



Speech by

## John-Paul Langbroek

MEMBER FOR SURFERS PARADISE

Hansard Wednesday, 3 June 2009

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### MOTION: QUEENSLAND ECONOMY

**Mr LANGBROEK** (Surfers Paradise—LNP) (Leader of the Opposition) (5.28 pm): I move—

That this parliament notes the gross financial mismanagement of the Bligh government and the \$64 billion in debt the Premier and Treasurer accumulated before the global financial crisis and calls upon the Premier to stop misleading Queenslanders about the reasons for the fire sale of Queensland's assets.

The only thing one can count on from this government, this Premier and this Treasurer is deceit and debt. It has been 75 days since the election. It is time to come clean with Queenslanders. It is very obvious that this Bligh government had racked up \$64 billion worth of debt before the global financial crisis that it loves to quote. Debt is in its DNA.

The Premier says that Queensland's dire financial outlook is not of their making, but the truth is the Bligh government left Queensland exposed with huge spending and borrowing. We know that the Premier and the Treasurer like to talk about \$14 billion being stripped from the Queensland budget over the next four years but, when we look at the facts, between 2000 and 2008 the government received \$34.4 billion extra in windfall income, and yet the Premier and the Treasurer blame the global financial crisis for the situation we are now in.

When the member for Mount Coot-tha became the Treasurer in September 2007, the debt of Queensland was \$23.7 billion prospectively and now it is \$74 billion. We know what has happened with the warnings from the credit rating agency Standard & Poor's. We heard how important it was for us to maintain a credit rating of AAA in the budget of last year, and yet this year when the Treasurer said that he was going to keep going with the infrastructure program Standard & Poor's downgraded our rating to AA+ and Moody's has done the same thing. Now we see there is a desperate need to try to get rid of some debt. We have now been forced into the equivalent of a high-interest, low-doc loan that we have to pay back at a higher interest rate—\$64 billion worth of debt that was racked up before the global financial crisis.

The reason that Moody's downgraded our credit rating is that Queensland does not have a plan to pay back debt. We have been talking about it on this side for some time. We have been saying, 'Where is the plan to pay back debt? If you have a small business and you have a mortgage you cannot go to your accountant and say, 'I'm planning to pay it back when times get better.' That does not work in business. Similarly, if you have some financial issues in your family, the bank manager does not normally accept that. Yet in this case the Treasurer was quite happy to say, 'We'll pay it back when times get better.' That is why they are being forced into a fire sale.

They are flogging off Queenslanders' assets because they are broke. We saw it yesterday—Queensland Motorways, the Port of Brisbane, the Abbot Point Coal Terminal, Forestry Plantations and Queensland Rail. These are assets that bring in more than \$280 million in revenue each year. They are for sale because there is no money left to pay the bills. There is no money to deliver vital services. The problem is this government cannot control its expenditure and it cannot control its revenue.

Spending has gone up 52 per cent in the last four years. If we just stop to think about that, when inflation has been running at between one and three per cent this government has increased its spending

by 52 per cent over the last four years. This is because of the biggest boom decade that Queensland has had in our history. Between mining royalties and the GST revenue, there should be no reason that our financial outlook is this bad. It begs the question that we hear now. It is something we have mentioned in budget replies over the last three or four years. If you cannot manage the state in good times, what about the bad times?

The same government that has given us the worst credit rating of all mainland states now wants us to trust it to renew Queensland. It has a plan that it has come up with in the short term—over the last couple of days—to say that it wants to renew Queensland. It botched electricity deregulation. Let us look at what the Premier said about electricity deregulation. No wonder we do not support them on their privatisations. This is what the Premier said, and I quote from the *Courier-Mail* of 1 June—

Her comments came after *The Courier-Mail* revealed only six retailers were offering deals, down from the 19 promised by the Government.

'What you see in Queensland's electricity industry is the early stage of competition between retailers,' Ms Bligh said. 'One of the things that the potential retailers want is higher electricity prices and the Government is going to continue to work to make sure that electricity prices are kept as low as possible.'

