Speech By
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MEMBER FOR CONDAMINE

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QUEENSLAND FUTURE FUND BILL

ROYALTY LEGISLATION AMENDMENT BILL

Mr WEIR (Condamine—LNP) (4.35 pm): I rise to make a contribution to the Queensland Future Fund Bill 2020 and the Royalty Legislation Amendment Bill 2020 being debated cognately. The Queensland Future Fund Bill 2020 was introduced into the House on 14 July 2020 by the Hon. Cameron Dick, Treasurer and Minister for Infrastructure and Planning. The bill was declared urgent and referred to the Economics and Governance Committee.

Some of the principle policy objectives are to establish a Queensland Future Fund under an act of parliament, replicating as far as possible the legislative model set up by the NSW Generation Funds Act 2018 and to enable the establishment of other Queensland future funds and provide for the ongoing administration of any Queensland future funds.

The former treasurer Jackie Trad announced the establishment of the $5 billion Queensland Future Fund in the December 2019 Mid Year Fiscal and Economic Review. This announcement was used as a distraction by the Palaszczuk government in an attempt to hide its poor financial management of Queensland. The MYFER revealed in December 2019 an additional $1 billion debt blowout. The review locked in lower economic growth estimates and higher unemployment forecasts.

In another attempt to distract Queenslanders, the Treasurer, Cameron Dick, announced a revised asset allocation for the proposed Future Fund and in the same breath announced a further $17 billion debt blowout in seven months. The ever-growing billions of debt just roll off the tongue so easily with this Palaszczuk government.

Only two submissions were received—one from the Queensland Nurses and Midwives' Union supporting the bill and one from Gene Tunny, Queensland economist and former Commonwealth Treasury manager, stating that it was 'unnecessary and undesirable' and further to this that 'it is unclear what the government's current medium-term fiscal strategy is'.

Since becoming Premier in 2015 Annastacia Palaszczuk has repeatedly demonstrated to all and sundry Labor's reckless economic core principles—higher tax, wasteful government spending and shameless raiding of public servant employment benefits. This is the Premier's proud record over the past five years: $2 billion from the Public Service superannuation, $2 billion from suspending employer contributions to Public Service superannuation and $3.4 billion from raiding the long service leave benefits of public servants. This is an appalling record.

Public servants should be concerned. Not only has Labor raided and mismanaged their hard-earned retirement savings; now the State Actuary's reporting requirements for a fund's surplus will be every three years. This government continues to claim that it is open, accountable and transparent. It has had three treasurers in five years, each more fiscally incompetent than the other. What more is there to say?

The Royalty Legislation Amendment Bill 2020 was introduced into the House on 16 July and also declared urgent and referred to the Economics and Governance Committee. In the 2019 budget, former treasurer Jackie Trad advised that the government would 'review the design of Queensland's current petroleum royalty regime to ensure greater certainty and equity for royalty payers, while providing an appropriate return to the state'.

The announcement of the royalty review, which led to the development of this bill, occurred on the same day as the Palaszczuk Labor government's scandal ridden former treasurer Jackie Trad affirmed a 25 per cent increase in gas royalty rates, ripping another $476 million from the Queensland economy, without a word to any of the resource companies. So much for being a consultative government!

At the time of the announcement, the 25 per cent gas tax was met with widespread condemnation, with the CEO of the Australian Petroleum Production & Exploration Association, Andrew McConville, stating—

To increase a cost right at a time when we need growth and investment, it just makes very little sense and it is extremely disappointing.

This is another example of the Palaszczuk government treating the resource industry as a cash cow while providing little to no support for industry. The review, chaired by former Labor premier for South Australia Jay Weatherill, made a recommendation to adopt a volume model to replace the wellhead value regime for CSG and consideration of this volume model for all petroleum.

On 8 June 2020, Treasurer Cameron Dick announced that the model based on the volume of gas reproduced would replace the existing petroleum royalty regime and would apply to all petroleum produced in Queensland inclusive of LNG, coal seam gas and oil. The government further announced that there would be tiered rates, with lower royalties for domestic gas and higher royalties for export LNG. These petroleum royalties would be frozen for five years.

There were 16 submissions on this bill from resource companies and industry associations, one submission from a manufacturer and one submission from the University of Queensland. None of the industry associations QRC, APPEA or AMEC opposed the bill, with the position of the individual resource companies varying depending on whether or not they would benefit from the new model. Incitec Pivot was supportive of the new royalty model, which levies a lower royalty on domestic gas. The University of Queensland opposed the bill, stating that the implementation of the legislation should be delayed while the industry deals with the ongoing uncertainty caused by coronavirus. During the public hearing on the bill the university suggested that the new model is not necessarily global best practice.

This government introduced urgent legislation to amend royalties without determining how the volume measurements for royalty calculations would be made—something you would think would be a priority. It has been more than a year since these changes were announced, and still this government has failed to develop underlying royalty measurement guidelines or release any economic modelling on the potential impact a new royalty regime could have on industry or government revenue. Premier Palaszczuk has been relentless with her anti-jobs attack on the resources sector and her obstructionist mindset. Let none of us forget Jackie Trad's comment when the proposed royalty changes were announced, telling the resource communities of Queensland they would need to re-skill.

It does not matter whether it is the constant shifting of the goalposts on a decision for the Adani project or the continued refusal to support New Acland stage 3, which would create over 650 new jobs and inject $7 billion into the Queensland economy, Premier Palaszczuk has made it clear to all Queenslanders that she does not support Queensland resource jobs or regional development. Is it any wonder that under this government—many years prior to any thoughts of coronavirus—Queensland had the nation's highest unemployment, the most bankruptcies and the lowest business confidence?

An LNP government led by Deb Frecklington has a resolute plan to invigorate the economy and create jobs to haul Queensland out of this recession and get our great state working again. The LNP is moving amendments to this bill to legislate a 10-year royalty guarantee to provide royalty certainty, meaning more jobs and more royalties through more investment. This will be done by opening up new resource projects as a major new economic driver for Queensland and by investing in new infrastructure to create more jobs, which will in turn stimulate Queensland's failing economy due to the mismanagement of this Palaszczuk government.