Speech By
Hon. Cameron Dick

MEMBER FOR WOODRIDGE

Record of Proceedings, 9 November 2022

APPROPRIATION (PARLIAMENT) BILL (NO. 3)

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BETTING TAX AND OTHER LEGISLATION AMENDMENT BILL

Second Reading (Cognate Debate)

Hon. CR DICK (Woodridge—ALP) (Treasurer and Minister for Trade and Investment) (12.20 pm): I move—

That the bills be now read a second time.

I will be addressing the Appropriation (Parliament) Bill (No. 3) 2022 and the Appropriation Bill (No. 3) 2022 initially in my second reading speech.

At the outset I would like to thank the Economics and Governance Committee for its report tabled 4 November 2022 regarding the Appropriation (Parliament) Bill (No. 3) 2022 and the Appropriation Bill (No. 3) 2022. I also want to thank all of those witnesses who appeared before the committee as part of the committee's work. I want to acknowledge the important work carried out by the committee and its chair, the member for Logan, in providing appropriate scrutiny and consideration to each of these appropriation bills. The work of committees in this parliament is often unrecognised. It is certainly not recognised as much as it should as an important part of our parliamentary and democratic process, so I want to recognise committee members for their work and particularly the work of the EGC chair, the member for Logan, who I think does an outstanding job leading that committee.

I note that the committee made two recommendations to parliament: that is, that both of the bills be passed. The purpose of the bills is to provide for supplementary appropriation for unforeseen expenditure that occurred in the 2021-22 financial year.

'Unforeseen expenditure' is the term used to describe payments from the Consolidated Fund to a department which are above the amounts approved in prior appropriation acts. For example, a department may need supplementary appropriation to respond to emergent issues or implement government policy, or there may be a change in the timing of Commonwealth payments for project delivery. The expenditure of public funds is not something that any government should consider lightly, whether in a routine appropriation or in times of significant social and economic uncertainty. For the interests of clarity, unforeseen expenditure is not the same as a departmental overspend. Further, the bills are only concerned with unforeseen expenditure for 2021-22. Some agencies may have underspends which are not considered in this process.

Section 35 of the Financial Accountability Act 2009 provides that, should expenditure from the Consolidated Fund exceed the amount approved by annual appropriation, the Governor in Council, on the recommendation of the Treasurer, may authorise the expenditure. This amount comprises unforeseen expenditure and must be approved by the Governor in Council within four weeks of the end of the financial year.

On 14 July 2022 the Governor in Council authorised unforeseen expenditure incurred during the 2021-22 financial year of $2,825,309,000. The Consolidated Fund Financial Report contains explanations of all unforeseen expenditure incurred by departments, and this informs parliament's understanding and debate of the bills. Pursuant to sections 23 and 24 of the Financial Accountability Act, the Consolidated Fund Financial Report must be audited by the Auditor-General by 30 September and tabled in parliament. The Consolidated Fund Financial Report was tabled on 19 September 2022.

The payment of this unforeseen expenditure is also to be formally authorised under an act of parliament in accordance with section 66 of the Constitution of Queensland 2001. Parliamentary approval for the unforeseen expenditure is now being sought, which is comprised of $2,185,000 for the Legislative Assembly and $2,823,124,000 incurred by 14 departments and agencies.

Firstly, the Appropriation (Parliament) Bill (No. 3) 2022 seeks parliamentary approval of supplementary appropriation for unforeseen expenditure incurred by the Legislative Assembly and Parliamentary Service in the 2021-22 financial year of $2,158,000. The unforeseen expenditure incurred by the Legislative Assembly and Parliamentary Service was primarily due to additional funding for enterprise bargaining outcomes and speech recognition technology for parliamentary proceedings. Appropriation Bill (No. 3) 2022 seeks parliamentary approval for supplementary appropriation for unforeseen expenditure by 14 departments in the 2021-22 financial year of $2,823,124,000.