What we hear from that is that we should be thankful we do not have more competition, because according to the Premier more competition means higher prices. This Premier must be the only person in the world in the only place in the world where the free market operates who thinks that competition means higher prices. That is why we do not support what they are doing. They should stop misleading Queenslanders about what they are doing, as they have with their jobs promise in the last election.

They want us to have confidence in their ability to privatise our roads and ports. The government has a duty to act in the best interests of its people. This deal does not represent good value for Queenslanders. The only winners here are bargain hunters. I have a number of quotes that I have heard from interested parties. It is not just us who are saying this. Labor's own people are saying this. They blame the GST. They blame everyone else but themselves. The reality is that they clocked up massive debt leaving Queensland vulnerable long before anyone had heard of the GFC.

Let us look at what their people from the unions have had to say. Rail, Tram and Bus Union spokesman Owen Doogan says that up to 10,000 workers will be affected, including many job losses. This is from a Premier who promised that we could count on her. We know we cannot count on her for anything but deceit and debt. Mr Doogan said, 'Selling QR coal is like selling the cow to buy milk.' This is from a Premier who thinks it is like selling an old car to buy a new car.

The Maritime Union Queensland branch spokesman Mick Carr says that it will appeal to the federal government to intervene to prevent the sale of the Port of Brisbane. Mr Carr stated—

Privatisation of ports such as the Port of Brisbane will do nothing but create a barrier to governments to be able to—for example—direct infrastructure spending into those areas.

The CQ Rail, Tram and Bus Union district organiser Craig Allen said that the government's announcement was clearly at odds with traditional Labor ideals. Mr Allen stated—

The reality is the government has shown its arrogance and ignorance by turning their back on those rail workers who have supported them for the past 100 years.

Their own unions are turning on the members opposite and saying that this is a 'tragic' sale, according to Andrew Dettmer. Mr Dettmer said, 'I don't think there's anybody who can pretend to be happy about this.' The Premier promises that every single dollar from these sales will go towards paying off debt and building infrastructure. It is completely at odds with the Labor way, as I quoted yesterday from the Labor state policy platform. Privatisation of public enterprises should not be used to solve revenue problems of governments, and yet clearly that is what we are seeing. The member for Bundamba and the member for Waterford clearly agree. I look forward to welcoming them on this side of the chamber shortly. Clearly, the Premier went to the election because she needed a mandate. She had a plan but she needed a mandate. Now we know the plan was really to sell assets and introduce a fuel tax. She wants to raise revenues by hitting families who are already doing it tough, and yet last year on 1 June in a release with the Treasurer she said that the fuel subsidy was here to stay. The Premier stated—

I am not prepared to scrap the fuel subsidy when Queensland households are under real financial pressure with rising interest rates and the increasing price of petrol and groceries. I will not kick them when they are down.

But today when families are struggling even more with the global financial crisis the Premier wants to kick them when they are down. She is using it as an excuse to introduce a fuel tax. I am proud of the fact that the coalition brought down petrol prices. This Premier is going to increase the price of fuel by 9c. They have been trying to implement this tax for a decade. It has always been part of their plan. We know former Premier Beattie attempted it and backed down. This Treasurer talked about a scheme in last year's budget involving driver's licences. It clearly was not going to work and had to be pulled again. It is something they want to do. Taxes and debt are in their DNA.

Under this government Queensland is no longer the low-tax state. We have electricity and water bills that have increased, and fuels, fees and charges are on the rise. When we look at the plan for the

privatisation of the motorways, the Premier says that it is her intention, not her promise, to keep tolls below inflation.

**Mr Horan:** Like electricity.

**Mr LANGBROEK:** Just like electricity prices, where the government promised no-one would be worse off. The government promised us it would not bring in a fuel tax. Once again, I say do not look at what the government says; look at what it has done. Queenslanders have a right to feel duped. The Premier was more interested in winning than being upfront. She says leadership is about making tough decisions. Leadership is also about honesty. On this issue, she has lost the trust of the people of Queensland. When you lose the trust of the people as a politician, you have nowhere left to go. This Premier has turned her back on her true beliefs. She should be condemned for it. I commend the motion to the House.