



Speech by

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MEMBER FOR SURFERS PARADISE

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APPROPRIATION (PARLIAMENT) BILL; APPROPRIATION BILL; INFRASTRUCTURE INVESTMENT (ASSET RESTRUCTURING AND DISPOSAL) BILL; FUEL SUBSIDY REPEAL AND REVENUE AND OTHER LEGISLATION AMENDMENT BILL

Mr LANGBROEK (Surfers Paradise—LNP) (Leader of the Opposition) (11.30 am): Less than three months ago Queenslanders were told they could trust and count on this Premier. The only thing that Queensland can count on from this Labor government is a continuation of Labor's 11-year record of mismanagement, failure and neglect. The Premier and her Treasurer keep saying that this is a tough budget, and it certainly is a budget that is tough on all Queenslanders, who will be paying more every time they turn on a tap, flick on the lights, fill up their car or go to the supermarket. Queenslanders will be paying for Labor's debt for decades.

The days of Queensland being the low-tax lifestyle capital of Australia are now under serious threat by Labor. The 2009-10 budget represents the end of an era of prosperity, as Labor's mismanagement, failures and neglect come home to roost. The cuts, tax increases and fire sale of profitable public assets contained in this budget would not have been necessary if Labor had worked hard to reduce waste, improve efficiency and manage Queensland's assets properly.

This job-destroying budget is the result of every poor, short-sighted decision Labor has made over the last 11 years, and it is a burden that comes at a time when Queenslanders can least afford it. The Bligh government is asking Queenslanders to pick up the pieces and to make sacrifices where none should have been necessary but for this government's mismanagement and addiction to debt. Despite the Premier's and Treasurer's specious justifications for delivering debt and despair to Queensland families, this budget is not the by-product of the global financial crisis.

This budget sets out in tragic detail Queensland's economic decline under 11 years of Labor. The Bligh government will run deficits over the next four years of \$13.36 billion, with no plan to restore Queensland's AAA credit rating. The coming financial year's deficit of almost \$2 billion is more than double that of the New South Wales state budget. While Queensland was once the nation's economic powerhouse, today the Sunshine State is being eclipsed by a budget black hole that condemns Queensland to a decade of debt.

In the past 10 years, Queensland has had the best-performing economy in the country. The mining boom brought unprecedented economic stability, income and opportunities for business and families at a time when Queensland was receiving record GST revenue from the Commonwealth. Queensland was one of the greatest beneficiaries of the strong economic management of the former federal coalition government. Low interest rates, low unemployment and low inflation combined with a strong national economy and an extraordinary resources boom delivered unprecedented revenue to the state Treasury coffers.

The state's revenue base over the past decade has been extraordinarily strong. We have seen record GST payments and windfall revenue from the Commonwealth, substantial increases in specific-purpose payments from Canberra to fund schools, hospitals and aged-care services, record investment returns from the Queensland Investment Corporation exceeding forecasts by up to \$2 billion in 2005-06, record payroll taxes and mining royalties which more than doubled between 2007 and 2009, and record taxes derived from gambling. This was the biggest boom decade in Queensland's 150-year history. Times were never this good.

Queensland had a unique opportunity to use this boom and wealth to invest in our future. The government had the chance to boost Queensland's productive capacity, to drive economic growth well into the future and beyond the inevitable downturn. It had the chance to invest in hospitals and get really serious about tackling the problems in our health system. It had a chance to make our schools the best in Australia, but it did not because it lazily and foolishly thought the good economic times would last forever.

Instead of capitalising on our extraordinary wealth to sensibly build tomorrow's Queensland, there is nothing to show for a decade of boom other than a looming decade of debt and deficits—debt that every Queenslander will be paying for every day through higher taxes, higher prices and a worsening quality of life. Where has all the money gone? That is the story this budget tells. This budget is a tale of a decade of squandered opportunity.

