



Speech by

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SALE OF PUBLIC ASSETS

Mr LANGBROEK (Surfers Paradise—LNP) (Leader of the Opposition) (11.30 am): This morning we have seen the people of Queensland betrayed. They have been betrayed by the Premier and her government who are turning their backs on their own principles. There is something in public life that you cannot get a way from, and that is the principles that you stand for in your party and what you believe in. Let us have a look at the *Queensland Labor—state platform document 2008*. On page 6, under the heading 'Economic management', at paragraph 1.9 it says—

Privatisation of public enterprises should not be used to solve revenue problems of governments.

That is exactly what we are seeing—'Privatisation of public enterprises should not be used to solve revenue problems of governments'. What do we hear from Labor members? Debt is in their DNA. That is exactly what we have got—revenue problems created by the last eight years because they have gone bust in a boom.

Let us have a look at the statistics. Between 2000 and 2008 Labor received \$34 billion in windfall revenue. That is extra income over what it forecast each year in the budget. Labor let its spending get out of control between 2006 and 2009. We have had three Treasurers in four years. There has been no consistency in spending, no consistency in monitoring spending and spending has increased by 52 per cent over those four years. Labor borrowed and spent like there was no tomorrow during the good times—the mining boom times—but it must get its spending under control.

The Premier here this morning talked about a plan for the future, a plan that she has whipped up overnight, when clearly those opposite have no idea what they are doing. They are talking about selling an old car for a new car. We are looking at income-producing assets. The income-producing assets that the Premier announced this morning will be sold off include Queensland Motorways Ltd. The Premier ruled it out just two weeks ago but then it was revealed that she was rolled only three days later by the Cabinet Budget Review Committee. That is a fantastic example of cabinet solidarity. They let her come in here two weeks ago and hang herself because three days later after she said it was not for sale it clearly is for sale.

Then we have the Port of Brisbane being sold off; Forestry Plantations Queensland, as the honourable member for Condamine has just asked about; Queensland Rail's above and below rail coal business; and the Abbot Point Coal Terminal. But, most importantly, there will be a fuel tax—a fuel tax that this state has never had before. The Treasurer ruled it out on a number of occasions in the lead-up to the election but, because of his profligate spending, Standard & Poor's first of all downgraded the credit rating when in last year's budget the government said that it was important to maintain our AAA credit rating. It was only after Moody's said, 'If the government does not have a plan to manage its debt then we are going to downgrade its AAA rating to a AA plus,' that now all of a sudden we need a desperate plan to make sure that we try to get back our credit rating because the borrowings have gone out to \$74 billion by 2012. That is the total debt outlined in the Economic and Fiscal Update released on 20 February 2009.

That is another point. The Economic and Fiscal Update revealed that before the election was called the shortfall in the budget in the years to come was already \$12 billion. We hear the Premier now talking about the fact that the shortfall is \$14 billion. But Labor knew when the Economic and Fiscal Update was

released on 20 February 2009 that the forward projections were that there would be a \$12 million shortfall in the budget. Labor members try to come in here and make out that these are issues that they have only just become aware of, when we on this side of the House have been warning about these things for a number of years.

We now have debt levels of \$74 billion prospectively and every Queensland man, woman and child will owe \$13,000 for Labor's profligate spending. As I say, during the election Labor said that keeping our AAA credit rating was vital. It has thrown our credit rating away. Now Labor is looking to get it back. We have seen the surplus that was predicted last year in the budget go from \$809 million to \$54 million by December and then it became a \$1.6 billion deficit for the year ending 2009. Now we are facing a \$3.2 billion deficit next year.

Debt is out of control. The story of Queensland's balance sheet is debt, debt and more debt. Yet here we have the Premier, who has never run a business, coming in here and telling us that it is like selling an old car for a new car. All these assets that the Premier has talked about this morning return income for the people of Queensland. Everyone knows that cars depreciate. We all love new cars but they do depreciate. This is more like selling the house and having to rent from now on. We are getting rid of these important assets that have been built up over the years in Queensland. We are hocking the furniture to pay the monthly bills.

