



Speech by

## Hon. Andrew Fraser

MEMBER FOR MOUNT COOT-THA

Hansard Wednesday, 27 February 2008

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### MINISTERIAL STATEMENT

#### Standard and Poor's Ratings Report

**Hon. AP FRASER** (Mount Coot-tha—ALP) (Treasurer) (9.52 am): Today I inform the House and take some satisfaction in informing each ratepayer in Brisbane that the Bligh government has kept the Brisbane City Council out of dire ratings trouble. The latest Standard and Poor's ratings report on the financial status of Australian governments and related entities has reaffirmed Queensland's AAA rating with a stable outlook, the exact same rating ascribed to the Commonwealth. It says we face our challenges, but it says we maintain our strength and our ability to meet those challenges. In contrast, the ratings agency has ascribed Brisbane City Council a lesser rating along with a negative outlook. Standard and Poor's makes it abundantly clear in this latest report that one of the reasons the council has maintained its credit rating is due to the joint efforts of the Queensland government and the Commonwealth government. Standard and Poor's says—

Pressure on the council's rating, stemming from increasing debt levels, is subsiding given the planned transfer of bulk water assets to the state and the federal government's election promise of \$500 million to the council for infrastructure works.

That is right: if it were not for the generous compensation arrangement which is providing \$800 million into Campbell Newman's coffers, he would be in a world of trouble. No wonder he was so hysterical during these negotiations. For him it was the last throw of the dice; it was the get-out stakes. That is why he was so desperate for the state government's money in those negotiations. This money is being directed towards paying off council's debt with the Queensland Treasury Corporation. As Standard and Poor's says, we have come to the rescue of the lord mayor's cavalier approach to fiscal management. Ratepayers across Brisbane will remember his answer when asked about the blow-out on the costs of his tunnel—\$2 billion plus plus, he said. The ratings agency says negative, negative, negative.

The new Commonwealth government's willingness to participate in infrastructure provision has also helped saved the day. Its commitment of \$500 million towards the Northern Link project is also referenced by the ratings agency. Make no mistake: Brisbane City Council is in far better financial shape than it has been for some time because it has been bailed out by the Bligh and Rudd Labor governments. Ratepayers across Brisbane should think twice about writing the lord mayor a blank cheque at the next election. The agency warns that it will be forced to reassess its view again if the lord mayor is elected with a majority to steamroll the council chamber. For the record, the only other entity ascribed a negative outlook in this report was Wollongong City Council.