



Speech by

**Mike Horan**

**MEMBER FOR TOOWOOMBA SOUTH**

Hansard Thursday, 18 June 2009

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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 HORAN** (Toowoomba South—LNP) (9.07 pm): What a mess! Have you ever seen a bigger financial mess than what Queensland is in at the moment? It is an even bigger mess because of the fact that instead of debating just the budget, as is the normal practice, we in this parliament tonight find these other two bills have been rammed in so that the government can have them passed by tomorrow night. Those bills will put the petrol tax on Queenslanders for the first time ever and sell off assets.

This budget is about mismanagement, betrayal, deceit and conning the people of Queensland. The people of Queensland will not forget that at the last election all of this was covered up. Never again will they believe the Labor Party, the Premier, the Treasurer or whoever happens to be in those roles come the next election. The people will not forget the gross deceit that was foisted on them at the last election and the gross deceit of putting on a petrol tax within days of denying there would be a petrol tax. After telling people that, first of all, there was a \$64 billion debt and then a \$74 billion debt just before the election, now we find out that it is an \$85.5 billion debt and is likely to be even higher in the years to come.

Debt and deficits have to be repaid. This government has put Queensland in the position where it will never climb out of this mountain of debt. Just look at what it wants to do with the sell-offs. The government is talking about \$15 billion of sell-offs of which almost \$10 billion is debt. Take the \$15 billion off the \$85 billion—

**Ms Jones** interjected.

**Mr DEPUTY SPEAKER:** Order! Minister for Sustainability and Climate Change!

**Mr HORAN:** Take the \$15 billion off the total if those opposite get it in a fire sale at the very bottom of the market and there is still \$70.5 billion or more in debt that still has to be paid off and will cost Queenslanders interest every day. We have heard the QTC say that it is costing us about \$1.2 billion extra in interest simply because we have lost our AAA credit rating. There is a very serious financial situation in the world at the moment. Before we hit it we had \$64 billion in debt. We went bust in a boom as other speakers on this side have said over and over again. It will go down as one of the most disgraceful financial episodes in the history of Queensland.

If a business got itself into debt in a boom like this, if a business kept spending more than was coming in, if a business had debt and it could not repay the capital but could only manage to pay the interest and it went to the bank the bank would sell it up. That is how serious this situation is.

Let us look at the overall debt situation that Queensland has got itself into. We have the Commonwealth government with a debt approaching \$315 billion gross. It is out there in the market borrowing billions of dollars every week from the tight overseas markets where it is difficult to get money. It is probably paying in the order of six to 6½ per cent for the money because of the sheer volume of money it is borrowing and the tightness of the credit market.

We then have the four big banks trying to get money overseas as well. About two-thirds of the money that we borrow in Australia has to come from overseas. They are in the queue behind Rudd and the federal government that are chasing its \$315 billion. So there are also the hundreds of billions of dollars required by the big banks.

Then we have the other states of Australia. New South Wales is trying to roll over its \$67 billion. Victoria is at around \$28 billion and Western Australia is around that mark too. Right on the bottom of the pile, after Tasmania, is the only state that does not have a AAA credit rating—Queensland. There are going to be problems for Queensland rolling over this debt because we simply do not have a AAA credit rating. It is costing our state more for every single loan that we have. It is also costing all the local governments in Queensland that borrow from the Queensland Treasury Corporation because they and their ratepayers are paying for the financial mismanagement of this state government which wasted 10 years of good times.

Government debt is the people's debt. The people have to pay the debt off. The people of Queensland, whether they are battlers or millionaires, are going to be paying this debt off. The ones who are really going to hurt are the battlers. Much of what is being put on them in this budget, particularly the new petrol tax, is nondiscriminatory. Whether you are a prince or a pauper, you will pay the extra 9.2c per litre for petrol. That will affect the workers, the battlers.

This budget has serious implications for average Queenslanders, particularly families and working class Queenslanders. They will pay because it is their debt—not that they wanted the debt but the debt was forced on them by the financial mismanagement of this government over the last 10 or 11 years.

There is a line up of incompetent ministers. It has cost hundreds of millions of dollars to try to fix up departments that were simply mismanaged and were not delivering their services. This is a government that got drunk on its numbers in this parliament and simply treated the financial books of this state with disdain. Money was wasted. Billions of dollars were wasted. There was no proper oversight of contracts and no proper oversight of projects. It spent the money on anything—strategies, glossy brochures and all the rest of it. But there was no focus on service, value for money and delivering for the people of Queensland. There should be proper management from the top, from the ministerial level down. It should have used the people's money wisely.

