



Speech by

**Mrs J. SHELDON**

**MEMBER FOR CALOUNDRA**

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Hansard 30 July 1998

### **MOTION OF CONFIDENCE**

**Mrs SHELDON** (Caloundra—LP) (11.24 p.m.): Firstly, I congratulate all new members of this House. It is eight years ago on Tuesday since I came into the House. A lot seems to have happened in that period of time. I remember my feeling of excitement and awe when I came in here having been elected to represent the people of my electorate of Caloundra, which was then the electorate of Landsborough. It is a great privilege and a great opportunity. I am sure that all the new members realise this.

I also congratulate the new members on their maiden speeches. The first speech is a very important one. I do not know about their maiden speeches, but mine has been revisited a million times. It was so good that it has been quoted by various members of the Labor Party. I am pleased to see that they read it word for word.

I have now faced four elections. I have been re-elected three times. It is still a great honour and privilege to represent my people—for them to think sufficiently of me to elect me in the beginning and then to re-elect me. I think our fundamental responsibility, regardless of the position that we hold in our State, is to represent our constituents and see that their needs are met and fulfilled. I have certainly endeavoured to do that.

I have been listening to a lot of the speeches tonight, and it seems that what we are really debating is confidence or lack of confidence in this Government. Certainly, if confidence is based on budgetary performance and on costings, then one would have to vote no. I will not go into great detail, but I think it is very important that election promises that were made and funded should be fulfilled and those commitments met, even though a new Government is in place. I would like to think that very much-needed capital works reforms that were put in place in my electorate, and which had certainly been absolutely ignored by the Labor Government when it was in power for six years, will be fulfilled, because they were needs of the people and they were being equitably delivered to that electorate. I am talking about equity in the form of an upgraded hospital, which I had been after for a long time, fully budgeted for \$14.8m; equity in the form of a police station that was being built; and equity in the form of a fire station. The funds are there, regardless of what the current Minister may say, and I intend forwarding her a letter to show just that.

I refer to funding and costing for recreation. The \$3.3m for the Currimundi Recreation Centre was actually in the previous Budget as well as being mentioned in this Budget, so it is totally and fully funded. I also refer to planning money for the upgrade of the highway further from Pierce Avenue out to the Bruce Highway. These are all things that the people justifiably needed but which had not been delivered, and I would not like to think that because there has been a change of Government my electorate would be victimised and these things would not be delivered. Needless to say, I will be following it very clearly and in detail, if necessary in the media. I hope that the incoming Government has enough sense to deliver on things that are very important for our people.

I would like to concentrate on a few issues that came up in relation to costing, and the facts speak for themselves. The Government is now relying on Treasury. I would like to take this opportunity to congratulate the officers in Treasury. It is an excellent department. It was very well run under Dr Doug McTaggart. I thank him for the work he did. I cannot imagine the foolishness of this incoming

Government to get rid of his services. He could have and would have helped the Government in every possible manner. He is now CEO of the QIC and will do a very good job there for the people of Queensland. I congratulate him on achieving that position against competition. I say to the Treasury officers that without their very good advice it would be impossible to carry out the very important role of Treasurer of our great State of Queensland.

Treasury costed Labor's election promises at \$1.7 billion. This is the Treasury that this Government is now relying on for its information. So if it is going to say that Treasury was wrong in that, is it going to say that they are wrong in the information they are giving it?

It is Queensland Treasury, not KPMG, that is in charge of providing the funding for the Labor promises made during the election campaign and which, I would imagine, Labor will endeavour to try to fulfil. It will not be able to fulfil them, as it knows, because the money is not there. So it is now looking to carve an imaginary black hole in our Budget to say, "That money wasn't there, so we cannot deliver." Of course, the next step is putting up taxes and charges. I say to the people of Queensland, "Be afraid. Be very afraid", because I think that is exactly what is on the agenda.

I wish also to quote from a letter from the Queensland Treasury to the then Premier, which states—

"Dear Premier,

For the purposes of ongoing budget management"—

and Treasury must do this—

"Treasury has been undertaking its own internal costings of Government and Opposition election commitments"—

we were then in election mode—

"over and above those included in the 1998-99 Budget tabled in the Parliament on May 14 1998. These costings have been undertaken with a view to providing appropriate advice to an incoming Government. This exercise has been based primarily on publicly available or announced sources of information, and it has not always been possible to test the assumptions underlying some commitments."

