




Speech By
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MEMBER FOR TOOWOOMBA SOUTH

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STATE PENALTIES ENFORCEMENT (MODERNISATION) AMENDMENT BILL

 **Mr JANETZKI** (Toowoomba South—LNP) (11.52 am): Let me begin my contribution today, for the comfort of the House, by stating—obviously my voice is a little off-key—that I undertook a number of COVID tests mid last week. I was clean. However, a four-year-old has brought home some germs from kindy. I am feeling as fit as a fiddle; however, my voice continues to suffer. I wanted to set the record straight at the outset.

I might have one of the quieter voices in this House and, this week, one of the croakiest voices in this House, but I want to affirm for the Treasurer that I will not be intimidated by his efforts here today.

Mr DICK: Mr Deputy Speaker, I rise to a point of order. Those words are personally offensive and I ask the honourable gentleman to withdraw.

Mr DEPUTY SPEAKER (Mr Hart): Member, the minister has found that personally offensive.

Mr JANETZKI: I withdraw. Let me rephrase. The Treasurer should not underestimate my resolve and my determination to always speak up for what we believe on this side of the House. I fully accept that there will be contestability over every single bill in this House. There will always be contestability about the nature of the provisions of a bill and the philosophy behind it, but we on this side of the House are full of resolve. We will not be influenced by a treasurer who sends letters seeking to curtail debate and anything I have to say on this bill today that there might be—

Mr DICK: Mr Deputy Speaker, I rise to a point of order. I take personal offence at the words that I am seeking to curtail debate of anyone in the chamber, and I ask the honourable member to withdraw because they are deeply offensive to me personally.

Mr DEPUTY SPEAKER: Member, the minister has found that personally offensive. Will you withdraw?

Mr JANETZKI: I withdraw.

Mr WATTS: Mr Deputy Speaker, I rise to a point of order. The member just voted for a guillotine bill to curtail everybody from speaking in this House.

Mr DEPUTY SPEAKER: There is no point of order. Resume your seat. Member for Toowoomba South, did you withdraw?

Mr JANETZKI: Yes, I did withdraw. The words and the arguments that I will put today will often be the words of others, of stakeholders, of people who are raising issues not just about this bill but about the government's approach to how the finances are being managed in this state. I will not be influenced and I will not be resiling from our position to put the case to this House. I will return to some of those questions and the Treasurer's comments again shortly.

I want to start with the bill. The bill was introduced by the Treasurer on 17 March and was referred to the Economics and Governance Committee. The committee reported on 6 May recommending that the bill be passed. The committee's opposition members submitted a statement of reservation.

There are two key aspects to the bill. Firstly, and most publicly, the bill amends the State Penalties Enforcement Act, the State Penalties Enforcement Regulation and the State Penalties Enforcement Amendment Act to implement an integrated approach to managing fines for camera detected offences and tolling offences, with functions centralised in a single agency being the Queensland Revenue Office; provide a framework for the earlier registration of unpaid infringement notices with SPER for enforcement; and make miscellaneous amendments to modernise the operation of the State Penalties Enforcement Act and support the effective administration of SPER.

To achieve this, the bill prescribes the registrar of SPER as the authorised person for service of infringement notices for camera detected and tolling offences, and the administering authority for the same, as well as for other infringement notice offences in respect of which DTMR was already practically the administering authority.

The bill also provides for a reduced time frame for the registration of defaulted infringement notices with SPER, with the aim of increasing opportunities for earlier collection. The bill also makes a range of consequential amendments to the Transport Operations (Road Use Management) Act and Traffic Regulation 1962 to give effect to the aforementioned changes. In addition, modernisation measures are proposed such as the use of body worn cameras by SPER enforcement officers, and the prescription of enforcement costs that can be recovered for enforcement debtors.