If we cannot trust them to manage things in the good times, are they up to the job of steering us through the tough times? Only the habitual deceit of Labor explains why Premier Bligh, her Treasurer and every Labor member were so silent before the last election about the massive financial problem they created. They were too weak, too dishonest and too afraid to tell Queenslanders about the mess they had made. That is why the Premier cunningly went to the polls six months early rather than delivering this budget and then going to the people of Queensland and letting them decide.

This incompetent Treasurer has dealt Queensland \$85.5 billion worth of debt, three-quarters of which was incurred before mid-2008—before the global financial crisis. So this debt is not because of the global financial crisis; it is because Labor lacked discipline and is heading in the wrong direction, deeper and deeper into a black hole of debt. It will cost Queensland taxpayers \$14 million a day every day to just pay the interest bill on this \$85.5 billion of debt. That is \$14 million a day. Put into context, Queensland's \$85.5 billion of debt represents 40 per cent of the total debt of all the states. That is the Labor way.

Long-term Labor governments have always been addicted to debt. They live beyond their means, increase spending exponentially and inevitably fall into the trap of borrowing excessively, expecting taxpayers to pick up the bill. We all know the consequences of negligent financial management. We watched as Victoria and South Australia went broke under the Cain and Bannon Labor governments. The difference is that they did not go broke during a boom. It is an extraordinary feat of ineptitude that this Premier and this Treasurer have gone bust in a boom.

There will be deficits not for the next one or two years but eight years of consecutive deficits, and that is if everything goes according to Labor's forecasts, which of course never happens. There is so much smoke and mirrors in this budget it has become a raging bonfire. The Premier must take responsibility for the pain in this budget and Queensland's alarming debt levels. Throughout the 1990s Queensland's balance sheet was the strongest in the country. Then under Treasurer Bligh the rot began to set in as she led the charge in borrowing excessively and losing control of expenditure.

Systematically over the past five years Labor's economic vandals have undermined and dismantled one of the strongest economies in the country, once the envy of other states, and turned it into the weakest. They dismantled our fully funded superannuation funds. Labor stripped unsustainable dividends out of government owned corporations like Energex and Ergon, destroying their ability to invest properly in maintaining their infrastructure and keeping consumer prices down.

Queensland's structural deficit was instituted by this Premier. In her first budget Queensland recorded a significant spike in expenditure which continued over the next three budgets despite the fact that investment returns and transfer duty were drying up. All this economic vandalism occurred at the same time as revenue was swelling to record levels and no provision was made for the future.

Between them the Premier and Treasurer racked up \$64 billion worth of debt before the global financial crisis was even heard of. Because of this Queensland was completely unprepared for the crisis. Our weakened balance sheet meant that when the global financial storm hit, Queensland was hit for a six. That is why Queensland is in this position today.

The Premier told Queenslanders we could count on her. This government's promise to turn around the economy and return the budget to surplus is as worthless as its election promise to retain the fuel subsidy. Similarly, given this government's record of spending excess there is a real question as to whether it will even come close to delivering on its savings commitments.

This budget comes with a high personal cost to every Queenslander. Of all of the states, only Queensland has been given a big F by the independent rating agencies and stripped of its AAA credit

rating. The loss of the AAA credit rating has meant higher interest costs on the \$85.5 billion debt. To put Queensland's \$85.5 billion debt into context, that is \$78,000 of debt for every Queensland family. This debt will require every Queenslanders to contribute some \$2,000 every year for the next decade just to pay off the current level of debt. That is assuming interest rates remain at around five per cent. That is assuming Queensland's credit rating does not deteriorate further, which the Treasurer cannot guarantee as he has not guaranteed that the Bligh government will not go even further into debt.

