



Speech by

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BUDGET

Mr LANGBROEK (Surfers Paradise—LNP) (Leader of the Opposition) (11.42 am): This afternoon we will hear from the Treasurer, who will deliver another budget about the government's plans for the Queensland economy for the next year. Already this morning a number of ministers have displayed the techniques that we have seen from this Labor government for over a decade, that is, to change the targets and the plans. They reannounce things they have announced before but have not delivered, making out that there is some sort of redemption in the fact that they are reannouncing them, whether it is the rail line to Springfield or the incredible statements of the Treasurer yesterday that our debt is going down when very clearly it is going up. His statement was as bald as that. He said that our debt, which has grown to \$51.6 billion, is somehow less than it was at \$42 billion but that that is okay because it was going to be \$56 billion.

The amazing thing about this Treasurer, the member for Mount Coot-tha, is that he sells this line to the journalists. I refer to today's *North West Star*, that fine journal of the north, and an article by Steven Schubert. The article states that Treasurer Andrew Fraser said the state's debt levels were starting to come down, but a return to budget surplus was still five years away. The article states that the budget will show debt levels for 2009-10 coming in at \$51.6 billion. Therefore, Mr Schubert believes our debt is coming down, because this Treasurer told him that the debt is coming down. Very obviously, you could make the debt whatever you like in the out years and then say, 'I came in underneath that. That means our debt is coming down.' It is just like Wayne Swan saying that the next three years will return our federal budget to a \$1 billion surplus based on a resource super tax. However, when he says it will be three years ahead of schedule, that is a schedule that the federal Labor government came up with just last year, a schedule that suddenly said we are now going to have years and years of deficit. Although they only came up with that schedule last year, a month ago they suddenly said, 'We'll get there ahead of schedule,' because the schedule had changed.

It does not matter what this budget says; Queenslanders will not be able to believe a word of it because of what this Labor government has done for the past decade and, in fact, for nearly 20 years. We expect to see a debt repayment strategy and relief for Queenslanders with cost of living issues. On the privatisation agenda and the selling off of Queensland's assets, we have said very clearly that we oppose Labor's privatisations. Under the LNP Queensland is not for sale. We want to protect the jobs of Queenslanders, instead of having a mining super tax. Supposedly the Premier has had a word in the ear of Kevin Rudd, but clearly that did not work because the Prime Minister is determined to go ahead with the things he has announced.

Let us look at the issue of the AAA credit rating. The Treasurer is always issuing challenges. My challenge to him is to tell us what he will do about easing the squeeze on Queenslanders who are facing massive increases. Last week I travelled the state, going to Ingham, Thangool, Bundaberg, Rockhampton and Mackay. In the weeks before that I visited Napranum, Mapoon, Cairns and Weipa. Everyday Queenslanders are saying they cannot bear the costs that have been imposed on them by this Labor government, which went to an election last year and misrepresented what it was going to do subsequent to that election.

Let us look at one of the biggest priorities, the AAA credit rating, which is costing this state over \$1 billion in extra payments. The priority for any state government should be to protect the AAA credit rating. The priority for any government should be to spend within its means. The priority for any government should be to ensure that it has a debt repayment strategy. Of course, we have not seen that from this government even though it has talked about it at estimates over the years. Today the Treasurer has his third crack at bringing down a balanced budget, but we know that all we will see from this Treasurer is more debt, more deficit and, in the great Labor tradition, a new tax. That is what we will see from this Treasurer.