Confidentiality provisions are also modernised to enable the registrar to disclose confidential information contained in a court order for the purposes of remitting an amount collected under the court order to an entity entitled to the amount, as is the process of the appointment of SPER enforcement officers to ensure that only those appropriate are appointed as such. The committee received seven submissions on the bill. Four of the submissions related to the proposed SPER amendments. Concerns and suggestions were raised. LawRight proposed that SPER should take measures to ensure that its discretion is exercised appropriately and that any relevant decision-making matrices or guidelines are made publicly available to ensure transparency. Moreton Bay Regional Council requested that further consideration be given to the mechanism by which it secured collective feedback to deliver to SPER. They also flagged increased costs for local governments associated with the earlier registration date of fines with SPER.

Several concerns were noted by the LGAQ, including updating the fines online web portal service, greater consultation with issuing authorities in relation to the cancellation of enforcement orders, refunding of fees on the approval of work and development orders, regular and quarterly engagement with issuing authorities, and greater transparency on the community outcomes from work and development orders. I will return to the political background of these SPER amendments and the government's appalling mismanagement of SPER over the years very shortly.

The second key aspect of the bill are amendments to the Residential Tenancies and Rooming Accommodation Act to provide, as the Treasurer claims, stable funding for the RTA and ensure security of rental bonds on behalf of Queensland tenants.

In summary, the government proposes to move the financial model of the RTA from one which is funded by the interest earned from investment of the moneys received by way of rental bonds to that of funding an agency by way of a grant in the budget. At present, the act establishes two accounts for the holding of money by the RTA. Section 149 identifies those as the rental bond account and the rental bond interest account. Section 150 requires that money received by the RTA by way of rental bonds should be paid into the rental bond account.

Section 150 also provides that the amounts in the account may be invested according to the Statutory Bodies Financial Arrangements Act 1982. Section 151 provides for the expenditure of rental bond amounts that have now been claimed after a considerable period. Section 152 provides that the rental bond interest account should be used to hold earnings from investments and liens by the RTA. That section also provides for the only ways in which money can be paid out of that account. Those include meeting the costs of the RTA performing its functions under the act, investing moneys and paying out moneys for any other purpose authorised under the act.

One other feature of the proposed amendments is the enactment of a new section 482A, which will give the Treasurer the authority to direct the RTA about the banking arrangements for the rental bond account. Submissions regarding the proposed changes to the Residential Tenancies and Rooming Accommodation Act were lodged by Tenants Queensland and the REIQ. Both submissions were strongly opposed to the amendments. The REIQ noted that they were deeply concerned with the proposed amendments and that the brief summary provided in the explanatory notes does not, in their view, substantiate any basis for the proposed material amendments. They added that they were disappointed by the absence of any stakeholder consultation prior to the bill and the insertion of such a fundamental change in a nondescript omnibus bill.

Tenants Queensland criticised the lack of consultation and asserted that the changes would remove the autonomy of the industry regulator and destroy a self-funded model that has stood the test of time. I will return to those submissions, but for those reasons and for the government's appalling record when it comes to SPER—a generational failure of record—the opposition will be opposing this bill.

Let me begin going through some of the history of the regulation of SPER in Queensland, because it is important that we begin to understand the mismanagement of SPER since it was introduced all those years ago. From where he sits today, the Treasurer has played an integral role in the management of SPER—

Mr Power interjected.

Mr DEPUTY SPEAKER (Mr Hart): Pause the clock. Member for Logan, you are about to speak. I have already told you to cease your interjections. No more interjections, please.

Mr JANETZKI:—over the last 20-odd years, but let me go back to the very beginning. The language that we hear again in the Treasurer's media release and comments since the SPER bill was introduced this time around bear a striking resemblance to what we have heard over the last 20 years from Labor when it comes to SPER. Back in 1999 the then attorney-general, Matt Foley, said—

It will keep most defaulters out of jail but does not shy away from ensuring people who have been penalised by our courts pay their debt to the community ...

If I recall, when that bill was introduced in 1999 it was to amend a Borbidge government bill that was introduced into the House. However, as is so typical of Labor governments, upon the election of the first Beattie government, it languished on their backblocks for nine or 10 months. That was the initial media statement on SPER back in 1999. I think there have been 30-odd amendments to the SPER legislation over the last 20 years. Next we saw Peter Beattie, then premier, talk about the SPER amendment bill. In October 2006 he said—

The government's ... (SPER) will be able to write off uncollectible and unenforceable fines up to 30 years old under legislative changes to be introduced into Parliament next week.