This week the Treasurer has said that restoring Queensland's AAA credit rating is not even a priority for the Bligh government and may take 10 years to get back. This is in stark contrast to the former Premier, Peter Beattie, who said that a strong credit rating was an important vote of confidence in a government's ability to balance the books. It also contradicts comments made this week by the head of Queensland's Treasury Corporation, Sir Leo Hielscher, who said that the loss of Queensland's AAA credit rating would cost Queenslanders an extra \$1.2 billion in interest repayments per annum, enough to build a new children's hospital once a year, every year instead of just once in a lifetime. That is \$1.2 billion in interest on top of the current \$5.2 billion interest bill. Instead of spending \$6.4 billion on delivering essential services like hospitals and schools, the Bligh government will now squander literally billions to pay for its incompetence.

It is crucial that we work towards restoring confidence in Queensland's economy. A AAA credit rating is crucial to funding new infrastructure, attracting investors and maintaining business confidence. We have already seen the impact that a lack of investor confidence has on Queensland's building program. That is why the Gold Coast will not be getting rapid transit any time soon. We know that a lack of business confidence can cost jobs, yet apparently this is not important to the Treasurer or the Premier, whose reckless spending and lack of a long-term strategy to rebuild Queensland's economy cost us our AAA credit rating.

No other state has lost its AAA credit rating. So it is not the global financial crisis that is to blame. If the Treasurer wants proof of this I would advise him to read the statement released by Moody's Investor Services on 20 May which states—

Queensland had been forecasting a deficit position well before the current downturn due to the rapid growth in current spending.

Now the government is asking us to pay for it. This budget will force Queenslanders to make even more sacrifices as the cost of living increases due to Labor's economic failures. For decades Queensland has been known as the low-tax state. Our low-tax status has been more than just an idle boast to our interstate friends; it has been an integral part of our way of life and underpins the Queensland lifestyle. Despite this, the Bligh Labor government has walked away from any commitment to the low-tax state. The Premier has started to build her master plan ever since becoming Premier of transforming Queensland into a high-tax state. The Treasurer explicitly stated that the Bligh government would move towards a high-tax state. It is in the budget papers.

The Treasurer stood in this House on Tuesday quoting from the budget speeches of his mentor William Forgan Smith, who was Premier of Queensland between 1932 and 1942.

Government members interjected.

Mr LANGBROEK: His deceased mentor. It is no wonder the Treasurer thinks so highly of him. They have so much in common. Each and every one of William Forgan Smith's six budgets delivered deficits to Queensland. William Forgan Smith raised taxes at a time when Queenslanders could least afford it, just like this Treasurer. William Forgan Smith made Queensland Australia's highest-tax state during the Great Depression, ensuring that Queenslanders were left worse off.

There is only one side of politics in this state committed to delivering low taxes and easing the burden on families and businesses and that is the Liberal National Party. My party is proud of Queensland's historically low-tax status, determined to fight for it and actually instigated it in the first place. It is a badge we wear with pride because it is one of the many reasons 2,000 new residents flock to our great state every week.

The Bligh government has completely disregarded the dramatic impact tax increases have on family budgets and business costs. With a new regressive fuel tax and vehicle registration on the rise, Queensland is now the most expensive state in which to register and run a car. Thanks to Labor, every day Queenslanders will have to pay a \$14 million interest bill before paying for any police officers, teachers, nurses or ambulance officers. The sad fact is that if the Premier and Treasurer had managed the state's finances according to the basic principles of every household budget—don't spend more than you earn—Queenslanders would not be paying for Labor's failures.

The new fuel tax that this budget introduces punishes Queensland families at the petrol bowser and at the checkout. In addition to adding an extra \$300 to the average fuel bill, Queenslanders will have to pay more for basic goods and services as suppliers pass on the costs to consumers. The introduction of a fuel tax comes at a time when Queensland can least afford it. This shows just how out of touch the Premier and Treasurer are.

A former Leader of the Opposition estimated that the abolition of the fuel subsidy would drive up inflation by at least 1.2 per cent. That was Peter Beattie in 1997. What did our good friend the former Premier say? He said,—

The massive hit of an 8c a litre increase would send the Queensland economy reeling.

