



Speech by

Mr L. SPRINGBORG

MEMBER FOR SOUTHERN DOWNS

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STATE BUDGET

Mr SPRINGBORG (Southern Downs—NPA) (Leader of the Opposition) (11.30 a.m.): When we left parliament two Thursdays ago this government was broke. We come into parliament today and it is even more broke. We see headlines today 'Hidden millions prop up Budget'. We have also had explanations about what this government has done with regards to the raids on government owned enterprises in this state totalling some \$1.3 billion. That follows the revelations the opposition brought to this parliament when we last sat in this place. That is what we have to reflect on.

As I move around Queensland I find that increasingly people are saying to me that the reason we have this mess is that the Labor Party cannot run the economy. The Labor Party is not able to balance the budget. There is no doubt about that. What we are seeing here is a situation where this government, under this Premier and under this Treasurer, is running Queensland into an unsound financial position. Queensland has historically always enjoyed being in an extremely strong financial position. We have always had money in the bank; our assets have always been strong; there has never been any situation where our financial circumstances have been compromised.

To be fair to the former Goss Labor government, it was able to largely preserve that as well. This government has a spendthrift mentality and is incapable of properly running the finances of this state. As a consequence, what we are seeing is this government mortgaging the future of Queenslanders—the futures of our children and our children's children. It is a typical Labor approach to running the economy of this state. What we have heard today from the Treasurer is a rather lengthy ministerial statement that provides me no comfort whatsoever. All I was able to garner out of that is that the government is going broke increasingly expeditiously. We have to do something about it. How do we know that that is right?

This morning the honourable member for Callide raised an issue with the minister for innovation and energy. He said, 'How do you explain that the wholesale price of electricity has decreased from \$60 per megawatt hour to \$16 per megawatt hour yet the price to electricity consumers in Queensland has increased by six per cent?' As I understand it, in dollar figures that is an average of \$45 for each Queensland power consumer. How do the mum and dad consumers right across Queensland feel when we have seen the wholesale price of electricity across Queensland reduced by 75 per cent yet their power bills have increased by six per cent? That is absolutely inexcusable.

The minister said the week before last in answer to a question from the opposition that \$16 was low, but it seems to be working out at around \$20 per megawatt hour. That indicates that this government is propping up its failing bottom line, which has been so much exposed in this state over the last few weeks, by robbing electricity consumers in this state—by getting more money than they budgeted for from stamp duty and by getting a greater slice of GST revenue than they could have ever hoped for under the old Premier's conference formula when there used to be the feeding frenzy in Canberra. It amounts to some \$5.8 billion this financial year and about \$6.1 billion in the next financial year, which is \$300 million more than the old formula would have given the state of Queensland.

We have seen a situation where late registrations have been imposed on motorists in this state. It is \$40 if you are a day late. If the government is going to take six months, eight months, 12 months to process a licence application or to process a mining lease transfer—costing an enormous amount to the investor and affecting the productive expectation of the service industries that people rely

upon—they should pay because they do not pay one single cent. There is no urgency on their part at all.

A hard done by pensioner in Queensland who has always taken the option of an annual licence fee will find it has increased from \$11 to \$22. Is that fair to the Labor battlers in this state? No, it is not fair. So those pensioners that by and large use that option are the ones subsidising this government's economic mismanagement.

What we also saw this morning was extraordinary innovative explanations about what is happening with regard to the share buy-back for QR. The Minister for Transport stood up and said, 'Don't you know that we put \$400 million a year into subsidising commuter rail services in this state?' All we saw this morning was a 'give-some take-some' mentality. Does that mean that we extract \$300 million from \$400 million and we are really \$100 million worse off? What sort of bizarre economic logic are we seeing played out in this place by this government? They have tried to justify it by saying that former governments have also requested dividends from government owned corporations. Of course they have done. That has been allowed for. In actual fact that was always intended when the then Treasurer, Keith De Lacy, put legislation before parliament in the early 1990s establishing these government owned corporations. But it was never intended that they would strip them of every last vestige of their equity. It has always been appreciated by all sides of this parliament that what they make by way of profit by and large goes back to government to assist with running the very necessary capital infrastructure needs and social policy needs of this state. That has always been accepted because they are government owned corporations. They are supposedly run as a corporation which is at arm's length from government. They are managed in a quasi private enterprise way. However, they are accountable to their shareholding ministers and they provide a dividend to state.

Where we have problems is when the government not only sucks out of them the normal realistic dividend but does not leave them enough to be able to reinvest in necessary infrastructure on behalf of the Queensland taxpayers. Not only that, the government forces those government owned corporations, those government owned entities, to go out there and expose themselves to voodoo economics by revaluing themselves and borrowing against that to the extent that their equity is so reduced that they are no longer viable or may be compromised. That is what the problem is. The Auditor-General alluded in his report to parliament that the practice which is being adopted by this government is so uncommon that he had not seen it anywhere before and it was bordering on illegal and may in fact have to be tested in court.

That is the difference between this government, which cannot manage the budget, and this coalition when it was in government insofar as its approach to our government owned corporations and the dividends requested of them. The fact that the government is stripping those dividends and stripping the equity from those government owned corporations and the assets which they own undermines the financial stability of those entities and puts this state in a very difficult situation.

Mr Lucas interjected.

Mr SPRINGBORG: The minister cannot answer a question relevant to Queensland. When we asked a question about why the wholesale price of electricity had gone down from \$60 a megawatt hour to \$16 per megawatt hour he jumped up and said it was due to tariff equalisation and something that happened in South Australia. That is the biggest load of rot I have ever heard. It is such a feeble, benign attempt to justify something. The simple reality is this: at a time when it was running at \$60 per megawatt hour we were able to maintain the tariff equalisation process and people were paying less for their electricity. The minister's justification does not work. At least it should be the same. The whole point of the deregulation and freeing up of the electricity industry in Queensland was to provide cheaper electricity to large industrial users and also domestic consumers. What we have seen is domestic consumers in this state—

Mr Lucas interjected.

Mr SPRINGBORG: The wholesale price for electricity has dropped and one would have thought that the price paid would have followed that down. But what has happened? The wholesale price of electricity has gone down 75 per cent and the cost to consumers has gone up by six per cent. It is totally unjustifiable. What we are seeing here is basically a hands-free government. We have a Racing Minister who is not responsible for racing. We have an electricity minister who is not responsible for the ambulance tax, which is going to slug small businesses in this state. We have a Health Minister—

Time expired.