I think we could all agree that a fair bit has happened that could not have been foreseen when I delivered the budget in June 2021. We can all think back to significant events that have had an outsized impact on our state in recent times: the February floods in Brisbane in 2022, the Omicron wave and the protracted war in Ukraine. For all of their forecasting expertise—for which I acknowledge the great work of officers of the Queensland Treasury—the Queensland Treasury did not foresee these events occurring in June 2021.

The majority of the unforeseen expenditure arises from three departments. The Department of Environment and Science has $623,215,000 of unforeseen expenditure which is primarily due to additional funding to bring forward payments to local councils in relation to revenue collection from the waste disposal levy. Queensland Treasury has $551,513,000 of unforeseen expenditure, including support for the Australian government's HomeBuilder Grant. It also included revised Queensland Government Insurance Fund claims and beneficiary payments for superannuation and central leave schemes and additional first home owner's grants.

Members will recall that the HomeBuilder Grant was an important component of the support offered to the construction sector during COVID-19. Queensland's construction sector was one of many areas of the state economy that did it tough through COVID-19, but they did an outstanding job. I want to acknowledge construction workers, construction leaders, construction businesses—in fact, everyone in the construction industry—who kept their part of the Queensland economy going during COVID-19. That was in no small measure due to their fortitude and perseverance, which of course signified the response of Queenslanders throughout the pandemic. It was also a consequence of the policy settings of the government to protect our people, businesses, industries and workers during the pandemic.

As I said in question time earlier today, the wealth of our economy and the wealth of our people are inextricably linked to the health of our people. The protective measures our government put in place allowed the construction industry to effectively continue unimpeded during COVID-19. This is why our government reaffirmed our commitment to the $15,000 First Home Owner's Grant program and announced the $5,000 Regional Home Building Boost. Queensland was the first state on the east coast to open applications for HomeBuilder on 31 July 2020. Queensland's $15,000 First Home Owner's Grant is one of the most generous in the nation—higher than the $10,000 offered in New South Wales and metropolitan Victoria. Our Regional Home Building Boost has provided extra incentives for all Queenslanders, not just first home buyers, to build a new home in the regions. Our government's implementation of HomeBuilder means that eligible Queenslanders can buy or renovate their home. Members may be aware that states were left with the cost of implementation of the HomeBuilder program by the former Morrison LNP government.

There were also funding adjustments for the Queensland Reconstruction Authority—that is to the Deputy Premier's Department of State Development, Infrastructure, Local Government and Planning—to cover recovery and reconstruction costs primarily arising from flooding in the summer of 2021-22. The unforeseen expenditure of $2,825,309,000 represents 4.44 per cent of the 2021-22 budgeted appropriation. It is noted that 12 departments had lapsed appropriation totalling $916,814,000. The net impact of unforeseen expenditure and lapses was that total appropriation in 2021-22 was $1.908 billion more than previously approved.

The committee acknowledged that, while the level of unforeseen expenditure for 2021-22 is higher compared with recent years, this financial year was heavily impacted by a range of unforeseen events. I want to thank the committee for its acknowledgement that those unforeseen events impacted on the necessary expenditure of government. These included COVID measures, the response to flooding, the bring forward of federal government payments, accelerated capital works by the Department of Transport and Main Roads, and targeted measures by government to support Queenslanders.

Within the annual unforeseen expenditure, there were significant amounts of Commonwealth funding, for which the consolidated fund acts effectively as a postbox to pass the funding on to other entities. In light of the significance of COVID on all of us in recent years, it is worth considering the relevance of some of these measures. COVID-19 response measures were a key contributor through the business support grants, including programs such as the tourism and hospitality sector hardship support. These programs were partially funded by the Commonwealth. The COVID-19 business support grants program was a $600 million program jointly funded by the Palaszczuk and the federal governments. From August to November 2021, grants were issued to support businesses impacted by COVID-19 health restrictions in Queensland. Overall, these important measures formed part of more than $15.2 billion in financial assistance provided by this government to support Queenslanders in response to the COVID-19 pandemic.