The Premier and Treasurer just do not get it.

Unlike those of us who have run businesses and filled in our business activity statement forms, those opposite simply do not understand how business works. At a time when consumer spending is down, business is not in a position where it can absorb the extra costs associated with higher fuel prices. Businesses will pass on the cost, which will make basic goods and services more expensive for everyone. Effectively, ordinary Queenslanders will be slugged twice with the fuel tax—once at the bowser and again at the checkout. The price of fruit and vegetables will be the first to go up and regional Queensland will undoubtedly be hit particularly hard by rising fuel prices.

Every Queenslanders will be paying for the Premier's and Treasurer's incompetence. Sadly, the Bligh government squandered the opportunity presented by this budget to move Queensland closer towards economic recovery, just like it squandered the revenue from the biggest resources boom in Queensland's history. We will be opposing the fuel tax.

Nothing is sacred in this budget. This budget puts the 'For Sale' sign up on the Port of Brisbane, Queensland Motorways, Queensland Rail's coal haulage business and Forestry Plantations Queensland. This unnecessary fire sale of profitable public assets is driven not by good economic policy but by economic desperation.

Let us be clear: the only reason Labor is selling these profitable public assets is to fill the massive black hole it has put in the state balance sheet. It is a ploy, not one driven by sound public policy settings or an understanding of economics, to create a facade that the government has a meaningful plan to pay down debt. These sales do not represent good value for Queenslanders. My party is not against privatisation, but we are against selling off profitable public assets when it is not in the best interests of Queenslanders.

As the trustees of public assets, the government has a duty to act in Queensland's best interests. Selling the profitable public assets at the worst time—when you will get the worst price, at the bottom of the market—simply does not make sense. It is like selling your house at the bottom of the property market to pay off your maxed-out credit card. The five government owned corporations this Labor government is getting rid of carry over \$9.8 billion of debt and borrowings. As such, even if one believes the government's marketing puffery, we will not see a complete return on these assets because the government has completely stripped them of the value they once had. Even if the Premier's optimistic valuations are achieved, the net yield will be less than \$5.2 billion after payment of this existing debt. Therefore, subtracting \$5.2 billion from \$85.5 billion in debt still leaves an \$80.3 billion black hole in the budget—hardly a startling budgetary turnaround! This government is only selling these profitable public assets because it is spinning out of control and it does not know what else to do. We know that it does not have a plan to pay down debt and, according to Moody's, the lack of a medium-term strategy to restore budgetary performance and financial flexibility is part of what cost Queensland its AAA credit rating.

What is next on the government's agenda as it trawls for revenue to pay for its rapacious attitude to debt? Co-payments for public hospital patients? Forcing pensioners to pay the ambulance levy? We know that Labor has never seen a tax it did not want to increase. I challenge the Premier or the Treasurer to table the business case for the sale of Queensland's assets. I suspect they will not present the business case for the asset sale because it simply does not exist. There is no business case for fire sales, just as there was no business case for the expansion of the Townsville Hospital, as the Auditor-General noted in his report condemning health service planning by the Labor Party.

The Premier is selling off assets because she has no long-term strategy to address the important challenges Queensland is facing. I note last week the Queensland government placed an advertisement seeking tenders for lead and commercial advisers to oversee the massive sell-off of state assets. The deadline for tenders is Monday, 22 June. After the Premier announced the biggest sale of public assets in Queensland's history, it wants to commit to a high-priced, five-year tendering contract in just 20 days. Given the bungle Labor made of electricity deregulation, which has seen power prices soar, why should Queenslanders have any confidence in Labor's ability to manage anything as complex as these asset sales? The real losers of this half-baked panic sell-off will ultimately be the taxpayers of Queensland.

A government member: Just leave it to you to sell the lot.