Again they were trying to fix SPER—unable to ever get on top of the ballooning SPER debt but also on the legislative framework that should be governing it. Then we had the then attorney-general, the then erstwhile member for Greenslopes. What was he saying back in September in 2009? This is very similar to media releases from 2022; nothing much has changed, just more Labor mismanagement. He said then—

The community expects that people who receive a fine for breaking the law will repay their debt in full.

It is critical to preserving public confidence in the law and maintaining the integrity of fines as a deterrent.

These tough new measures will send a strong message to people who thumb their nose at fines—if you don't pay up, you will lose your wheels ...

That is tough talk from the then member for Greenslopes and attorney-general. Next we are back in November 2009—more media statements from the then attorney-general and now Treasurer. He stated—

Queenslanders expect people who break the law and receive a fine to pay their debt in full.

They also expect the government to take appropriate action against long-term fine bludgers with significant debts who simply refuse to do the right thing.

That is more tough talk from the then member for Greenslopes and attorney-general and now Treasurer. There is more. We are in April 2010 now, and there is more from the then attorney-general and now Treasurer. He stated—

Fine dodgers are getting the message. Queenslanders expect people who break the law and receive a fine to pay their debt in full.

...

The publicity—

get this—

surrounding the new laws has certainly prompted debtors into paying their fines.

With a SPER blowout well beyond a billion dollars, I think that was a little precipitous of the then attorney-general and erstwhile member for Greenslopes and now Treasurer of Queensland. With all this tough talk from the Treasurer in his history in parliament, we would not have much confidence or faith in the Treasurer today getting on top of the SPER debt or managing or governing SPER

appropriately. Now he seeks a consolidation of power under this bill. Under this bill he seeks a consolidation of power and the administration of SPER under his control. That was the then attorney-general and now Treasurer.

Now we turn to February 2012 and the Hon. Paul Lucas. He was then the new attorney-general but nothing much had changed. SPER management was still poorly enacted and the SPER debt was continuing to balloon. The then attorney-general announced consultants PwC would independently assess the operation of SPER with a view to improving its already impressive record of recovering outstanding debts. PwC has always been a favourite of the Labor government. It was interesting that around this time we also saw a significant ballooning in SPER debt. It was about that time that the Labor government changed the tolling arrangements when they were busy privatising the motorways. They were busy privatising Queensland assets and they changed the tolling arrangements, which fed into the ballooning of the SPER debt. That is the history of the SPER debt.

I will finish with the Treasurer's media release from the other day, which is remarkably similar to media releases from this Labor government over the last 20 years, including from the then attorney-general. The media release states—

"Queensland taxpayers expect that if someone owes them money, it should be paid back—and that's what these changes are all about," the Treasurer said.

Instead, the conclusion that we can draw is that the more the people in the seats change, the more they stay the same. How can Queensland have any confidence whatsoever that this Treasurer and this government will ever get on top of the SPER arrangements in this state? That is the history.

When the member for Inala became Premier, the government wiped a number of the key achievements of the Newman government when it came to SPER, and I notice that the Treasurer talked about some of those. I am sure the member for Logan will speak about them as well. It is worth repeating. When the Newman government assumed power, so much was in complete disarray, and SPER was no exception for all the reasons in these media releases that I have just talked about. The government said over and over the same things and nothing ever changed.

When the member for Clayfield was treasurer, he oversaw the collection of nearly \$200 million in unpaid fines; significant aged debts of five years or greater with little prospect of ever being repaid were written off, and that cleared the decks for a dedicated focus on debt collection. At the time the LNP set in place a comprehensive SPER program including things such as wheel clamping, seizure and sale to recover unpaid debts; SPER's ICT system was upgraded; and some debt recovery functions were handed to specialist debt recovery firms. Of course, many of those reforms were dropped as soon as the Palaszczuk Labor government was elected in 2015.

