



Speech by

**Hon. KEN HAYWARD**

**MEMBER FOR KALLANGUR**

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Hansard 21 June 2000

### **TREASURER'S PERFORMANCE**

**Hon. K. W. HAYWARD** (Kallangur—ALP) (6.40 p.m.): It is a pleasure to speak in the Parliament tonight against this motion. Firstly, I will say a few things about some of the comments made here tonight by Dr Watson which I think were backed up by the Opposition Leader, Mr Borbidge. They talked here tonight about the changes to the debt to equity ratio and how tragic those changes would be. Honourable members have to understand that the Government can vary the debt to equity ratio if the money it raises through doing that is used for further capital expenditure. It is possible to do that. The Opposition Leader and Dr Watson do not understand that but we do because it has been demonstrated through the nineties, as the member for Woodridge said, that the Labor Party in Queensland has a clear history as being the strong financial manager in this State.

What did we have from Dr Watson when he was in the Cabinet when Mr Borbidge was the Premier of Queensland? We had recurrent funding being funded through one-off sales, through the \$1.2 billion sale of Suncorp-Metway. Everybody can remember that.

The issue is not whether a Government does it; it is a philosophical issue as to whether it should or should not. But if it does, it should not just use it for recurrent expenditure. But what was the best one? The best one—and we heard it tonight from the member opposite when he talked about the debt to equity ratio, and that is where he has to be careful because these things come back—was the \$850m that the former Government ripped out of the Queensland electricity industry. What did the former Premier, the now Opposition Leader, say when he was quizzed as to why he ripped that money out? He said, "We did it because it was lazy equity." I will never forget that term—lazy equity. He said, "Oh yeah, it was lazy equity. We pulled it out." A Government can pull it out; there is no argument about that. It can pull it out, provided that it uses it for capital expenditure that has a rate of return. But the former Government did not do that. It used half of it simply to fund recurrent expenditure. So it put the Budget in a very, very tight position.

Make no mistake, we all know that the Budget this year will be tight. I think that is what all Queenslanders would expect. But, as the Treasurer said, it is done within a framework, and that framework is about negative net debt, low debt levels and maintaining Queensland's status as the low tax State in comparison with the rest of Australia. So there is no argument about that. The fact is that Queensland is the only State in Australia with a negative net debt in the general Government sector. There are going to be a lot of problems. There is no doubting that. Because of the hard work and the determination of this Treasurer and this Labor Government, that will be dealt with and in the end through that work Queensland will produce a very successful Budget this year.

Some of the problems that come through in Queensland, such as the problems for administration, can be completely let loose on the Commonwealth—on the colleagues of members opposite—because many of the shortfalls in funds are a consequence of being duded by the Commonwealth. Let us look at some of examples.

**Dr Watson:** Oh, yeah!

**Mr HAYWARD:** The member opposite knows it is true. He says "oh, yeah" because he knows it is true because he is going to have to wear it next week, the week after and next year. Whenever an election is held he will be wearing it, and he will also be wearing the GST. The member opposite was in Government here for a very short period of time. He knows what it was like. There is always this struggle between the Commonwealth and the State, and he would know how the Commonwealth is going to

dud us. He knows how it works and what is happening, and that is exactly what has happened. So the Commonwealth is putting the pressure on.

A good example is the South East Queensland Regional Forest Agreement. That is an agreement which I know that many people on the other side of the House did not support.

Time expired.

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