Mr LANGBROEK: We did not sell them off between 1996 and 1998. We did not tell the people of Queensland that we were not going to sell them off in the most recent election campaign, as we had no intention to do so. The worst thing is that those opposite went to the people of Queensland and did not tell them of their intentions and suddenly said that the day after the election was the day they found out about our parlous economic situation. It is just unbelievable!

The Liberal National Party's policy on the privatisation of public infrastructure requires Queensland taxpayers to realise maximum value. The proceeds of asset sales should also be quarantined to fund new social or economic infrastructure, not simply recurrent expenditure. By contrast, the Bligh government intends to fritter the proceeds on paying off debt and filling gaps in recurrent expenditure. We believe that there must be a proven need and a clearly identifiable community benefit. The sale of profitable public assets should certainly not be undertaken simply for the sake of doing it and simply to raise a few dollars. We do not support these Labor fire sales when the market is depressed to cover up the government's poor economic management. I said that we would come in here united, and I can tell the House that there was no dissension in our room like there was from the member for Waterford and the member for Bundamba on the government's proposal when it was put before caucus.

This is a budget of broken promises. In bringing these appropriation bills before the House, the Bligh government has backflipped on the Premier's repeated promise not to introduce a fuel tax. The Premier said that she would not scrap the fuel subsidy because she is not prepared to kick Queenslanders when they are down. What has changed in the three months since the election that the Premier is now prepared to kick Queenslanders when they are down? What this budget says clearly is that Queenslanders cannot trust the Premier. The Premier went to the election promising that Queenslanders could count on her, yet there was not one mention of asset sales, a new fuel tax or the \$85.5 billion worth of debt during the election campaign.

The Premier defends her actions by throwing her hands in the air and saying that she did not know how bad the state's finances were when she went to the election. The Treasurer, hand on heart, maintains that he had no idea about his government's plans to sell off assets. If the Bligh government did not know the real state of the economy in December last year, or February this year, or May this year, or even at the start of this month, or even last week, how can we place any credibility on the financial statements or the four-year projections on which this budget is based? The Premier is exploiting the global financial crisis and using it as an excuse for broken election promises. It is increasingly clear that the Premier never intended to create 100,000 breadwinning jobs for 100,000 families. If she did, she would not be introducing inflationary tax increases in this budget that will have the effect of destroying jobs.

The Treasurer claims that the government's federally funded infrastructure spend will create jobs, but let us look at what it did not spend last year. The Eastern Busway from Buranda to Coorparoo was underspent by \$80 million. The Centenary Highway upgrade from Springfield to Darra was underspent by \$40 million. The Gateway Motorway upgrade was underspent by \$20 million. The Robina Hospital expansion was underspent by \$36 million. The Sunshine Coast health service district bed expansion was underspent by \$36 million. The fact that these five key projects in transport and health were not delivered on time means jobs lost.

In 2008-09 nearly \$900 million worth of projects were underspent. On the government's own figures, this would have created around 6,300 new jobs. It could not even deliver its core promise of the infrastructure plan! Essentially, when unemployment was on the rise, the Bligh government had the chance to create thousands of new jobs just by upholding its promises. Instead, it did nothing.

It is notable that Labor's budget delivers unemployment of 7¼ per cent through until 2011. Some 175,000 Queenslanders will be out of work and facing enormous financial stress within the next two years. The Treasurer's own electorate of Mount Coot-tha has been one of the areas worst hit by unemployment. I am deeply concerned that often the people who suffer the most during times of economic downturn are young people. During the recession of the early nineties, youth unemployment in Queensland was unacceptably high, rising by almost 20 per cent. Sadly, in the current downturn a high proportion of the unemployed will be young people aged between 15 and 25 years. At the start of their working lives, today's young people may struggle to find a job and they may struggle to keep a job.

