Speech By
Hon. Cameron Dick

MEMBER FOR WOODRIDGE

Record of Proceedings, 25 May 2021

DEBT REDUCTION AND SAVINGS BILL

Second Reading

Hon. CR DICK (Woodridge—ALP) (Treasurer and Minister for Investment) (11.19 am): I move—

That the bill be now read a second time.

I thank the Economics and Governance Committee for its inquiry into the Debt Reduction and Savings Bill 2021 and for its report on the bill, which was tabled on 14 May 2021. I also take this opportunity to table an erratum to the bill's explanatory notes.

Tabled paper: Debt Reduction and Savings Bill 2021, explanatory notes to Hon. Cameron Dick's amendments: erratum 705.

I thank each of the organisations and individuals who provided written submissions to the committee regarding various aspects of the proposed legislation. I especially acknowledge those individuals who gave up their time to appear before the committee to answer questions and share their positions on the bill. Organisations that provided representatives for the public hearing included the Queensland Law Society, Together Queensland, Consult Australia, Engineers Australia, the Queensland Country Press Association, the Australian Medical Association of Queensland, the Professional Tattooing Association and the Australian Tattooists Guild. As members will see from this list, the bill has had interest from an extremely wide range of parties. I place on the record my thanks to officials from within Queensland Treasury; the Department of State Development, Infrastructure, Local Government and Planning; the Queensland Police Service; Queensland Health; and the Office of the Queensland Parliamentary Counsel for the work they have done to support the legislative process.

This bill is important to Queensland. All Queenslanders know that when it came to the health challenge of COVID-19 the Palaszczuk Labor government kept us safe. Because of that strong health response we have been able to focus on getting our economy going earlier and more strongly than other states, territories and countries. To make that happen we have invested very heavily in the economy with more than $11 billion, including $1.2 billion in supporting the health system, $1 billion in payroll tax and other relief for small business, $1 billion in jobs support loans, $400 million in household utility bill relief and $200 million in business adaptation grants.

Our investment is equivalent to 2.2 per cent of the size of the Queensland economy. In contrast, states such as the Liberal state of New South Wales are failing to invest as much as we have. As the New South Wales budget papers show, an amount of only 1.9 per cent of their gross state product is dedicated to direct COVID stimulus and support. As a result, New South Wales has seen a slower recovery, with 33,000 fewer jobs now than before the pandemic. In contrast, Queensland has 55,000 more jobs.

As we said during the election campaign, our new commitments would be funded from borrowings. As we said during the election campaign, the Queensland budget would go into deficit so that Queensland people could stay afloat. As we said during the election campaign, borrowings would rise over the forward estimates to spare Queenslanders from increased taxes or savage cuts to services. As our budget makes clear, borrowings are affordable, particularly in the context of the lower interest rates available globally. This is also the position of the Morrison government.

However, unlike the Morrison government, we are not going to ignore fiscal responsibility and sustainability. We are not going to project never-ending deficits with no plan to address them. Unlike the Morrison government, we are not going to borrow money simply to give it to high income earners. We are going to ensure that the budget is responsible and sustainable, and focuses on the frontline services on which Queenslanders rely. That is what this bill does. It aims to increase the efficiency of government by reducing the number of statutory authorities, improving the way that fees and charges are set and reducing the cost of government advertising. In doing so, the bill secures $3 million in direct savings.

The bill also reduces debt. By establishing a new structure for the Titles Registry, the bill helps the state to secure the full value of that function on our balance sheet. This measure will improve the net debt position of the state and reduce our debt burden. By placing the Titles Registry and other assets in the Future Fund, we will receive recognition of their values from ratings agencies while keeping assets in public hands. This is important because, according to ratings agency S&P Global, Queensland’s credit rating is the strongest of any state.

