



Speech by  
**Dr DAVID WATSON**  
**MEMBER FOR MOGGILL**

Hansard 20 August 2003

**PRE-ELECTION BUDGET HONESTY BILL**

**Dr WATSON** (Moggill—Lib) (8.43 p.m.): I also rise to support the bill that has been put forward by the Leader of the Opposition. It is unfortunate, of course, that a bill like this is even necessary in a parliament. One would hope that every document that came before the parliament showed that the government was fair, transparent and accountable in every aspect of its financial transactions.

Unfortunately, the history of Labor tells us that that is simply not true. This issue arose following the federal election of 1996. During that election campaign it became quite apparent that what was proposed in the Keating budget of 1995-96 was less than honest. When John Howard was elected Prime Minister and Peter Costello became the Treasurer, what did they find? The week after they were elected to govern this country, they found out that the real situation was a \$10 billion deficit. That deficit not only had an impact on Australia as a whole but, importantly, it affected every state in Australia as the Commonwealth government attempted to hone in that deficit. Of course we had just formed the government in Queensland and we were also subjected to significant constraints simply because of an unfunded and undisclosed \$10 billion deficit by the Keating-Beazley duo. That is why the federal National-Liberal government introduced the Budget Honesty Bill.

However, Labor's funny money and funny budgets do not simply stop with the federal government. We could go through a litany of issues that arose here in Queensland. I recall what happened in 1995. I notice that the member for Yeronga is in the chamber. What were we left with in the Workers Compensation Fund? A \$400 million black hole, which was not disclosed. Of course, when we got into government—

**Mr Springborg** interjected.

**Dr WATSON:** Yes. Members will notice one thing: when the member became the minister for employment or unemployment—whatever it was—one thing that the Premier was smart enough not to do was to put him back in charge of the Workers Compensation Fund. Because Jim Kennedy—and no-one can argue about the honesty, the transparency and the integrity of Jim Kennedy—did a review of the Workers Compensation Fund, we know about the \$400 million black hole. What happened? We had to change aspects of the workers compensation scheme to bring it back into fiscal surplus in the longer term. In addition, unknown to us when we ran for election, we had to find in the budget \$35 million a year for three years, that is, \$105 million, to prop up the Workers Compensation Fund and to compensate for the mess that was left to us by the Goss Labor government and the former minister, the member for Yeronga.

Those are the kinds of issues that the motion presented by the Leader of the Opposition attempts to rectify. When an election campaign is run and won, those are the sorts of things that one should not be surprised by. However, it does not stop there.

The 1995 election campaign and the Mundingburra by-election in 1996 also tell us a few things. Another problem that the Goss Labor government left us related to third-party insurance. The government should have dealt with that issue over the January-February period. However, the government postponed it and then sent it back for more information. It squibbed on making a \$66 increase in the third-party insurance premium. That was simply not honest. That was dishonest. It left the new government with a problem with the third-party insurance funds which had to be fixed up as soon as we got into government. It did not finish there.

**Mr Springborg:** There's more.

**Dr WATSON:** Yes, there is more. I recall that it also squibbed on another important decision at the time. In the final days of the Goss government, the current Treasurer was sitting in cabinet, as was the member for Yeronga. Suncorp representatives went to the government and said, 'We need a \$750 million capital injection if we are going to keep Suncorp competitive. Not only that, but we need to not pay any dividends to you'—which has a major budget impact—for three years.'

What did the Labor Party do? Did it disclose before Mundingburra that there needed to be a \$750 million contribution to make Suncorp competitive? Did it disclose the fact that it requested that no dividends be paid to the government over the next three years? No way! What did the Labor Party do? What did the then Treasurer do, the member for Cairns, Mr Keith De Lacy? He took a private document to cabinet. He did not take a Treasury cabinet submission, but he took one done in the Treasurer's office so that cabinet could reject it. So then we were faced with the problem of how to capitalise Suncorp and how to handle the fact that there was going to be a reduction in dividends coming in to the government. We were left with the problem of what to do. The amount of money that was required to capitalise Suncorp was going to affect the budget figures for the next three years.

But we did fix it. We did not get a lot of support from the other side—although, of course, they now claim the credit for selling off the final part of it and the money that went into the Gold Coast Highway. We dealt with Suncorp in a courageous fashion. We combined it with Metway. We made a major Queensland financial institution from which the taxpayers of Queensland have benefited and also, of course, a lot of shareholders in Queensland have also benefited.

That was not end. I remember the 1998 election. Every member on the opposition side remembers the Beattie promise to make every senior receive free ambulance coverage. It was costed at \$20 million. A moment ago the Treasurer talked about a piece of paper. If the Treasurer recalls, KPMG gave the Treasurer a piece of paper that said 'Based upon the assumptions that you have made, it is okay'. It was not the KPMG office in Queensland, it was not even the accounting and auditing people of KPMG; it was the finance section of KPMG in Sydney. They had to go down to Sydney with people who were not expert in the auditing area to give them a piece of paper saying that, based on the assumptions that Labor had put forward, it was able to be funded. The Treasurer gets up here and says, 'Oh, you made some assumptions.' The last time as shadow Treasurer I put forward the figures and we had a reputable firm, Ernst & Young, here in Queensland give the appropriate audit report.

Finally, we should remember Lang Park. When the Treasurer put forward the figures for Lang Park before the last election, he did not even try to fund the \$280 million for Lang Park. The way he was going to fund it was not honest. He was going to fund it by putting a special tax on hoteliers—

**Mr Mackenroth:** A levy.

**Dr WATSON:** Sorry: a special levy, a tax. He had a secret tax plan which he kept in his back pocket and did not disclose the amount of money it was going to collect. That is honesty? Come off it! This bill is about trying to correct those kinds of things. That is why I support the Leader of the Opposition's bill.

Time expired.