In 2015, what happened to the management and governance of SPER? The Palaszczuk Labor government talked about focusing on technology. As we know, IT and Labor governments do not mix. In 2016, the Labor government signed a contract for an ICT project that would streamline the administration of SPER in this state. What we saw over the next few years was a debacle. We had the under treasurer at the time—now the Premier's chief of staff—stating in estimates that costs were under control and were, to use the exact words, 'safe and sound'. Former treasurer Jackie Trad spoke in this House. Things had got so bad that there were 300 change requests and blowouts of an estimated \$20 million.

Mr Tantari: Save your voice!

Mr JANETZKI: I will keep going, member for Hervey Bay. Do not worry: I will use all of my 30 minutes, even if I am completely hoarse by the end, because the story of Labor's mismanagement of SPER needs to be told.

The then treasurer had lost so much control over the project that she had to refer it to the Auditor-General. We saw the Palaszczuk Labor government's desire to focus on technology ending in disaster. What did the Auditor-General say in the report that was handed down? It blew the whistle—as the Auditor-General is constantly doing week after week right now. It is compelling reading. Every single Auditor-General's report is highlighting gaps in the governance of this state—whether it be financial management, contract variations or the appointment of directors on boards controlled by the Treasurer. It does not matter; it is all falling apart.

Back in 2019, what did the Auditor-General's report say? It said that the implementation of the project was based on 'unfounded optimism'. A consultant in April 2017 suggested to the Labor government that they should consider abandoning the contract, yet the government ploughed on. They wasted tens of millions of dollars of taxpayer money. They did not stop; they cannot manage projects. Last term it might have been abandoned IT contracts, name changes to hospitals and fat dog apps, but

it continues to get worse. Now we have \$200 million quarantine facilities with 1,000 beds that are empty—not hospital beds, not homeless beds, not social housing beds but empty beds that are worth \$200 million. We have infrastructure projects that have cost overruns to the tune of beyond \$3 billion. It does not matter what it is: they cannot manage money and they cannot manage projects. That continues until today.

In 2017, the Palaszczuk Labor government introduced work and development orders, in which people work off their SPER debt by attending counselling and treatment programs or doing relevant courses. I would be interested to hear the Treasurer report on those numbers, noting that 10 per cent of SPER debtors at the time—as reported by the then treasurer, the member for Mulgrave—were responsible for 20 per cent of the total outstanding debt. I would be interested to know if the Treasurer could update those numbers for the House.

Then in September 2020, on the eve of the election, the Treasurer had another go. It was not good enough back in 2009, 2010 and during all the tough talk again most recently. In September 2020 he launched the Debt Recovery and Compliance program, which it was claimed would raise an additional \$488.1 million—to be specific—by 30 June 2024 at a cost of \$74.95 million. Nearly two years on, I would be interested to know the progress of that project. If the Treasurer cannot inform us today, then perhaps it will be revealed in the budget.

At the end of all this mismanagement, we see that the outstanding value of SPER has continued to boom. In 2014, the total outstanding SPER debt was \$999 million. By 2019-20, it had blown out to \$1.29 billion. During the examination of this bill by the committee—I applaud our deputy chair for his work on that committee—it was reported that figure had declined by around \$100 million so far this financial year. I note that in answer to a recent question on notice of the Treasurer, they said that they had written off \$100 million this year. I am not sure whether they are going collecting it or whether they are writing it off. I look forward to an update in that regard.

Now the Treasurer is back on the job. He is claiming that further amendments, after all these years and after all this failure, will continue to boost collections by a further \$20 million a year. How can anyone have confidence in the Labor government when it comes to the management of SPER? How can Queenslanders have confidence in the Treasurer's ability to rein in approximately \$1.2 billion of SPER debt, when the government cannot even manage an ICT project that manages the system? How can we have any confidence that they will manage the SPER system when they cannot even manage an ICT project that is meant to manage the SPER system? For those reasons alone, we have no confidence and the bill should be opposed.