As I said in budget estimates last year, under the Palaszczuk government Queensland is at the top of the tree and we intend to stay there. I encourage members to look at what is happening in other states. Victoria and New South Wales have already suffered credit rating downgrades and the Commonwealth is on a negative outlook. Of the major jurisdictions, only Queensland has kept its secure position. Queensland’s fiscal strength under Labor contrasts sharply with its weakness under the Newman LNP government when our state was put on a negative outlook by Moody’s after the LNP’s first budget in 2012. That was a black mark on Queensland’s credit rating, but can members guess which government got it removed? It was the Palaszczuk Labor government!

Let us be clear for the record: in the last decade the only material change to Queensland’s credit rating occurred when the member for Clayfield was the Treasurer in the LNP Newman government and Queensland was put on a negative outlook. Our stability was restored only by the hard work of the Palaszczuk Labor government. One could not get a clearer contrast between the Newman LNP government and the Palaszczuk Labor government. For all of the cuts and the chaos, the commission of inquiry and the thousands of lives ruined by their austerity policies—let me say that again—for all of the LNP’s cuts and chaos, the commission of inquiry and the thousands of lives ruined by their austerity policies—for all of that—the LNP delivered a credit rating negative outlook for Queensland.

Not only did our government avoid a deterioration in Queensland’s credit metrics; the Palaszczuk Labor government removed the member for Clayfield’s black mark. The Palaszczuk Labor government has rebuilt Queensland’s fiscal capability, restored our credit metrics and kept them strong. We have steadied the fiscal ship despite a pandemic, despite massive outlays to support the economy and through a massive restoration of frontline services and infrastructure.

I had the misfortune to read the statement of reservation by the LNP members of the committee. It is a rambling and embarrassing night-before-the-exam effort that would not pass a plagiarism detector. This statement is so bereft of original insight that fully one-third of it is liberally borrowed block quotes. Those opposite should be grateful that the economic Titans they have appointed to the committee have such large signatures because that is the only way their dissenting report squeaked it to three pages. Before their report ran out of steam, the members for Mermaid Beach—he was somebody once but look at what he has become—the member for Coomera and the member for Ninderry did sneak in a few zingers. None of them landed, of course, but it is worth putting them beyond doubt. The statement of reservation claims—

The Debt Reduction and Savings Bill 2021 may have the most misleading title to ever pass through this Parliament.

That is a bold claim for the LNP when their own so-called Fiscal Repair Amendment Act 2012 still stains the parliamentary record. The LNP’s alleged ‘repair’ bill increased taxes on housing, pared back the eligibility for the first home owner grant, abolished the Training Ombudsman, abolished the Queensland Liquor and Gaming Commission and was rolled into cognate debate with the Newman government’s horror 2012 budget, which included the sacking of 14,000 hardworking Queenslanders. That is what fiscal repair looks like to the LNP.

When the dissenting committee members lazily lob up the line, ‘There is no real debt reduction proposed nor is there any significant savings to be identified’, what is the LNP really asking for? Where are they finding efficiencies instead of cutting? Why are they not sacking workers? Why are they not selling assets? One would have thought that, at the start of this term, with an election more than 3½ years away, on a bill focused on sustainable public finances, the LNP might have for a moment thought to be bipartisan in their contribution to reduce debt and deliver savings. However, on a moment's reflection I see it would have been naive to think that; when I think about who the LNP are and what they want to do to Queensland it is no surprise at all. Let us be clear: the LNP do not like governments that make sensible savings. The LNP hate it. When they say they want savings, what they mean is they want cuts.

Everybody knows what would happen if the LNP ever got back into power in Queensland. They would call up Peter Costello, Joe Hockey or some other Liberal has-been to run another fake commission of audit and away they would go. The LNP's record once again: 14,000 Queensland workers sacked; 4,400 health workers sacked, including 1,800 nurses and midwives; and cuts to employment programs, grants to community organisations and infrastructure funding. Everything they did before they would do again, as sure as I am standing in the parliament today.

The Newman LNP government claimed that they did all those terrible things because it was about the money. It was never about the money. If they needed the money, why did they cut stamp duty by $500 million before they even issued their first budget? It was about the LNP's vindictive hatred of public services and their determination to destroy the services that ordinary Queenslanders rely upon—for the benefit of the member for Chatsworth, ordinary Queenslanders who live in electorates like Woodridge. I will fight for them every single day.