So the debt grew and grew. But it really grew once we got to the time when the Premier was the Treasurer and the minister for infrastructure. That is when the fox was in charge of the chicken coop and the graph shot straight up. We have the biggest debt in Australia. New South Wales, which is called the basket state—and go down there and everyone will tell you how bad it is—only owes \$67 billion. They have around seven to eight million people who pay taxes and charges who will pay off that debt. We have about half that number of people.

People are going to pay through dearer petrol prices. They are going to pay through dearer car registration. They are already paying more for their cars because of the increase in stamp duty. We have seen the massive increases in electricity charges. Over the last couple of years electricity has gone up by about 46 per cent. We have had increases in gas charges. What we will see after this introduction of the petrol tax is an unbelievable flow-on in increases to everything—food through to services.

This budget is going to cost businesses, it is going to cost families and it is going to cost our whole society. Like poor old Gunsynd, with 65 kilograms on his back, who could not win the Melbourne Cup, this state is going to be saddled with lead in its saddlebags forever. There will be no way it will be able to get out of this debt. It is something Queenslanders will bear for a long time.

Let us look at the services that are lost every year due to the interest payments. What if the government were able to make repayments? It has not been able to make full repayments on many of its loans. Some of the loans are interest only. For the \$85 billion combined debt that will be there by 2012 the interest will be somewhere in the order of \$5 billion or more.

What if there is an attempt to pay it off over 25 years. There is another \$3 billion that we have to find. All this money has to be found before we can even get up in the morning and go to work. The money has to be found every day to pay the interest and to make capital repayments which are not being made now. That money could be going to infrastructure and services.

Other speakers have mentioned what the Rudd government has done. When we start to add up debt around the nation, the federal government debt and the state government debt—and to think that the Rudd government came in with absolutely zero debt and a \$22 billion surplus and about \$50 billion or more in the Future Fund—we find the federal government has got \$315 billion in debt.

Let us look at the \$900 giveaways. There were two lots. If we add them up it comes to \$22.5 billion. Add on top of that another \$2.5 billion for Pink Batts. Let us look at \$25 billion. What could we have done for this nation with that? We could have brought water from the north down to the Condamine River and then it would flow downhill to the Coorong Lakes and fix up the biggest issue in Australia—water for Adelaide and the Murray-Darling—and paid a royalty to the north. We could have put an underground railway around South-East Queensland. We could have put the Toowoomba bypass in. We could have run a road from Sydney across to Perth and opened up this nation. We could have put a fast train from Melbourne to Cairns and done something for this nation. We could have built some roads and

infrastructure that would have allowed the productive sector of our nation to get its produce to ports to export, to create jobs in the city for the people who work in the warehouses and manufacturing industries.

We could have done all of that. That opportunity was lost due to these giveaways. Is it not a concern to think that we have governments that think like this? Let us give away cash and try to win votes instead of governing well and doing something for the nation.

What a loss to Australia to think what we could have done with that \$25 billion. Some 40 per cent has gone on screens and poker machines and the rest has been put in the bank because people think that they are going to be safe and not waste the money. That is the same sort of thing that is happening here in Queensland. We will have some \$85.5 billion of debt. This is probably the most serious situation this state has ever found itself in. It is an absolute disgrace and the people of Queensland have to be told.

We saw the performance today in this parliament where they all came in preened up to run the red herring. I heard the disgraceful comment by the Premier about the function that we had in the dining room for one of the most respected, hardworking servants of this parliament, one of the most highly regarded staff members, who is retiring after two decades of service. The Premier sunk so low as to intimate that there was some sort of division.

The strength and loyalty on this side of the House—and I have been in this place for 18 years—has never been as great as it is now, and I am proud to stand here and say that because that is the situation. Those opposite can carry on with all of the little stunts and sidelines they like, but the strength and loyalty on this side of the House has never been better. In fact, it has probably been strengthened by this budget because we can see the problems in this budget and we know what Queenslanders think about it.

**Mr Shine:** What's the solution, Mike?

**Mr HORAN:** My colleague the member for Toowoomba North wants to know what the solution is. I will tell him the first solution: we never would have been in this situation if we had been in government. There would have been proper financial management, there would have been good hospital services, there would have been good roads, there would have been well-run departments, there would have been competent ministers and people's money would have been spent wisely. Why would you want to fall for his stunt and come out with some type of plan when there are three years to go?

**Mr DEPUTY SPEAKER:** The member for Toowoomba South will not use that language.

**Mr HORAN:** The member for Toowoomba North's stunt is to come out with some sort of plan when there is three years to go, and we do not even know what the debt is going to be next year. It is bound to be more. You cannot trust this mob. We have seen what they have done. It could well be that the debt is \$100 billion. But I know one thing: if we were in government, we would not be in this parlous situation. Queensland always had a reputation to only borrow money for infrastructure that could pay its way and social infrastructure was paid for with cash from a budget surplus, and that is good management.

