



Speech By  
**Ann Leahy**


**MEMBER FOR WARREGO**

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## **QUEENSLAND FUTURE FUND BILL**

### **ROYALTY LEGISLATION AMENDMENT BILL**

 **Ms LEAHY** (Warrego—LNP) (6.13 pm): I rise to contribute to the cognate debate on the Queensland Future Fund Bill and the Royalty Legislation Amendment Bill. I am disappointed that the government has proceeded with a cognate debate on these bills because both bills are significant in content. All Queenslanders need the opportunity to go through them in fine detail, but they have been quite rushed. We will probably see again another gag in this parliament on these bills.

Perhaps the reason why the government does not want to have a full and frank debate and have every MP speak in this House might have a lot to do with the Premier's third and latest Treasurer, the member for Woodridge, dusting off the former member for South Brisbane's dodgy Future Fund during the same press conference where he announced Labor's skyrocketing—

**Ms TRAD:** Mr Deputy Speaker, I rise to a point of order. I find the remarks in relation to 'dodgy' offensive and I ask that they be withdrawn.

**Mr DEPUTY SPEAKER** (Dr Robinson): The member has taken offence to your remarks and has asked for them to be withdrawn.

**Ms LEAHY:** I withdraw. Perhaps the problem was that the Treasurer dusted off the Future Fund during the same press conference where he announced Labor's skyrocketing \$100 billion debt—a \$17 billion blowout in seven months. I remind the House that, when Paul Keating and Labor were booted out of office, Labor left the nation's debt at \$96 billion. It took years to pay down this debt, with the population of the nation paying it back.

Queenslanders are now saddled with a debt skyrocketing above Paul Keating's debt—to \$100 billion. There are thousands of kilometres of roads that will not be sealed in this state, there are new hospitals that will not be built, and there are doctors and nurses who will not be hired because taxpayers' funds will have to be spent on paying the interest bill on \$100 billion of Labor's debt.

This Labor government has failed to provide Queenslanders with economic leadership that Queensland needs in these troubled times. Under Premier Anastacia Palaszczuk we have seen \$4 billion of new taxes. About the only tax that has not come into Queensland is death duties. We have seen \$100 billion in state debt, which is growing by the minute, the most bankruptcies in the nation and a record number of unemployed Queenslanders. More than 200,000 Queenslanders are unemployed. Queensland now has the longest unemployment queue in our state's history. During an unprecedented economic crisis, the Labor government has failed to manage Queensland's economy.

Anastacia Palaszczuk was the last premier to announce an economic stimulus package in response to the coronavirus, yet she was the first and only premier to cancel her government's budget. With no budget, the Palaszczuk Labor government has no plan for the state's economic recovery. No budget means Labor is flying blind through the biggest economic crisis in almost a century.

Businesses in this state must be looking at this Labor government saying, 'What is going on? Why is there no budget?' They are constantly managing their budgets to manage the shocks of COVID. Labor's anti-business agenda has seen private sector investment plunge from \$207 billion under the LNP to just \$128 billion in the last three years. That is a fall of some 38 per cent.

Under Labor, Queensland lost its AAA credit rating in February 2009, meaning Queenslanders are still paying more for debt than New South Wales or Victoria. Contrast this to the LNP who, with Deb Frecklington as leader, have a vision to make Queensland Australia's economic powerhouse again—the best place to get a job and the best place to get ahead.

The LNP has committed to no new taxes and a 10-year royalty guarantee which will give businesses certainty to grow, invest and employ Queenslanders. The LNP has committed to deliver a budget within the first 100 days of forming government to provide certainty and transparency for all Queenslanders and to implement our plan to get Queensland working again. It should be noted that local governments in Queensland have done their budgets; however, the state Labor government has not.

The LNP will cut red tape and ensure faster payments to Queensland businesses—once again giving businesses a reason to invest and employ in Queensland and boosting business confidence. The LNP have a plan, we have a vision and we have the commitment to deliver good economic management for Queenslanders to prosper.

