



Speech by  
**Jeff Seeney**

**MEMBER FOR CALLIDE**

Hansard Tuesday, 5 June 2007

---

## STATE BUDGET

**Mr SEENEY** (Callide—NPA) (Leader of the Opposition) (11.30 am): Today we will see the Treasurer deliver her second budget. I have already made some comments this morning about the effect of socialist left thinking on that budget. The budget will provide a stark comparison between the reckless way that Labor manages public finances and the responsible way that coalition governments of the past have managed the state's finances and provided the financial basis for the current government.

What we will see today is a student steeped in the dark teachings of the Socialist Left putting all of that socialist ideology into practice. In particular, I fear for all Queenslanders that the Treasurer today will awaken a beast that has slumbered in the dark halls of the Labor Party for many years: that beast is debt. Today debt will be unleashed on Queenslanders that generations to come will struggle to repay. Along with higher taxes, debt is the socialist's best friend. It is the Labor socialist way to do nothing until there is a crisis and then desperately throw money at the problem when it spirals out of control and then hope that it goes away. It is a management strategy that the Labor government under Premier Peter Beattie has refined. The trouble is that it is Queenslanders' money and it is being squandered.

Queensland is fortunate to be enjoying unprecedented prosperity thanks to John Howard's strong economic management on the back of the global resources boom. The state government here in Queensland has been happy to hitch a ride with John Howard and Peter Costello, but nobody in Queensland need be fooled. Queensland's success is based on good economic management at a federal level and simple good luck at a state level. Peter Beattie and Anna Bligh, and those who have served in the Beattie government before them, have benefited from the federal government's success while being asleep at the wheel in terms of economic management here in Queensland.

The federal government's approach to economic management and that of the Queensland government could not be more different. No greater contrast exists than between financial management here in Queensland and financial management at a federal level. When Peter Costello became Treasurer at a federal level there was \$96 billion worth of Commonwealth debt. That is \$8.5 billion in interest alone being paid each year. It was a legacy of previous Labor governments. Commonwealth net debt was a staggering 20 per cent of GDP. What did Peter Costello do? He did what a prudent manager should do. He took the tough decisions: he retired debt, he cut waste, he made the government more efficient and transformed and reduced the taxation system.

Now there is no Commonwealth debt and Australians are reaping the benefits of prosperity: they are reaping the benefits of jobs, low interest rates and a strong economy. All Australians are reaping those benefits, Queenslanders among them. As well as these fundamentals, we have seen investments in the future through the Future Fund and the Education Endowment Program, both of which are worth billions of dollars. What a contrast to the state Labor government's economic management. Labor's idea of a future fund is paying high interest bills forever. That is the contrast between the economic management of this government and the economic management of the federal government.

Compare Peter Costello's performance with that of the Queensland Treasurer. Instead of using these good economic times delivered by John Howard to pay off debt and consolidate, the Treasurer has unleashed debt and is committing Queenslanders to generations of higher debt, higher taxes and huge

interest payments. When Jim Elder became Treasurer there was no state net debt—not a cent of debt. Terry Mackenroth started the rot when he became Treasurer. But the current Treasurer has engaged in debt overdrive. We will see the zenith of that debt overdrive today.

The Treasurer boasts about the strongest balance sheet in the nation. That is only because coalition governments over many years had the foresight to ensure Queensland had a fully funded superannuation scheme and provided infrastructure before crisis points were reached. That is why Queensland has a strong balance sheet. The strength of that balance sheet will be eroded by the borrowings that we will see today. If Queensland had followed the Labor way seen in other states with unfunded superannuation we would now be in a diabolical financial position. Queensland must ask these questions. Why are we being taxed so much? Why is debt so high and, importantly, why are services so bad? Why has the cost of delivering services blown out so much compared to other states? Why have the outcomes from those essential state government services been so poor?

For example, research has shown that over five years the cost to deliver education services has grown by nearly 70 per cent, yet during this time almost all the additional students are attending private, not public schools. Costs are up by 70 per cent yet there are no extra public school students. The question for the Treasurer today is: where has all the money gone? The Health budget has more than doubled over five years, yet 30 per cent more people are waiting for urgent surgery than five years ago. The budget is up 50 per cent, yet there are more people on waiting lists and fewer people are being treated. The question again for the Treasurer is: where has all the money gone?

Despite Treasury being awash with cash—with record revenue, record debt and record tax receipts—the number of state roads being built today is fewer than the number of state roads built in 1997. Again the question for the Treasurer today is: where has all the money gone? People need to remember that in both the state and federal scenes Labor cannot be trusted to manage public finances. Today what we will see in Queensland is a good indicator for anybody considering voting for a Rudd government at a federal level. It is good indicator of what will happen if Labor is returned at a federal level. Once again we will see Commonwealth debt return to the levels that it was before the coalition engaged in a program to reduce it. The example that we will see played out today in the Queensland parliament is a great indicator for anybody who is considering voting for Kevin Rudd and the alternative government at a federal level.

Labor's debt surge should make Queenslanders sit up and think hard about the dangerous path Labor is taking us down. It is a dark day for Queensland's future prosperity when we see debt spiral out of control. It is a dark day that will be a burden for generations of Queenslanders to come.