The people of Queensland wised up to the LNP. They worked them out and they voted them out. Our government is not going to let the LNP say 'savings' and deliver mass sackings ever again. We are not going to let them twist and pervert the meaning of the word 'savings' to fit their ideological agenda to destroy public services in this state. This bill and our government's plan for savings make it clear that the budget can be made sustainable without cuts. In fact, it means the opposite. Making responsible savings means that we have more money for services.

We see in the LNP committee members' statement of reservation their contempt for the improvements we are making to the Titles Registry. Again, it would have been naive to expect that the LNP would have seen this reform on its merits because we all know that the LNP want to privatise every public asset in the state. Once again, despite what they have said, the LNP's privatisation agenda was never about the money. Why would you want to sell a business that was making money and delivering dividends to the Treasury? I will tell you why. The LNP wanted to sell these assets because they do not believe in public ownership. Even though it makes money and reduces the need for taxes, the LNP still hate it. They would rather give up the money for the taxpayer so that they could line the pockets of the LNP donor class—the consultants, the stockbrokers and the spivs. That is why they inflated Queensland's debt figures by always incorporating debts held by government owned corporations, even though other LNP governments do not. They include the value of debt held by government owned corporations to advance their ideological argument for asset sales. That is what they want to do to the Titles Registry. They want to sell it off. That is why LNP committee members cast doubt on the valuation of Queensland's Titles Registry, given that the registries in New South Wales and Victoria were worth up to $1.5 billion less before they were privatised.

The LNP has learned nothing about the folly of asset sales and the folly of asset sales during an economic crisis driven by a pandemic. If the superior value of Queensland's Titles Registry proves one thing, it is that if an asset looks worth privatising then it is worth keeping in the hands of Queenslanders. Of course the LNP would oppose this bill, because it will make asset sales much harder for the LNP. This bill will ensure that the Queensland taxpayer enjoys the full asset value of the Titles Registry while retaining it in public ownership. This bill will make crystal clear, in words that even the LNP could understand, that the Titles Registry does not need to be sold and should be retained in public hands.

If the LNP want to be seriously considered as the alternative government of this state, the first thing they should do today is support this bill. They should support this bill as it is about genuine savings. The second thing they should do in the course of this debate—a more important move, in my opinion—is get their leader to stand up and say in the parliament that the Newman LNP government was wrong. It was wrong to sack 14,000 Queensland workers. It was wrong to sack 4,400 health workers, including 1,800 nurses and midwives. It was wrong to cut the infrastructure spend and to brag about it in their budget papers. It was wrong to oversee a downgrade to our credit outlook. It was wrong to sell assets and it was wrong to try and sell more, wasting more public money on the go. It was wrong to camouflage brutal cuts by pretending they were savings. The Leader of the Opposition ought to stand up and admit these fundamental errors. He ought to apologise for the cuts that he supported, and the suffering he caused to Queenslanders, under the guise of savings.

I will now turn to the substance of the bill, which, as the committee's report highlights, has several related objectives: first, to support the state's contribution to the Queensland Future (Debt Retirement) Fund, established under the Queensland Future Fund Act 2020, by providing for the transfer of the Queensland Titles Registry to a newly formed company that will be contributed to a trust within the Debt