Labor is addicted to debt. It craves the ability to borrow. It avoids the political pain of having to make tough decisions about saving money. But, most importantly, Labor went to the people of Queensland on 21 March and did not speak about any of these things. We have already seen the paper proffered this morning of what its promises were. There were five line items about its future spending. Now Labor is talking about the next three to five years as part of its plan. All this Treasurer has done is thrown it all on the credit card. Since the member for Mount Coot-tha became Treasurer in September 2007, Queensland's debt has exploded from \$23.6 billion to an expected \$74 billion—all because he cannot muster the courage to make some tough decisions.

Mr Springborg: Is it any wonder that he's the most unpopular member in parliament?

Mr LANGBROEK: That is true. I take the interjection that he is the least popular member when we look at his primary vote at the last election. Well, 16 June 2009 will be his Waterloo. He cannot keep borrowing the way he has. He must start to cut back on this extravagant spending.

We have also seen the Labor Party throw away our credit rating for blatant political purposes—the purpose of winning an election. In February 2009 the Treasurer said that he 'would not stop borrowing to fund the infrastructure program'. Of course the next evening Standard & Poor's lowered our credit rating from AAA to AA plus. At that stage the government said that it did not care. It was only on the Thursday of the last sitting week when we got Moody's downgrade as well that suddenly it has come home to roost and this government has realised that it needs to change what it is doing. So what are those opposite doing? They are going against their very principles and saying that they are going to sell off the entities that we have heard about this morning.

The problem with the sell-offs is the way things are delivered when they are sold off. The Premier said this morning that she hoped by selling off Queensland Motorways tolling does not increase too much. I think her words were: 'The government's intention about tolls is that we prevent unreasonable increases.' All I can say is this: let us have a look at what has happened with water and electricity when either they have been sold off or the government has intended to take them over.

Water has already doubled in price in the last three to five years, and clearly there are more increases to come. Yet people are using half of the amount water than they were. So we have had an increase in the water costs. The government cannot manage the water sell-off. Last week it was talking about a different distribution network, having taken the assets from the councils. Of course with electricity we have seen massive increases in the price and more are coming. We are expecting another ruling from the courts on Friday about the Competition Authority and the increases in electricity prices. Again, we know that electricity prices have gone up by 30 per cent over the last couple of years.

Clearly the Labor government has bungled privatisation when it has tried to do it. So we do not have any faith that it is going to do any better when it sells off Queensland Motorways and the Port of Brisbane. I note that Ian Brusasco, the Chairman of the Gladstone Port Authority, said that he did not think that should be sold. We have seen, as already mentioned, the energy assets and the retail arm sold off. Today it was revealed in the parliament that the \$3 billion that was supposed to make Queenslanders lives better clearly has not done that. It has been lost into some sort of future fund or building fund. It has clearly not led to what we are all about—that is, creating more jobs for Queenslanders.

Standard & Poor's stated that the comments by Fraser belying the lack of a strategy to curtail the debt binge were weighted equally with the size of the debt—

Mr DEPUTY SPEAKER (Mr O'Brien): Order! The member will refer to the Treasurer by his proper title.

Mr LANGBROEK: Sorry; the comments by the member for Mount Coot-tha belying the lack of a strategy to curtail the debt binge were weighted equally with the size of the debt in their decision-making matrix to lower the credit rating of Queensland. Had the member for Mount Coot-tha not made the blatant political comments, Queensland may have simply been placed on credit watch as opposed to losing the rating outright.

It is clear that this Labor government will say anything and do anything to get elected. It did it only two months ago. I want to make the point that we are not opposed to privatisation, but we are opposed to the poor financial management that has led to a fire sale of assets in a desperate grab for revenue to prop up the budget bottom line. This is a government that has lost control of the state's finances, has nothing left to invest and is selling businesses not because it thinks it is a good idea but because it is desperate and has no other plan.