



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



**HOUSE OF REPRESENTATIVES**  
**MATTERS OF PUBLIC IMPORTANCE**

**Budget**

**SPEECH**

**Tuesday, 12 February 2013**

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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## SPEECH

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**Questioner**  
**Speaker** Perrett, Graham, MP

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**Mr PERRETT** (Moreton) (16:36): Surely the people of Flynn are truly blessed to have such a unique representative! I would have thought that a person who represented so many coalminers would be loathe to say that his constituents are paid too much. I would have thought that a representative who had the Gladstone harbour and seen so many coal ships turn up would have actually understood how those ships are filled with coal, and what impact spot prices actually have on the long-term contracts that are made with coalmines. Considering this gentleman has been here for two years that is an amazing contribution.

We are talking about a serious piece of legislation, a serious matter of public importance: the MRRT and its relevance for Australia. I am glad we are doing this with the member for Rankin, the Minister for Trade and Competitiveness, at the table. I know that he was involved with those PRRT discussions way back—I will not say how far back, not that long ago. However, I imagine that if we went through the *Hansard* of the day, it would be *deja vu* all over again. The arguments were incredible. It was going to be the end of this industry, but it has returned billions and billions of dollars to Australia. At the time, it was argued by those opposite that this tax would be the end of that industry, and we have seen the same in the last few years.

Ever since the member for Warringah was elected as the Leader of the Opposition in December 2009 there has been the suggestion that any tax on superprofits would be the end of the mining industry. We heard from Mitch Hooke from the Minerals Council. I saw the Leader of the Opposition and the deputy leader wearing the white T-shirt saying, 'Keeping mining strong'; that the Labor Party would see the end of this industry. That has turned out to be complete rubbish.

How do we know it is complete rubbish? Let us look at the investments in mining, let us look at the Australian Stock Exchange and how it has behaved since the mining tax and the carbon tax have come in. Since the carbon tax was introduced, the ASX has added \$260 billion. Yet it was supposed to be the end of things. In my register of interests, anyone can see that I have shares in mining companies. I am yet to get any notices from mining company, though I do not flick through every prospectus, saying how the MRRT is going to have an impact on their business.

Before I was elected to parliament, I worked at the Queensland Resources Council, the peak mining body in Queensland. I do have an understanding about the mining industry, particularly royalties. As anyone in the mining industry knows—and we are not talking about exploration; exploration is a different process altogether—when it comes to developing a resource from a development and production licence, obviously a royalty is a hit right from the word go, from when you cannot afford to be paying royalties. When that first shovel basically goes into the ground, before the mine has properly been developed, before you have even sent off coal to a company overseas to be tested, you still have to pay royalties to the Queensland government or the relevant government. The reality is royalties are an inefficient tax. A profit based tax is much more logical, especially in terms of making sure that the Australian people receive a return on their minerals.

I know that it is a part of the opposition plan to just say 'no', to be negative. Rather than spending their nights arguing policy and the like, when you walk up and down the corridors of Parliament House, all you can hear is champagne corks popping, champagne being put on ice and arguments about what portfolio they will have. The arrogance of this opposition. Rather than the hard work that comes with government or with prospective government, supposedly the alternative government, instead they just say 'no'—that's it.

In one of the arrows the member for Flynn tried to fire, he made a point about the Queensland government and raising royalties. I do remember that. That was a Labor government. It was Treasurer Fraser who did that. It was sprung on the mining industry in Queensland. I remember at the time hearing from some of the mining companies about the impact it would have on their future developments. Obviously in Queensland there has been significant investment since then with coal prices, especially coking coal prices, still holding up reasonably well, not just on the spot prices but in long-term investment.

That is why this attack on the MRRT is just a political tactic rather than a fair dinkum analysis of the policy. There is the heartlessness that underpins this attack, the heartlessness because of the consequences and what the shadow Treasurer said again today. The member for North Sydney reiterated his commitment about who be in the crosshairs, the people who would suffer the most—and, fair enough, small businesses would miss out on some of the advantages that we have given them because of the MRRT. However, to make the commitment that the lowest paid people in Australia would be the people who would suffer first and foremost was most surprising to me, especially when two million of the 3.6 million lowest paid workers are women. To attack them is quite amazing.

We go back to the realities of this MRRT and what will happen. I am not sure if Sportsbet are taking bets this far out, but we know the odds they would give on a coalition government scrapping the MRRT would be phenomenal. There is no way that the MRRT will be scrapped, especially when we look to the next quarter as, thankfully, iron ore prices and coal prices are holding up. When the prices are higher, the profits obviously will flow through and the next quarter will be a much rosier story, I am sure.

Of course, there will not be a correction from those opposite. There will not be an MPI, saying: 'We need to correct the record because we, unfortunately, confused the Australian public or created an atmosphere of fear about this tax.' There will not be a correction then, just like there was no correction after the carbon tax fear campaign, when Henny Penny on steroids was running around the country, at every factory gate, saying, 'Doom is here, doom is here. Come 1 July 2012 the world will end for Australian manufacturing. Towns will be wiped out and coalmines will be closed down.' Every small business was living in fear in case the Leader of the Opposition rocked up at their front gate. He never went through the front gate. He never actually did a fair dinkum talk and sat down with the battlers and the workers of Australia, the people who sit down in their workplaces and actually make a contribution. Instead, it was a case of: quick, photo grab, photo opportunity, rock up for the cameras, take one question and 'I've got to go—I'm out of there.' He never had enough time to stop and answer serious questions and the small target seems to be getting smaller and smaller.

And today we saw it again—they are prepared to trot out this rubbish, this furphy about the MRRT. We know that these profits will increase and mining companies will move through the investment stage to the production stage. There are costs associated with setting up these significant industries. There is one-quarter of \$1 trillion-worth of investment taking place across Australia, much of it in Queensland and Western Australia and Northern Australia, but many of these plants are not yet at the production stage. But get up to Toowoomba, to Roma and the Western Downs and look at some of the CSG facilities. Go up around Gladstone and look at what is going on in Gladstone Harbour. There is incredible growth, where they are sending out scouts to do the prebuilding before the builders can be put in for some of these facilities. You cannot get a hotel bed in some of these towns or within 100 kilometres of them.

This is a growth time coming for some parts of Australia, particularly for Queensland. The reality is that the MPI today was a complete furphy. (*Time expired*)

The DEPUTY SPEAKER ( Mr S Georganas ): Order! The discussion is now concluded.