Apart from the obvious financial difficulties, youth unemployment has a far wider impact on society. Research suggests that an entire generation can become disaffected by poor employment prospects and a lack of job security. The research also suggests that there may be a link between long-term youth unemployment and mental health, crime and suicide. That is the real cost—the human cost—of the Treasurer's 7¼ per cent unemployment. Yet when one looks at what is in the budget for Communities, we see nothing in the way of real assistance for community groups and charities helping Queenslanders get through tough times. This government would rather create communities dependent on welfare and government handouts than give communities the strength and resources to allow them to help themselves.

My goal as a parent has always been to give my children the same opportunities I have had. It worries me that my 19-year-old daughter, who is halfway through her university degree, may not be able to find a job at the end of study. I always told my kids that if they worked hard at school and if they got a good trade or tertiary education they could achieve anything they wanted. This budget may make a liar of me and every other parent who has ever wanted a better future for their children. We owe it to the next generation of Queenslanders to give them not just the best opportunities in life but also the vision and the motivation to contribute to the growth of their state. We can only do this if we address unemployment

through greater investment in education and training and through ongoing responsible financial management.

Our children will shoulder the unfair burden of the financial cost of Labor's neglect and mismanagement with higher taxes and costs of living from Labor's debt. Having graduated from Sunnybank State High School at a time when Queensland's public education system was the best in the country, I am appalled at the declining state of our education system today. The government has a duty to children and their families to provide an education system that allows our kids to achieve academically and to develop socially in a safe learning environment. The Bligh government has failed on both counts.

Queensland trails behind every other state in literacy, numeracy, science and technology. We have the highest rates of school bullying. We have one of the lowest rates of teacher retention. Our kids are being taught in crumbling classrooms as the government stalls on fixing the long overdue \$100 million backlog in school maintenance. In 2009, there are still some Queensland schools riven with deadly asbestos.

The Queensland education performance review by Professor Geoff Masters warned that the long-term effect on children of poor literacy and numeracy in primary school was poorer outcomes as adults in areas such as employment, lifetime earnings, health and crime. If children receive a good education, our state's economy, service delivery and quality of life improves significantly.

Education is the cornerstone of our economy. I want a Queensland where my children thrive in a school system where they are taught by the best teachers in safe classrooms. I do not believe this budget goes far enough in addressing the serious challenges that teachers and students are facing. A Liberal National Party government would put restoring confidence in our schools at the front and centre of our plan to rebuild Queensland. Education is something that if we get it right today, will improve society long into the future.

The Premier and Treasurer have lauded their \$18.2 billion infrastructure program, yet what Labor does not like to talk about is its record. Labor's record on infrastructure is a long litany of delays, drop-offs, cost blow-outs and complete white elephants, like the \$9 billion water grid. This Labor government has failed to plan ahead and deliver the economic infrastructure that is crucial to support the added demand for services caused by Queensland's fast-growing population. Labor sat back and did nothing as hospitals ran out of beds and classrooms became overcrowded. After a decade of neglect and mismanagement, it is now trying to play a game of catch-up, but its record of debt and deficits is, in turn, catching up with it.

Between 1998 and 2007, annual infrastructure spending was on average \$5.1 billion. When the penny finally dropped that some of these new Queenslanders might want to use the roads, or send their children to school, the Bligh government was forced to suddenly increase infrastructure spending significantly. That was the cost of almost a decade of neglect. Two years ago I asked the member for Stretton the reason for the billion dollar blow-out in the government's health capital works program. Quite simply, his reason that the health system is in such a mess was, 'a lack of proper and robust planning'. Too often decisions are made by this government without the robust assumptions or research that are necessary to build projects that are meant to secure Queensland's future.

This problem was confirmed by the Auditor-General last week. The Auditor-General's report on the state of Queensland Health was just the latest example of a government that wastes taxpayers' money on ill-conceived and badly scoped schemes that fail to deliver anything but debt. That is why we have a health system where sick Queenslanders cannot get treatment on time. That is why we have an education system where children are not taught to read and write properly. For the past decade, the only real improvement we have seen in service delivery is when the government has tried to put out political spot fires with unplanned, uncoded announcements.