Retirement Fund structure; second, to introduce a fee unit model to streamline the annual process of indexing regulatory fees; third, to abolish Building Queensland and the Building Queensland board, and integrate Building Queensland's staff, assets, records, resources and liabilities into the Department of State Development, Infrastructure, Local Government and Planning; fourth, to change the governance structure of the National Injury Insurance Scheme Queensland by abolishing the board and appointing the insurance commissioner as chief executive officer responsible for the management of the National Insurance Injury Scheme Queensland; fifth, to repeal the Public Safety Business Agency Act 2014 so that machinery-of-government changes can reintegrate the Public Safety Business Agency into public safety entities including Queensland Fire and Emergency Services and the Queensland Police Service; sixth, to abolish the Queensland Productivity Commission and integrate its functions into Queensland Treasury and the Queensland Competition Authority; seventh, to mandate that legislation that requires or authorises print advertising or publication by government agencies shall be satisfied by online advertising or publication, subject to a range of appropriate exemptions; and eighth, to make technical amendments to the Medicines and Poisons Act 2019 to clarify head-of-power issues and to improve the operation of proposed regulations and requirements for the use or provision of tattoo ink, noting I will be moving amendments during consideration in detail to remove the provisions relating to the requirement to have a compliant analysis certificate for the supply or use of a tattoo ink.

I am pleased that the committee has recommended that the bill be passed by the parliament. As members would be well aware, the Queensland government announced in early July 2020 the implementation of a savings and debt plan to support economic recovery. This plan had a target of achieving $3 billion in savings over four years. The suite of initiatives announced were all about focusing on government's core business, delivering essential government services and the recovery of the Queensland economy, particularly sustaining, supporting and creating jobs. It also, importantly, allows a fairer reflection of our balance sheet and debt profile through the creation of the Debt Retirement Fund within the Queensland Future Fund.

Key measures in the plan include: maintaining non-frontline Public Service positions within approved caps; reinforcing frontline services; placing a six-month hold on non-essential new ICT projects; reducing senior executive service roles through natural attrition; reducing the use of external consultancies and contractors; and assessing agency functions and activities to ensure they are fit for purpose. These savings will be achieved without cutting frontline services, sacking public servants or selling Queensland assets.

Work on the program commenced immediately and was further detailed as part of the COVID-19 Economic and Fiscal Review released in September. By December, following the state election, the government was able to detail in the 2020-21 state budget that $367 million in savings had already been achieved, including through reductions in agency expenditure on travel, contractors and consultants, and other supplies and services. Of this, $352.2 million was in 2020-21, representing 47 per cent of the 2020-21 target. A further update on this program will be provided when the 2021-22 state budget is presented to parliament in mid-June.

On top of this $367 million in savings, the measures outlined in this bill seek to deliver further savings of up to $3 million in direct savings each year and significant further indirect savings. Importantly, the changes will also set a foundation for further reform to the Public Service to deliver ongoing savings.

On the debt reduction side, the bill we are debating today continues to support the government's action taken to establish a Queensland Future Fund. The bill provides for the transfer of functions, assets, liabilities and employees from Queensland Titles Registry to a new entity which will be contributed to a QIC managed investment trust to seed the Debt Retirement Fund. Modelled off similar funds in New South Wales and Quebec, the Debt Retirement Fund will be structured to offset debt when credit agencies assess Queensland's debt burden for ratings purposes. The contribution of over $5 billion in investments into the Debt Retirement Fund, including the Queensland Titles Registry, will improve our debt-to-revenue ratio by approximately nine per cent when ratings agencies assess Queensland's debt burden for ratings purposes.

Investments in scope for contribution to seed the fund by 30 June 2021 also include $1 billion from the defined benefit fund and other investments. The defined benefit scheme remains fully funded and Queensland remains the only state that has a fully funded defined benefit scheme. The Queensland Future Fund is a clear demonstration to the ratings agencies that Queensland has a measured and responsible plan to manage state debt. The Queensland Future Fund Act ensures that any investments and returns in the fund can only be used to reduce the state's debt.

The bill abolishes the Queensland Productivity Commission and enables the integration of the commission's economic policy experts into the new Office of Productivity and Red Tape Reduction within Queensland Treasury. The new office will provide an enhanced focus on productivity and regulatory reform as part of the government's economic recovery policies. The new office will combine an in-depth and longer term focus with the core Queensland Treasury capability of expert economic policy advice and the development of innovative policy solutions.

