected are the key drivers of power prices that have seen householders' electricity bills surging.

Labor continues to use electricity as a secret tax with record dividends extracted from government owned electricity corporations to prop up its budget at the expense of taxpayers. Labor refuses to introduce retail competition for regional Queensland, and that is costing people in those areas more. We know that the big new tax on petroleum royalties, which takes those royalties up to 12.5 per cent, will make the state's gas industry less competitive and will probably cost jobs. We also know that that highlights Queensland's sovereign risk. As has been said many times, Queensland is the only state that is developing its gas industry. We should be concerned that this attack on this part of the resource sector could affect the gas supply for all Queenslanders and Australians.

Queensland is heading towards a massive debt bomb of $90 billion. Only Labor could get a massive coal royalty windfall, bring in nine new taxes and tax hikes and still have to increase borrowings to plug the budget black hole. It is important to not forget that revenue from vehicle registration will rise from $1.85 billion in 2018-19 to $2.12 billion across the forward estimates. That is a broken promise of the Palaszczuk government and another example of the Labor treating Queensland motorists like cash cows.

I remind the House how disappointed I am when I see big tax increases, particularly increases in registration, and no investment on local dangerous roads in the budget. For example, Rosedale Road, Isis Highway and many more roads have been highlighted as needing urgent upgrades. My region is not the only area to experience the recent tragedies on our roads. Certainly, the residents of my electorate are feeling the hurt. I remind the House that, after years of problems, Round Hill Creek at 1770 is desperate for funding.

I am glad the member for Gladstone is present in the House. We know that he is a strong advocate for the 250th celebration of Captain Cook's exploration of Australia. It is time the government stumped up and matched the $1 million in funding committed by the federal government to make sure that this important historical event achieves its full potential. I look forward to working with the member for Gladstone, who can continue to lobby his side of the House for this really important project.

I know that new home buyers in the Bundaberg region will be worse off from this week's budget. The removal of the $5,000 first home owner boost was a problem. To not reintroduce it has been devastating. I also know that, in my part of the world, the $70 a tonne waste levy, which will increase to $90 a tonne, will have huge impacts on the building sector and mums and dads. The increases in land tax will make it harder for new home buyers in my area to get a leg-up. Clearly, housing affordability is not a priority for this government. At a time when new work in the home-building industry is slowing and population growth is picking up, Queensland needs policies and programs that will support the future demand for housing, not more costs on the already overtaxed new home building projects. Regional Queensland towns such as Bundaberg are likely to be the hardest hit by these measures.

I welcome the continuation of funding for the Mon Repos Turtle Centre, but it is staggering to note that the budget for this centre is $21.1 million. I am not complaining, but, as a taxpayer I would. When the former LNP government announced funding for that centre, it was $8 million. It is taking a long time to get built and there are lots of problems. We look forward to the long-term outcome of R&D into the conservation of nesting sea turtles. This is typical of a project under Labor.

We welcome the new initiative that is the Indigenous Land and Sea Ranger program, which is contributing to the cultural heritage of our region. This is a very important part of the coast. I welcome the commitment from the Leader of the Opposition to air-condition every public school in my region. I know that teachers look forward to that.

There is no good news for those looking for public housing in my area. Last month the waiting list for people who identified as very high need rose by 1,000. It is staggering that despite the rhetoric and the billions allocated in the budget we have a waiting list nightmare. In December 2012 when we came to government there were 24,000 people waiting. When we left government in March 2015 there were 16,000. We now have 20,000 people waiting who are being let down by this government. To give the House an example of how this government operates, in 2017, 34 houses were locked up for more than a year while tenants were incarcerated. How does that stack up when people are desperate, particularly around homelessness, and are looking for answers.

I take this opportunity to thank those people in my part of the world who fought for a genuine inquiry into the devastating bushfires last year. I welcome the announcement in the budget of money for bushfire mitigation programs. They have set a benchmark related to a 10-year-old Victorian report that sets a target of five per cent of our protected estate to be under management. Quite frankly, we were not doing it properly before. I encourage the minister to consider engagement with traditional owners around their expertise in dealing with fire mitigation.

Ms Enoch: That is already happening.

Mr BENNETT: I take the interjection from the minister. They fought us all the way when it came to discussing what fire mitigation would look like. I am paying respect to the government in that it has finally taken notice of the traditional owners and will engage them in what fire mitigation will look like. That is an important development.

Turning to the portfolio budget papers, the rate of children subject to protective orders per 1,000 children was supposed to be 8.5. Instead it blew out to 8.8. With record investment in child safety it is disappointing to see such poor results. The department's own targets are now assuming that Queensland's most vulnerable children will be worse off under Labor and this budget. Labor's child safety spending has nothing to do with the safety of Queensland's most vulnerable children and everything to do with waste in the department. We must look at how to better work with the department to deal with the issues in a way that is expected of it. Children's lives are at risk while urgently needed reforms to the child safety system are delayed. Over the last decade there have been 40 different reports into child safety and we continue to stumble from one crisis to another.

Failure of child safety data is continuing to put children at risk. We must ensure that we look after child safety staff. They are under increasing workloads and pressure. It continues to be a problem. I thank the member for Pumicestone for her vision on this. Every day in her electorate office she gets a terrific number of inquiries involving child safety. We need leadership and vision, not just money thrown at the problem.

It is distressing to see that domestic violence continues to plague communities in Queensland. It is becoming worse than ever. Unfortunately we are doing a lot of talking and there is not much action. I acknowledge the record funding, but clearly it is not hitting the ground where it is needed. To give an example of that, there were 28,323 breaches of domestic violence prevention orders. When one considers that those people are running amok in our community there is a real fear for the safety of those women and children who need the protection of the system. There were almost 30,000 times that victims of domestic violence were put at risk. They rely on this government to look after them.

In closing I want to talk about returning men and women who have done so much for our country. There is an allocation of $1.5 million in the budget to continue the good work with memorials, monuments and other public sites. I note the line item to continue to implement policies, programs and initiatives. In Townsville there is money to continue the work of the Oasis centre. I acknowledge and look forward to the rollout of the new division within the Premier's department that will look after our veterans.