For reference and context to measures described in this bill, key elements of the overall financial response to COVID-19 included support for a range of sectors. Our tourism and hospitality sector support package included: a six-month payroll tax deferral for August 2021 for eligible impacted businesses; a refund or waiver of liquor licence fees; a deferral of land rent for eligible tourism operators; refunds or waivers for eligible tourism operators in certain parks and recreation areas; a rebate for private marina berthing fees for businesses in eligible local government areas; and a waiver or refund of inbound tour operator fees—all for the 2021-22 financial year.

In many respects we have offered more support for businesses than many other states, including: our economic recovery plan, underpinned by $14.5 billion in recovery initiatives; setting and exceeding our SME procurement target of 25 per cent; over $180 million in COVID adaptation grants to more than 20,000 businesses; $100 million in electricity bill rebates for sole traders and small and medium-sized enterprises, which so far has supported around 180,000 Queensland businesses and operators; financial resilience webinars to assist small businesses with practical skills like cash flow management and business planning; tailored support through the Mentoring for Growth program; and $1 billion in jobs support loans to nearly 7,000 businesses, supporting 86,000 Queensland jobs. No other state provided concessional loans to the extent that Queensland did. No loans were offered for small businesses in New South Wales, Western Australia or South Australia, and the loan scheme in Victoria was a quarter of the size of Queensland's.

Other COVID measures included over $190 million in funding for QFES for quarantine accommodation, as was supplementary funding to the Department of Transport and Main Roads to address financial pressures arising from COVID-19. The additional waste levy funding to local councils for recycling infrastructure contributed $672 million to unforeseen expenditure—a bring forward of planned future expenditure into the financial year 2021-22. This will benefit communities, as the advance waste levy payments will offset the cost of the waste levy on households while supporting investment to establish the circular economy Queensland needs to increase recycling and resource recovery.

Accelerated capital works for the Department of Transport and Main Roads was another key contributor to unforeseen expenditure in the year, contributing over $400 million. These accelerated works contributed to projects around the state, including a range of Bruce Highway improvements. I do not believe there would be anyone in Queensland—certainly no-one in this House—who would criticise the Department of Transport and Main Roads for accelerating projects around the state, particularly as our economy recovers from COVID-19.

As the Treasury briefing to the Economics and Governance Committee provided, COVID-19 led to an increased and unforeseen demand on a range of areas of government service delivery. For example, the Queensland Police Service incurred additional expenditure while carrying out additional COVID-19 compliance activities. I want to acknowledge the outstanding service of members of the Queensland Police Service for the work they did engaging with and carrying out compliance activities in a very difficult time during COVID-19. It should also be noted that Queensland was not alone in the extent to which we were impacted by responses to unforeseen expenditure emerging. In the wake of COVID-19 and adverse weather conditions, New South Wales appropriated the sum of $17.8 billion—

Mr Power: How much?

Mr DICK: I will take the interjection from the member for Logan. The New South Wales government appropriated the sum of $17.8 billion out of their Consolidated Fund for the exigencies of government during the year 2021-22. That amount is around six times that of Queensland.

I put our additional appropriation before the House today in this debate in that context. I make no complaint of the Liberal government in New South Wales for their additional unforeseen expenditure because COVID had various impacts on various jurisdictions across the country, but can I say that the way we handled the pandemic led the nation. There is no question that the way our government responded to COVID led the nation, and it resulted in unforeseen expenditure being at least a sixth of that of New South Wales. That is a significant difference and I hope members keep that in context.

I now turn to the Betting Tax and Other Legislation Amendment Bill. As I outlined in the explanatory speech, the main purpose of the bill is to amend the Betting Tax Act 2018, the Racing Act 2002 and the Racing Regulation 2013 from 1 December 2022 to implement betting tax changes and provide for a more sustainable funding model for Queensland's racing industry. The bill also amends the Payroll Tax Act 1971 to make consequential amendments of an administrative, machinery and transitional nature in relation to the mental health levy provisions which will commence on 1 January 2023.