I suspect we would not be in this position had this government ever looked beyond the next election, or the next cynical media headline. In 11 years it has never come up with a long-term blueprint for building Queensland without resorting to burdening families with higher taxes and debt. I suspect we would not be in this position where Canberra has to bail us out and spend money on maintaining our neglected schools if only the Bligh government had the commitment to delivering and managing projects and getting it right the first time instead of project costs blowing out every 12 months.

That is why almost every building project in this budget has had a cost blow-out, some by billions of dollars. This government cannot manage projects competently and takes no responsibility when things go wrong. In this budget the Gold Coast University Hospital has blown out by another \$200 million to \$1.762 billion in 2009-2010. The project was originally expected to cost \$1.23 billion, which puts the total cost of the budget blow-out at \$532 million. The Queensland Children's Hospital has blown out by \$240 million, along with a \$360 million blow-out on the shelved Sunshine Coast University Hospital. The fact that the Bligh government underestimated the costs of these projects by billions of dollars raises serious questions about its ability to manage the state's finances and to plan for the future, or to deliver on the forecast and savings measures in this budget.

Something that this government obviously looks like it will never get right is fixing Queensland's public hospital system. Labor's ad hoc approach to health service planning has resulted in a system where

Queensland has fewer real hospital beds than it did a decade ago, despite a massive spike in population and increasing demand. Despite substantial increases to funding—over \$700 million this year—bringing the total health budget to over \$9 billion, there has been no corresponding improvement in waiting lists: 33,993 sick Queenslanders are still languishing on waiting lists across the state because of fundamental weaknesses in the Bligh government's approach to health services. That does not even take into account the 180,582 Queenslanders who are waiting to get on the waiting list. Unless the Bligh government addresses the issues raised by the Auditor-General, this budget is condemned to the same fate as previous Health budgets.

One of the most disturbing aspects of this budget is this government's approach to regional health services. The Bligh government still has not addressed the issue of unsafe staff accommodation, despite the fact that a young nurse was raped in government-supplied housing in the Torres Strait last year. The health minister stood in this House and promised that he would personally ensure that the problems were fixed and that such a tragedy would never happen again. Yet we see in the budget papers that the Queensland Health regional accommodation program was underspent by \$4.8 million, while not one cent of the \$1.3 million Cape York staff accommodation project at Kowanyama was spent this financial year. This is completely unacceptable.

Regional Queensland is the economic backbone of this state. Natural resources, mines and energy and primary industries are central to our economic future. The agricultural sector of our community has been one of the few sectors propping up our state's economy through these difficult times. Queensland's prosperity lies in the cane fields of Mackay, the beef herds of Diamantina and the vegie patches of the Lockyer. The Bligh government says that it has a plan to boost primary industries and fisheries to contribute more than \$34 billion to the state economy by 2020. I find that a somewhat cynical target, given that this government knows as much about primary industries as it does about small business.

No government has done more to demonise agriculture and farmers than this Labor government. No government has burdened farmers with red tape, regulation and taxes more than this government. What the Bligh government does not understand is that farmers are businessmen. Through their farms, these businessmen provide economic prosperity and employment to entire towns and their communities.

This budget shamefully delivers even more cuts to primary industries and fisheries. Service delivery will be cut significantly as a result of the Bligh government's smash-and-grab approach to agriculture. The primary industries budget has been slashed by 23 per cent, which equates to \$25 million. As a result, front-line services will be wound back, withdrawn or axed next year. That will mean fewer stock inspectors and agronomists, which will compromise the department's ability to deliver services to Queenslanders living on the land. The Bligh government has bitten the hand that feeds them. Farming sustains Queensland gastronomically and economically. At a time when business and industry activity is down, agriculture continues to bring in a steady revenue stream.