I now turn to the issue of the bonds of Queensland renters that the government is desperately trying to justify. We saw that occur again with the Treasurer's letter here today. It is unprecedented in my six years in the House that the Treasurer would seek to influence the House. I say again: do not underestimate our resolve and our determination on this side of the House. We are putting the views of concerned stakeholders, whether it be Tenants Queensland or the REIQ—all those people who have looked at the numbers. I will turn to some of the accounting treatment that the Treasurer is talking about shortly. The Treasurer and the government are desperately trying to justify this change. They say that nothing will change, so what is the point? Why are they doing it? Why is the government doing this, if the Treasurer is saying that nothing will change? We have seen this government loading up debt on government owned corporations and raiding the superannuation funds of public servants. We saw what they did with the titles registry valuation last year, and now they are at it again.

There has never been any suggestion that the current financial model adopted by the RTA is anything but stable and reliable. There are no instances of the RTA failing to pay out a rental bond due to limited cash flow. The RTA financial reporting data indicates a very strong 2021 financial year, with \$60 million in returns generated from their QIC investments. The Treasurer's reasoning, that the RTA making a loss in the 2020 financial year justifies this change, is flawed. The reason for that result was an accounting adjustment. Cash flow was still strong. It shows once again that the Treasurer does not know how to properly read an annual report. This is despite the fact that they seem to sit on these reports for months before they are tabled in this House in any event.

What accounting treatment will be applied to the shifting of these funds? It is highly likely that it will be a method by which the government may claim a reduction in reported net debt without actually advancing the state government's net financial worth. I look forward to observing how the treatment is undertaken in the budget papers this year. Others have said that the Treasurer may be trying to add another billion dollars to the government's balance sheet. I accept his position. Presumably that would be to keep the credit rating agencies happy. Let's just assume for a minute that it might be true.

We have seen the Treasurer's record. We know that when everybody else was silent in the aftermath of their devastating loss in 2012 it was the Treasurer who stuck his head up first. I am going to quote him again. We know how paranoid the Treasurer is about our credit rating and what lengths

the Treasurer will go to to make sure there is no downgrade. We have seen the valuation of the titles registry; we know the lengths he will go to. It was only a year ago that we saw the Treasurer shrink into a tiny ball as he tried to justify the valuation of the titles registry. We know what the Treasurer has been up to. A July 2012 *Brisbane Times* interview betrays what the Treasurer was really thinking. In it he states—

I do think Labor fell into the error, or seriously miscalculated and under-estimated the desire for Queenslanders to hold onto the AAA credit rating ...

We know that the Treasurer obsesses about this more than anything else. Last year we saw the titles registry action. We are watching you very closely, Mr Treasurer. What does the Residential Tenancies Authority think about this reform? We have the official media release, but they did not appear at the public hearing and did not make a submission. Treasurer, what does the RTA really think about this? We have seen the reports. What did the housing minister know about this or was this an idea dreamt up by Treasury and delivered? I want to pass on a comment about Tenants Queensland and their initial reaction on the day the bill was dropped in the House. They said—

Remember, bonds are tenants' money held in trust until the end of a tenancy.

...

The changes were tucked away on page 7-13 of this omnibus bill.

...

Key concerns for us are—ensuring we can continue to track what happens to the significant interest, resources and investments generated over many years from tenants' bonds and that tenants continue to benefit directly from it.

...

This successful campaign has meant the RTA has been able to provide free services to the entire rental sector—lessors, agents and tenants.

This is what Tenants Queensland is saying—

Remember, bonds are tenants' money held in trust until the end of a tenancy.

...

This was a surprise to us—we were neither aware nor consulted on them.

Tenants Queensland and the REIQ were stakeholders in the dark when it came to this reform. I have nearly completed my 30 minutes and my voice is nearly cooked, but I am going to finish anyway. This shows the wrong priorities of the Treasurer. This bill will not free up land to help build one more house or take one extra family off the social housing waitlist. It will not make rents grow at a slower rate or make housing more affordable. All it does is cause more uncertainty where no more is needed. This Treasurer has the wrong priorities for this state and this government must go!