Was the priority of the Labor government to bring down a balanced budget? As I have already outlined, this Labor government has made an art form out of economic buffoonery with the Treasurer saying yesterday that our debt will be lower, even though everyone can see from the budget papers that it will be higher. On the weekend the Treasurer claimed that he had a four- to five-year goal to retrieve the AAA credit rating. He had been Treasurer for only 18 months when he lost the credit rating. The Treasurer wants five years grace to get back what he lost in 18 months and the Premier, so lacking in leadership, so lacking in authority, so lacking in standards, keeps amongst her cabinet ranks the economic dunce that made Queensland's economic management the laughing-stock of Australia. The Treasurer was never asked to attain a AAA credit rating; he was asked to retain the AAA credit rating. It was not hard. It was already there. All he had to do was keep it. The Labor Premier and the Labor Treasurer even unveiled a plan to keep the AAA credit rating. Do members remember what it was called? It was called Toward Q2. Does everyone remember the No. 1 economic priority of Toward Q2? It was to keep the AAA credit rating.

Queensland's economic recovery starts the day a sign goes up on our border stating 'Queensland under new management'. National and international investors—those national and international job creators—have balked at investing in Queensland. Of course, they are still baulking because we have lost our AAA credit rating and because of the job uncertainty created by this mining super tax. They saw our AAA credit rating go down the drain. Only when this state is under new management will they be prepared to take a second look. Restoring Queensland's AAA credit rating will be the No. 1 priority of an LNP government and the No. 1 priority for my Treasurer. Strange as it seems, this is in itself a policy contrast with Labor.

Last year the Premier made much of her Ministerial Charter of Goals—the priorities she would demand of her cabinet ministers. Among the 40 pages of goals and priorities, nowhere was restoring our AAA credit rating mentioned—not anywhere. Restoring our AAA credit rating was so far removed from the priorities of this government that it did not appear anywhere in 40 pages. When its absence was exposed by the LNP, suddenly as an afterthought the words were added in a column lamely titled 'Other strategic priorities'.

As I said, the loss of our AAA credit rating is costing Queensland an additional \$1.2 billion in interest payments—higher interest payments that we are making simply because Labor could not manage the books, higher interest payments that we are making simply because Labor did not heed the clear warnings. Queensland did not lose its AAA credit rating because of some global situation; otherwise every other state would have lost their AAA credit rating. We lost our AAA credit rating simply because of the economic mismanagement by Labor—the sort of mismanagement you get from putting a junior minister in charge of the state's finances.

The government's Charter of Social and Fiscal Responsibility says that protecting Queensland's AAA credit rating is 'an integral part of the government's commitment to the community'. Well, the Treasurer has failed to deliver on the most integral part of his charter—the same Treasurer who ignored the warnings of the credit agencies. Let us remember what Standard & Poor's, the rating agency, said on 20 February 2009, when Queensland became the only mainland state to be stripped of its AAA credit rating. It said—

Queensland's balance sheet is unlikely to remain consistent with a 'AAA' rating. Standard & Poor's has previously indicated that the rating would be under pressure if net financial liabilities as a proportion of operating revenue reach 100%-110%.

I repeat: 'Standard & Poor's had previously indicated'. In other words, they warned this Labor government and warned this Labor Treasurer. What did this Treasurer do? He carried on like the chipmunk he was this morning. He laughed and said that he knew better. That is how he carries on in this House.

Mr Springborg: A chipmunk on speed.

Mr LANGBROEK: A chipmunk on speed—I take the interjection. To ensure there was no doubting the economic buffoonery of this Labor Treasurer, three months later Moody's also stripped Queensland of its cherished AAA credit rating. On 20 May, Moody's specifically said—

The lack of a medium-term strategy to restore budgetary performance and financial flexibility also contributes to the rating downgrade.

So there was not even a government financial strategy to pay back debt, and we know we will not see one today. To think that this Premier actually sends our Treasurer overseas as our economic ambassador! How embarrassing is that? What else did Moody's say? They said—

The downgrade reflects the state's deteriorating financial and debt performance ... and financial flexibility.

There we have it. This is not the opposition's assessment of the government; that is the credit rating agency's assessment. So the Treasurer will come in here at 2.30 this afternoon and deliver another budget that we know will give us more debt, that will give us another tax and more deficit. The debt is still going to be \$83½ billion in 2013-14 because Labor cannot manage the debt. All they are good for is debt and taxes.