The fundamental problem with this government is that it has its priorities wrong. Queensland's debt-ridden balance sheet is the by-product of a Premier and Treasurer who are focused on fixing elections rather than fixing the problems we face. Nowhere is this more evident than in the police budget. It is interesting to note where the additional \$200 million for police will be spent.

The 203 extra police the Bligh government announced this week were already budgeted for in forward estimates. The only new investment for policing in this budget goes towards revenue raisers such as speed cameras. I will support any measure that will assist police in tackling crime. However, I question the motivation behind the police spending in this budget given that the Bligh government has already gone to great lengths to increase revenue from camera detected offences by raising penalty units. This money would have been far better spent on boosting police numbers, especially in areas such as the Gold Coast where the police to population ratio is well below the state average. Instead, the Bligh government is more interested in pickpocketing Queenslanders.

This budget will not only cost Queenslanders at a time when they can least afford it; this budget also threatens Queensland's ability to claw its way out of the quagmire the Premier and Treasurer have put us in. The Bligh government has ripped more than \$5.5 million worth of funding out of Tourism Queensland's budget. This is despite the fact that tourism employs 123,000 Queenslanders. After a decade of long-term Labor government, tourism has stagnated in regions like the Gold Coast, Cairns and the Sunshine Coast with a 7.8 per cent drop in tourist numbers last year alone. If the Bligh government had the discipline to keep its spending in line with revenue, this budget could easily have seen more money invested in bringing tourists back to Queensland. This would have injected much needed tourism dollars into local economies like the Gold Coast, the Sunshine Coast and Cairns which rely so heavily on tourism.

Over the past few weeks we have listened to the false reasons and excuses for the bad state of the budget. The Premier and Treasurer have blamed the global financial crisis for delivering debt and despair to Queensland families. They have even blamed the weather for stripping millions from Treasury reserves. Queensland is Australia's most disaster-prone state. Every year we have cyclones, floods and bushfires. These natural events have occurred every year for the past 200 years. If Queensland was unprepared when the North Queensland floods hit, when storms ravaged The Gap and when rain poured down on

South-East Queensland recently, it was because the Bligh government did not bother making contingencies for the outcomes. I will say it again: this budget is not the by-product of the global financial crisis or Queensland's flooding rains; this budget is the result of Labor's decade of incompetent financial management.

This year Queensland celebrates its 150th birthday, but many Queenslanders are feeling shortchanged when after a decade of boom times they see their government and therefore the taxpayers paying \$14 million a day in interest to pay for over \$85 billion of debt. In 1859 Queensland Treasury had 9d in the bank, which in this day and age is equivalent to about 15c. Nine pence was modest even by colonial standards. Today we can only hope for and dream of a 15c surplus under the Bligh-Fraser government. In the words of Mr Micawber in Charles Dickens's *David Copperfield*—

Annual income twenty pounds, annual expenditure nineteen nineteen six, result happiness. Annual income twenty pounds, annual expenditure twenty pounds ought and six, result misery.

This budget tells the tale of Labor's 11-year record of mismanagement, failure and squandered opportunity. When it comes to Queensland's future I am always an optimist. With the responsible financial management that can only come with a Liberal National government, it is crucial to work towards being able to restore confidence in Queensland.

Yesterday the Premier stated that the debt was more like a mortgage than a credit card. I am heartened that the Premier has grasped that the size of Queensland's debt is more akin to the most significant investment families will make in their lifetime. The trouble with the analogy is that, with the loss of the AAA credit rating, we are paying off our mortgage at credit card interest rates. Unlike with a mortgage, this government has borrowed well beyond its means. No bank manager would approve of this level of borrowing, especially when the Treasurer says, 'We will pay it back, maybe, when things get better.' If any family managed its finances as this government has it would be on the streets. This government is a burden to Queensland. It is time to stop mortgaging Queensland's future. It is time to put away the credit card. It is time to turn the page on Labor's neglect and failure and stop it from doing any further damage.