I acknowledge the Education, Employment and Training Committee's report on the bill, which was tabled on 4 November 2022. I would like to take this opportunity to thank the committee members and secretariat for their hard work in considering this bill. I would also like to thank those who made submissions to the committee about the bill and those who appeared as witnesses as part of the committee's inquiry. I note that the committee made three recommendations to parliament: firstly, that the bill be passed; secondly, that the bill be amended to omit subsections 25(3) and 26(2)(a) from the Betting Tax Act to ensure that free bets made as totalisator bets are incorporated into the calculation of the betting tax; and, thirdly, that I clarify how 'country thoroughbred race meetings' will be defined for the purposes of the Racing Act and the Racing Regulation and who will be responsible for defining this term. I support all of the committee's recommendations and I will table the government's response to the committee's report during the course of the debate.

With respect to recommendation No. 2, the government supports this recommendation and I propose to move amendments in consideration in detail that address the recommendations among other things. In relation to recommendation No. 3, I wish to provide clarification on how 'country thoroughbred race meetings' will be defined. Currently, under section 12 of the Racing Act, the minimum funding required to be paid for country thoroughbred racing is for 'non-UBET thoroughbred races', which are those races where off-course betting is not conducted. Racing Queensland has responsibility for deciding the classification of race meetings and is required to publish calendars for all codes of racing. Changes in both wagering and broadcasting technology have made defining country racing as 'non-TAB' irrelevant. Many country race meetings are being broadcast, and an increasing number have off-course wagering, such as the famous country race meeting at Birdsville which is well known to all honourable members.

The trend towards country racing being offered for off-course wagering is likely to continue and grow into the future. The amendments in the bill will require Racing Queensland to publish a specific Country Thoroughbred Racing calendar. This will run alongside its current requirement to publish calendars for each code. Racing Queensland advises that 'country thoroughbred racing' will continue to be defined as 'all thoroughbred race meetings conducted at licensed race clubs which are constituents of a Racing Queensland Country Racing Association'. As a transparency measure, amendments will also require Racing Queensland to report on expenditure on country thoroughbred racing in its annual report.

I note that the majority of stakeholders who made submissions on the bill support the proposed changes. In fact, I am pleased to say that former federal LNP member for Flynn, Ken O'Dowd, in his submission to the committee on the bill, stated, 'The Queensland racing industry is the best-funded and most sustainable industry in the country.' It is very rarely that I quote Mr O'Dowd with approval, but in this case I am happy to do so. Mr O'Dowd said that, 'Online bookmakers should return a fair share of profits to Queensland race clubs', which is what this legislation achieves. I thought I would never say it, but I could not say it any better than the former member for Flynn. This is a very significant comment and I endorse it.

Under the existing funding arrangement, introduced by the former Newman LNP government, the future of Queensland racing was placed in jeopardy. Large multinational bookmakers for years have been profiting off Queensland's thriving racing industry, all the while bleeding the industry dry and stripping regional Queensland of a vital aspect of its economic and social fabric. It is not surprising that it requires a Labor government to support regional Queensland. With this bill, the Palaszczuk government is ensuring these large multinational bookmakers pay their fair share to an industry they so happily profit from.

With this bill, we are providing certainty to the racing industry so that it can continue to thrive for years to come. Unlike those who sit on the opposition benches, we do not just show up to race days for the photo-op; we show up and we stand up for racing in Queensland. With this bill, our government is yet again proving that this is a government that backs Queenslanders, backs regional Queensland and backs Queensland industries. In conclusion, I table the government's response to the parliamentary committee's report.

Tabled paper: Education, Employment and Training Committee: Report No. 28, 57th Parliament—Betting Tax and Other Legislation Amendment Bill 2022, government response 1864.

I commend the bills to the House.