As I said, those costings came in at \$1.7 billion. We have independent reports to substantiate those costings. Ernst and Young is a very reputable and well-known international firm. Its report also highlighted the deceit that Labor was perpetuating when it came to its election promises, because more than 80 promises uncoded by Labor were not even put into the melting pot for KPMG. Hence they were unable to be coded by the Queensland Treasury or Ernst and Young. That is something that Ernst and Young picked up on. So there are another 80 promises floating around that even Labor did not cost, and those were in addition to the \$1.7 billion in promises that were coded.

In addition—and it will be interesting to see what is in its Budget—Mr Hamill is on record as saying that the Government will not go ahead with our proposed land tax concession. The Government obviously realises that it will need all of that money and it has decided that it will not give land tax concessions to the people of Queensland. There is no way that Labor can fund its massive list of election promises without new taxes, without increasing debt or without raiding the superannuation funds. It will be interesting to see which, if not all, of those tactics it employs. The Government is being very unfair in not delivering on the land tax concessions. Land tax is not a tax on the wealthy, although many members opposite claim that it is. Land tax affects many people who own a piece of land other than that associated with their home. That will impact on small businesses. Even though land tax cannot be put in a lease—

**Mr Davidson:** Small businesses pay the land tax.

**Mrs SHELDON:** Exactly. Small businesses pay land tax, as Mr Davidson, the former Minister, knows. That is in the oncosts that are included in the leasing charges. It is an absolute nonsense to say that it does not affect small business; of course it does. That cost then flows on as an oncost to the consumer of whatever consumables are produced by a business.

It should be noted that the property industry collapsed under the previous Labor Government. Labor is targeting it again. One might think that it had learnt its lesson, but evidently it has not. There has been a lot of talk about jobs and the 5% unemployment target that Mr Beattie seemed to pull out of the sky. If the property industry collapses, as a spin-off a lot of Queenslanders will lose their jobs. It is certainly the thin end of the wedge. It will be interesting to see how long it takes for Mr Beattie to introduce his promised tax on fuel.

I now wish to read into Hansard the Ernst and Young letter supporting what it said about Labor's costings. It states—

"We have completed our review of Queensland Treasury's report on its costings of Australian Labor Party election commitments. Our report is attached.

Our findings can be summarised as follows:

The methodology applied by Queensland Treasury in the costings of ALP election commitments appears reasonable.

The Queensland Treasury costings total \$1.73 billion over the next three year parliamentary term based on the assumed implementation dates.

The ALP will have access, as the Coalition parties will, to the additional funding sources of \$190 million."

Those were the additional funding sources with which we funded our election commitments and which totalled about \$182m. The letter continues—

"There is an amount of \$1.54 billion in respect of Australian Labor Party commitments costed by Queensland Treasury which will not be met by identified additional fundings."

Subsequent to that letter, we found that there was an extra amount of money, which brought it up to \$1.7 billion. I am very happy to table that letter—and I do so—so that members can see the reality.

The fact is that we had an honest Budget. It had a cash surplus of only \$3m. Undoubtedly, the election spree that we saw from Labor puts that Budget at risk. It will be very interesting to see what is cut. I understand that capital works will be cut. I have also heard that capital money will be used for recurrent expenditure. We know who did that before. That was done by the Premier, Mr Beattie, in respect of the Health budget. That has all been done before. We will have to see what happens this time around.

Much mention was made of the GFS surplus. An Ernst and Young review highlighted the dangers of Labor's plan to utilise the Government finance statistic surplus of \$476m to fund its election promises. That is one of the things that it put into the pot. The Ernst and Young review states that the GFS surplus, together with one-off funds from equity transactions, is committed to the payment of Government debt obligations and the funding of Government superannuation liabilities. It states that any further use of these funds would therefore increase State debt or create an unfunded superannuation liability. That would affect the security of every public servant in this State. That cannot and must not be done. Labor did that in the southern States and Federally. We must not allow it to raid that fund here.

These are also job-killing alternatives, and yet we still hear the Premier talking about job creation. He cannot have his cake and eat it too. He cannot create jobs but slash the initiatives that are creating jobs in the community. I reiterate that the table tells us that the additional funding sources that the Treasury found amounted to \$190m and that our total spending for our election initiatives was \$182.6m, which was much more realistic than the \$1.7 billion in commitments by Labor.

Much has been said about the KPMG report on Labor's costings. I certainly hope that the member for Nicklin has read that report, because he would not have a briefing from Treasury on our costings, even though one of the major reasons he cited for his confidence in this Labor Government was that it could deliver on its commitments. He did not really want to find out whether it could deliver fully. He needed to have both sides of the question in order to come to that conclusion. Unfortunately, he had only one side.

