



Speech by

Hon. D. HAMILL

MEMBER FOR IPSWICH

Hansard 21 June 2000

TREASURER'S PERFORMANCE

Hon. D. J. HAMILL (Ipswich—ALP) (Treasurer) (6.15 p.m.): This Government is proud of its record of economic management. It stands in stark contrast to the shambles which was presided over by the member for Surfers Paradise.

Earlier this year, the respected merchant bank Solomon Smith Barney, in its review of Australian Governments, including State Governments, and their financial performance, had this to say in its international report—

"By any measure Queensland is the strongest state, fiscally, in Australia. Indeed it would be hard to find a national or sub-national government in the world that has a superior financial position to Queensland."

They are not my words; they are the words of Solomon Smith Barney. That is an organisation that values its reputation. Recently, Queensland has had its AAA credit rating reaffirmed. The rating agencies trawl all over the books in relation to the State's finances and they do not issue their credit ratings lightly. Queensland's AAA credit rating is based very firmly on the strong economic leadership provided by this Government.

Our financial position is characterised by a low debt level, the general Government and total State Government financial surpluses as measured in GFS terms and a high balance sheet net worth. In fact, at present, Queensland remains the only jurisdiction in Australia with negative net debt in the general Government sector. It is presently forecast to be negative \$11.8 billion as at 30 June 2000—equivalent to \$3,300 per head—after being negative \$9.4 billion, or \$2,678 per head, as at 30 June 1999.

If honourable members want to compare the figures with other jurisdictions, the last figure compares with New South Wales' general Government net debt, according to the ABS, of \$12.8 billion, which equates to a debt of almost \$2,000 per head, and the Victorian net debt of \$4.7 billion, which equates to a net debt of \$987 per head.

Queensland has real assets against the population. How do we do it? We do it because we have firm fiscal principles which guide our Budget processes. We have a charter of social and fiscal responsibility which commits the Government to five key fiscal principles: a competitive tax position; an affordable service provision which is translated in the budgeting of a surplus—and we will see that again this year; strict requirements with respect to Government borrowing activities; prudent management of financial risk; and a commitment to at least maintaining, or growing, the State's net worth.

Last year we had growth of 4.8%, and this year we have a forecast of 4%. We have honoured the commitments in our charter. The ratings agencies recognise that, even if the Opposition cannot.

It was interesting to hear the flights of fancy of the Leader of the Opposition when he was going on about raids on port authorities and ratcheting up their debts. This is the same person who, when he was Premier, along with the then Treasurer, the member for Caloundra, loaded \$850m of additional debt on the State's power industry. What is more, the problem was not just loading the debt on the power industry but, as the member for Moggill knows, those opposite did not use it for new capital assets. Instead, half the money was used for propping up the coalition's recurrent expenditure. Therein lies the fault.

If we want to find the guilty party, we should look at the profligacy of the coalition Government, which ratcheted up recurrent expenditure by 8.2% per annum. The coalition ratcheted up its capital expenditure by 18% when it was in Government. If honourable members want to find spendthrifts, I invite them to observe the honourable member sitting opposite. Little wonder that Standard and Poor's had something to say about the coalition Budget. Standard and Poor's reported—

"Queensland's ongoing financial position remains strong despite the total State sector recording in fiscal 98 (i.e. the last Borbidge Budget) its first underlying deficit since being rated by Standard and Pooers."

That is the memorial of the Borbidge Government—the first underlying deficit since Standard and Poor's started weighting Queensland. What a sad and sorry indictment!