I will now turn to the Royalty Legislation Amendment Bill 2020. What is disappointing about this legislation is that the royalty review that led to the development of this bill was announced on the same day that the Labor government declared a 25 per cent increase in gas royalty rates, ripping another \$476 million from the Queensland economy last year. That royalty revenue was destined for pet projects in the electorate of South Brisbane. Now we hear about the cost blowouts on this pet project—

**Ms TRAD:** Mr Deputy Speaker, I rise to a point of order. I found those remarks personally offensive. I ask that they be withdrawn.

**Mr DEPUTY SPEAKER:** The member has asked for a withdrawal. I did not hear the particular personal dimension of those remarks, but the member has asked for a withdrawal. On that basis the member should withdraw.

**Ms LEAHY:** I withdraw. Thank you for your guidance, Mr Deputy Speaker. The royalty revenue was directed to pet projects in Brisbane, and now there are cost blowouts on this pet project of up to \$900 million. No wonder Labor jacks up the royalties overnight on the gas industry, because they cannot manage money and they cannot manage their pet projects in Brisbane. This overnight royalty increase sent the wrong message to the gas producers in my electorate. It did nothing for business confidence, it did nothing for investment and it did nothing for local roads or local jobs.

During last year's budget debate both myself and the member for Everton asked the former Treasurer what modelling was done on the price of domestic gas following the 25 per cent royalty increase. We did not receive an answer. Even Labor's former federal resources minister, the Hon. Martin Ferguson, said the Palaszczuk Labor government's decision was going to effectively increase the price of gas and probably raise serious concerns and questions in the minds of investors about sovereign risk. Labor's 25 per cent gas hike has pushed Queensland into having the highest royalties in the nation.

I would like the minister to address some of the questions and concerns that have been outlined in the submissions of some of the companies that operate in my electorate. Arrow Energy raised that, given the departure from the established wellhead value model with an implementation date of 1 October, they believe it is prudent that a penalty amnesty for four quarters is required. This would allow companies to make the necessary changes to fulfil the new model requirements. I do speak with Arrow regularly and I would like to hear the minister's response in relation to that proposal. Shell QGC submitted that the introduction of the proposed volumetric model will retrospectively change the long-established royalty model under which significant investment commitments in Queensland have been made by the industry.

Stable regulatory regimes are vital to investment decisions, and Shell QGC sought and obtained an up-front agreement as to the appropriate calculation of gas royalties for LNG feed gas prior to committing to over \$20 billion of investments in the QGC LNG project in 2010. This change now comes around six years into the project, which expects to operate over 20 years. Texas-Tickalara Holdings, which employs staff in Thargomindah, submitted that the uncertainty around the royalty regime has meant they have been unable to provide potential investors with a reliable economic model. These proposed changes are having a discernible, chilling effect on the availability of capital needed to advance the development of Queensland's petroleum resources, which in turn has a negative effect on the outcomes that the Office of State Revenue and the government generally are trying to achieve.

Hence, the LNP is moving amendments to this bill to legislative a 10-year royalty guarantee to provide royalty certainty, meaning more jobs and more royalties through more investment. Labor's promise of a five-year freeze provides no long-term certainty for resource projects, particularly when the measure is not even included within the bill's legislation, providing the opportunity for Annastacia Palaszczuk and her Labor government to hike the royalties yet again.

This Labor government has a pattern of uncertainty in the approval of major resource projects in Queensland. For instance, just remember Adani and now look at what New Acland is going through. Only the LNP will provide certainty with their 10-year royalty guarantee, meaning more jobs and investment through that guarantee. Only a Deb Frecklington led state LNP government will start work on opening up new resource projects as major new economic drivers for Queensland, investing in new infrastructure to create more jobs and stimulate the economy with a guarantee of a 10-year royalty freeze.