Interestingly, today there was much ranting from the Labor side about a black hole left in our Budget. However, KPMG documentation states—

"We also note that their projections are prepared on a no change policy basis and that the programs of the current Government are fully funded."

Our Budget—a fully funded Budget—got a tick from the people who verified the Labor Party's sources.

I now wish to draw attention to what has been said today by Mr Bredhauer about the Pacific Highway project and the so-called shortfall of \$120m. There is no shortfall, as he knows. This is again part of the build-up in relation to the black hole that we are hearing about from the other side. There was much talk about a \$120m shortfall on the Pacific Highway project on the basis of a so-called Treasury briefing note, which I note is unsigned, undated and, to quote Peter Morley from the Courier-Mail, "quite bewildering and contradictory".

If there is a budget shortfall, the Transport Minister, Steve Bredhauer, and his department obviously do not know about it. He has contradicted himself today—and I have his media release here—in quoting a \$750m Pacific Motorway project. That \$750m includes the \$120m. If we turn to the capital outlays in the area of transport, which he obviously has not done at this stage, and if we look at what the program statement originally said, we see mention of the impact management plans for the \$630m Pacific Motorway upgrade. If we then look in the capital outlays we see the Brisbane-Logan Motorway listed as costing \$300,000, and the Moreton-Logan Motorway construction—six to eight lanes—as costing \$450,000. The details are there. That comes to \$750,000. The \$120m is there. In

fact, it is listed as \$119.875m. The \$120m is there, so I suggest that members opposite try to find another black hole because that one will not stack up. Although Steve Bredhauer is not in the Chamber at the moment, I suggest that Government members pass on that gleeful information to him.

I am absolutely astounded that the Labor Government is going to scrap Briztram on the trumped-up assumption that we were going to use old trams. It knows that that is a fundamental untruth, and I am amazed that the Premier would go on the ABC radio this morning and actually articulate that. But may I add that Mr Beattie supported this project when he was in Opposition. This was a \$220m project which we, the coalition Government, had developed specifically to obtain the \$65m in Federal funding from the Centenary of Federation Fund. The Prime Minister had said that so much money would be allocated to Queensland. One of the projects needed to be a central project that would benefit the majority of the population and the other must be for regional Queensland. So Briztram qualified for the first and the Heritage Trail funding qualified for the second.

It was a well thought out plan; it was not rushed together. It had to compete with many other initiatives that were put forward by other Governments, other Federal members and members of Parliament. It was a project which would have required only \$35m of State funding, yet would have brought in over \$100m of private enterprise funding and \$65m of Federal moneys. Private enterprise was very interested. I just wonder what it now thinks about doing anything with this incoming Labor Government, which has totally undermined private sector confidence in putting in bids for public sector infrastructure.

**Mr Palaszczyk** interjected.

**Mrs SHELDON:** Why would they bother? When we came in last time, they said to us, "There is no point in dealing with Government because we come here with the ideas and the funding, and nothing happens." Under us it did happen, and this was a classic example of that. The air/train/city link was another. I wonder what the Government is going to do with that. That project is totally privately funded; there is no risk to the Government.

Here again we have a project which would benefit a great number of people with most of its funding being either Federal money or private money. It is \$35m in the extreme, and \$32m is actually in the Budget. So that is another \$32m that the Government has to play around with and that it is not going to give to the people of this State and the people of Brisbane. I do not know how the Labor members in Brisbane are going to face up to this fact. I suggest that they seriously look at it.

For this small investment of \$35m, this project could have revitalised Brisbane. It would have created 3,000 jobs during the construction phase alone and many more after that. Despite the fact that over 3,000 jobs are at stake and to appease the member for South Brisbane, which is why this has been done, who was worried about a bridge linking South Brisbane with the university, and to appease the Brisbane City Council—Government members are now all matey with Jim, I see; I do not know how long that will last—this Government destroyed the proposal. It threw away 3,000 jobs and forfeited \$65m in Federal funding. That is quite the most stupid thing that I have ever heard for a long time.

As for the city council, it is clear that the spotlight of public scrutiny will have to shine very brightly on Lord Mayor Soorley and his colleagues. The extent to which he was determined to destroy Briztram has, I suspect, very much to do with his short-sighted desire to prevent any competition with the existing Brisbane bus service. There is a clear conflict of interest which should be further explored in the coming months. The Premier in this House in November and as late as May this year announced his support for Briztram, so what total hypocrisy! When we were in Government we called him "Backflip Beattie", and here it is in reality.

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