On the issue of the petrol tax, I want to warn the people of Queensland, particularly in my electorate, about what they are going to face. The cost of food will go up. Taxi fares will go up. The cost of running a minibus for sports clubs, nursing homes and retirement villages will go up. The cost of buses will go up. The cost of clothes will go up. Everything that comes to my electorate comes on trucks, just as everything that goes from regional and rural Queensland to the city in the way of food and fibre goes on trucks. The cost to this state is going to be enormous and it is going to grow exponentially.

Queensland has never had a petrol tax. When the federal government took over state excises in the mid-nineties, it introduced a subsidy system and because we did not have a petrol tax here it had to pay the subsidy to Queensland to keep us a no-petrol-tax state. Now, sadly, after 150 years Queensland has a petrol tax.

As I said earlier with regard to the sale of assets, people are outraged. People believe that assets that have income-earning opportunities are there for the state and that if you sell an asset you should use that money to build another asset that will generate income and that will develop or open up the state in order to provide that income. We recently saw the sale of the Cairns Airport, the Mackay Airport and the share of the Brisbane Airport. The income coming from those three airports has now gone and that money was spent on the social infrastructure of hospitals—something which in Queensland was always built with the surplus from a budget, not by selling assets. That was the principle on which Queensland Treasury had always worked and it was the formula which had always stood by Queensland.

The selling off of the Brisbane ports, the coal freight services, the motorway tolling franchise and the forest plantations of Queensland means that these assets are gone forever. So not only are they gone but also the income is gone. What is left to sell? Those opposite have sold off just about everything. I believe that Ian Brusasco has fought them off from selling the port at Gladstone, but one by one they are trying to pick these assets off and sell them only because of their gross financial mismanagement. About 70 per cent of what goes across the wharf at the Brisbane port comes from west of the Darling Downs. So it is the produce—it is the grain and the coal and the beef—from west of the Darling Downs that is providing much of the income across the Brisbane port. What are the charges going to be at the Brisbane port when that facility is sold?

This morning I heard the Deputy Premier say something like the assets are earning only one per cent. If people are going to buy these assets, they will not buy them to make one per cent. If they buy the motorway tolling system, they will want to make their 12½ per cent or more because they have to, otherwise they will not buy it. So they will pay rock bottom prices and up the tolls will go. So Queenslanders will keep paying. They will be paying extra tolls. They will be paying extra to get produce across the wharves. The coal companies that had their royalties jacked up and doubled in the previous budget will be paying extra cartage to get it along the lines and to get it across the wharves at the end of the coal lines.

This budget has been shameful. One of the other issues that I want to touch on is the water pipeline from Wivenhoe to Toowoomba. There are funds in this budget of \$187 million in total because this pipeline is underway. Toowoomba is one place that deserved a better go when it came to water, yet all it is getting out of this is a 40 per cent subsidy on the cost of that water pipeline. Toowoomba—a city that sits on top of the Great Dividing Range and has to lift the water over a 600-metre vertical cliff—deserves something better than the 40 per cent subsidy on the most precious thing in life: water.

This is an area which is on top of the range, so it does not have the catchments to draw from, and which has been in drought for so long. Other parts of the state have got promenades, esplanades, convention centres and all sorts of fancy things. All the people of Toowoomba want is decent support for this Wivenhoe pipeline—not just the normal 40 per cent subsidy for towns that are located where water flows by gravity from dams but a proper and relevant subsidy for a city that sits on top of the Great Dividing Range and has to lift the water up a 600-metre vertical cliff.

I want to again mention the importance of the Toowoomba bypass that we have fought so long for and are getting nowhere on with the Labor government. Rudd cancelled the \$700 million that was there. That bypass would have been underway now had the Rudd government not come into power. He cancelled it straightaway. All of the wealth that is coming through to South-East Queensland and through the Brisbane port is coming through Toowoomba: 4,000 or more trucks every single day—B-doubles mostly—through 16 sets of traffic lights. A city that is the centre of so much of the wealth and export-earning capacity of this nation deserves better. That bypass should be the No. 1 priority so that federal government road funds can go there. That should be seen as a first priority for the productive parts of this state.

I will conclude this speech by saying that this budget will be remembered for the deceit, the dishonesty, the betrayal and the financial mismanagement that has plunged Queensland into \$85.5 billion of debt and years and years of deficits ahead until 2018.

*(Time expired)*