Speech By

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MEMBER FOR BUNDAMBA

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QUEENSLAND FUTURE FUND BILL

ROYALTY LEGISLATION AMENDMENT BILL

Mr McCALLUM (Bundamba—ALP) (3.35 pm): I rise to speak in support of both the Queensland Future Fund Bill and the Royalty Legislation Amendment Bill. Now, more than ever, as we deliver our plan to unite and recover for Queensland jobs, we must protect our assets and get them working hard for Queensland's future. The Queensland Future Fund was announced as part of the Mid Year Fiscal and Economic Review in December 2019. The establishment of the Queensland Future Fund will retire debt by acting as an offset account, with the value of its assets netted off against state debt as part of a well-considered and prudent fiscal strategy.

The Future Fund will be seeded with over $5 billion in locked down, protected public assets which consist of: $1 billion in surplus financials from the more than fully funded defined benefit fund, which is and will remain in surplus despite harsh global economic conditions due to COVID-19; over $4 billion in value from the Queensland Titles Registry; and at least $160 million in value from the Cross River Rail precincts and unregulated infrastructure.

It is important to note that our defined benefit scheme will remain in surplus and that Queensland will be the only state or territory in Australia with a fully funded defined benefit scheme. We already guarantee the full payment of defined benefit scheme entitlements via section 29 of the Superannuation (State Public Sector) Act. The bill before the House bolsters this guarantee by requiring that the state hold assets that are at least equal in value to the accrued liability of the state in relation to defined benefits, measured at least once every three years. That three-year measurement aligns with the triennial actuarial investigation undertaken by the State Actuary. The bill also includes important protections in that any asset in the fund must be held directly or indirectly by a state entity in perpetuity. This means that assets cannot be sold to the private sector but must remain government owned.

I turn to some comments made by the members for Everton and Mermaid Beach. They quoted a survey by the Canadian Fraser Institute, a think tank. They quoted a few things, but what they did not quote is probably the most important thing. They failed to mention that under the Fraser Institute survey business confidence in Queensland rose from 2015 to 2019. They did not mention that. Our ratings actually went up. Clearly, the think tank they quote has more confidence in the Palaszczuk Labor government than it did in the Newman LNP government.

Mr Krause interjected.

Madam DEPUTY SPEAKER (Ms McMillan): Member for Scenic Rim!

Mr McCALLUM: They also mentioned the New South Wales title registry.

Mr Krause interjected.

Madam DEPUTY SPEAKER: Member for Scenic Rim, you are warned.

Mr McCALLUM: It was leased for 35 years for $2.6 billion. What happened after that? Fees went up in New South Wales—funny that!

What happened when there was a 99-year lease for the $7.6 billion leasing of poles and wires for the New South Wales electricity network? Electricity prices went up. We will not have that happening here in Queensland. Public assets must remain in public hands and the privatisation protections contained in the bill will ensure that the LNP cannot privatise by stealth such as when it used the Queensland Investment Corporation to flog off Queensland Motorways in 2014 with no public oversight. Queenslanders know that only a Labor government can be trusted to keep strategic assets in state hands. The Queensland Future Fund will make it much harder for the LNP to undertake a sneaky sell-off.

I now turn to the Royalty Legislation Amendment Bill. Petroleum royalty in Queensland is currently imposed as a proportion of the wellhead value of petroleum less certain deductions incurred between the wellhead and the point of disposal. From 1 October 2020 the bill provides for a switch to royalties to be calculated on a volume model which will impose tiered rates of petroleum royalty applicable to the volume of petroleum produced by a producer over each return period to support affordable supply for domestic customers, appropriate returns for Queenslanders and fairness to gas producers.

During the committee process it was clear that there was broad acknowledgement of the significant collaborative work undertaken by both government and industry in and during the royalty review process which preceded the bill and in subsequently progressing its recommended reforms. Stakeholders also generally supported the objectives underpinning the reforms, including the commitment to greater equity, transparency and fairness within the new royalty regime.

I also want to make a few comments in relation to the amendments that have been moved regarding the First Home Owner Grant Act 2000 to help with the administration and compliance of our HomeBuilder and regional home building boost grant programs. The critical part of the Palaszczuk government’s response to COVID-19 has been support for the construction sector. As we unite and recover, we have brought forward building projects on schools, roads and via the much lauded Works for Queensland program to stimulate our economic recovery and create jobs. Between the First Home Owners’ Grant, Regional Home Building Boost and HomeBuilder grants programs, new home buyers in Queensland will be eligible for up to $45,000 in government support which will flow on to our construction sector. Both of these bills were considered by the Economics and Governance Committee, which recommended that both be passed. I want to thank my fellow committee members and all those who made submissions and appeared at the public hearings. I commend the bills to the House.