The bill also changes the governance structure of the National Injury Insurance Agency Queensland by amending the National Injury Insurance Scheme (Queensland) Act 2016 to abolish the board of the agency and reassign the board's functions to the Insurance Commissioner. Upon commencement of the bill, the Insurance Commissioner, who oversees Queensland's compulsory third-party insurance scheme, will become the chief executive officer, with future appointments to the role to be made by the Governor in Council.

These structural changes to the statutory body overseeing the National Injury Insurance Scheme Queensland can be implemented without compromising the treatment, care and support services provided to NIISQ participants or infringing on their existing rights and entitlements. The savings and efficiencies can be achieved while ensuring NIISQ remains focused on helping seriously injured people to recover, as much as possible, from the trauma and debilitating effects of motor vehicle accidents.

This bill also repeals the Building Queensland Act 2015, giving effect to the government's decision to abolish Building Queensland and the board and to integrate Building Queensland's functions, staff, assets and resources into the Department of State Development, Infrastructure, Local Government and Planning. Announced as part of the COVID-19 Fiscal and Economic Review, integrating Building Queensland into central government provides a more coordinated strategic infrastructure advisory and assurance function within government, while continuing to support robust, evidence based investment decisions.

The Queensland government remains deeply committed to thorough infrastructure assessment and good quality decision-making. The Department of State Development, Infrastructure, Local Government and Planning will provide a centralised and expert function to help achieve robust infrastructure assessment that supports making the right investment decisions at the right time. The government wishes to acknowledge and thank Building Queensland staff for their contribution to rigorous infrastructure decision-making in Queensland, which will now continue in the department, in particular the positive impact of Building Queensland's stewardship of infrastructure proposal development.

This bill provides a clear opportunity to further enhance efficiency and effectiveness of government infrastructure planning, assessment and investment. Combining the expert knowledge and capabilities of Building Queensland with the existing infrastructure planning and strategy functions of the Deputy Premier's department will support good investment decisions and optimise long-term infrastructure outcomes.

This bill contains a number of elements that will lead to savings and to more efficient ways of doing business. A prime example is the repeal of the Public Safety Business Agency Act 2014 which enables machinery of government changes to fully integrate the Public Safety Business Agency, PSBA, into the Queensland Police Service, the QPS, and the Queensland Fire and Emergency Services, the QFES. There are multiple benefits for these frontline agencies. Reintegrating the functions of the PSBA into these departments eliminates the waste created through a duplication of services and prevents escalating costs by streamlining business processes. I can report that, even as these agencies prepare for the transition of PSBA functions, they are already benefiting from the changes that are about to come. PSBA staff are now fully embedded into these agencies through the formation of discrete QFES and QPS employee groups. Future planning is already underway, including reviews of business functions, to improve efficiencies and realignment of FTE positions to promote service capabilities.

Our frontline agencies play a critical role in our communities. Our frontline workers undertake tasks and accept responsibilities that can be difficult, demanding and sometimes dangerous. They work within complex environments. These workers deserve our support. This bill enhances the efficiencies and effectiveness of frontline agencies and, as a consequence, will assist police, firefighters and other emergency services personnel in the performance of their duties—to the benefit of all Queenslanders.

The bill also amends the Financial Accountability Act 2009 to provide that where a state law requires or authorises government agencies to publish information in print, this is now satisfied by publishing online. The practical effect is that government agencies must publish certain information online rather than in print. This is a modernisation, cost-saving and red-tape reduction measure. These amendments are subject to appropriate exemptions. Importantly, one such exemption is that print publication or advertising can continue to take place in regional print newspapers. This reflects the special role that print newspapers play in regional Queensland communities. The non-government statement of reservation to the EGC report in respect of the online publication aspects of the bill said—

The Treasurer stated several locations that no longer had a newspaper in print. This was his supposed justification for government announcements to no longer be published in print.

This statement is incorrect. I said—

... in many parts of Queensland, people now have no alternative. News Corporation, for example, made the decision to cease the publication of daily newspapers in Mackay, Rockhampton, Gladstone, Bundaberg and on the Fraser Coast. Thousands of Queenslanders now have no daily newspaper available to them ...

The statement of reservation also relied on the comments of the Queensland Country Press Association, which it quoted as follows—

The entire purpose of public notices regarding important decisions made by governments or mining companies or developers that impact the lives of ordinary citizens is that those notices need to be published in a public space.

The online publication measure does not apply to mining companies or developers, only to government entities. In respect of lease applications by mining companies, the newspaper notice requirements in the Mineral Resources Act 1989 are that the lease applicant places a newspaper notice about the proposed mining lease.

Public notices of a property development application under the Planning Act 2016 and the Development Assessment Rules are made by the applicant entity applying for development approval or their assessment manager. Under planning law, they will continue to be published in printed newspapers where they are available. Where not available in printed copy, these are required to be in an online newspaper. To reflect the unique role which local print newspapers play in regional communities, notices required to be placed by government will continue to be placed in regional print newspapers at the discretion of the government entity involved.

The bill includes amendments to the Acts Interpretation Act 1954 to introduce a fee unit model which will streamline the annual process of indexing regulatory fees and reduce administrative inefficiencies for agencies and the Office of the Queensland Parliamentary Counsel. Government indexation seeks to maintain the value of the fee over time relative to the anticipated increase in associated costs. The principles for fees and charges policy outlines the government's indexation policy and applies to fees set by agencies—that is, departments and statutory bodies—except for specified exceptions.

Currently, annual indexation requires agencies to amend hundreds of pages of regulation each year to reflect the new dollar value of their fees. This process is resource intensive, taking up to three months for some agencies to implement these changes for hundreds of fees and charges. Additionally, associated time is required each year for the Office of the Queensland Parliamentary Counsel to prepare the necessary fee regulations. The fee unit model will streamline this annual process providing for indexation of the fee unit rather than the amendment of hundreds of pages of regulation.

Under this legislation, from 1 January 2022 all in scope agencies will be required by government policy to display their regulated fees as a fee unit, not a dollar amount, unless they have received an exemption. This will require all agencies with regulated fees to amend their relevant regulations to reflect the change ready for when the next fee indexation is due to occur, being 1 July 2022 for most agencies, or, for those with an alternative indexation date, their first occurrence post 1 July 2022. Removing these administrative inefficiencies for agencies and for the Office of the Queensland Parliamentary Counsel will realise productivity gains across government, as staffing effort can be redirected to focus on service delivery and higher value priorities.

In addition to savings measures, the bill also advances a key initiative of the government's plan to responsibly manage state debt. The bill provides the mechanism for the Queensland Titles Registry to be included in the first Queensland Future Fund, the Debt Retirement Fund, which will be structured so that credit ratings agencies recognise the value of contributions to the fund as an offset to state debt for ratings purposes.

The Palaszczuk government has already announced a $5 billion contribution to the Debt Retirement Fund by 30 June 2021, which includes a preliminary valuation of $4.2 billion for the Titles Registry. The bill provides for the transfer of functions, assets, liabilities and employees from the Titles Registry to Registry Co, the new titles registry operator, owned by the state through the Queensland Future Fund structure.

In the course of the committee process, the Clerk of the Parliament, on behalf of the Committee of the Legislative Assembly, requested that an amendment to the Property Law Act be considered as part of this bill. This amendment would provide for all copies of acts of parliament to be sent directly to the State Archive, in place of the existing arrangements that copies of acts be registered with the Titles Registry. I thank the Clerk for this suggestion. As the object of the bill is simply to allow for the transfer of Titles Registry functions to Registry Co, in the current form, any amendment to Titles Registry functions will not be progressed as part of this bill. Any changes to the arrangements for the Titles Registry to retain copies of acts of parliament may be considered as part of any future review of the Property Law Act.

I acknowledge the feedback that stakeholders have provided in relation to the manufacture or supply of tattoo inks to have a compliant analysis certificate before supplying a tattoo ink. This will be addressed by the health minister in her contribution. I commend the bill to the House.

(Time expired)