



Speech by  
**Ian Berry**

**MEMBER FOR IPSWICH**

Hansard Thursday, 13 September 2012

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## **APPROPRIATION (PARLIAMENT) BILL; APPROPRIATION BILL; FISCAL REPAIR AMENDMENT BILL**

**Mr BERRY** (Ipswich—LNP) (12.17 am): I rise to speak to the first Newman LNP budget, delivered by the Treasurer, the Hon. Tim Nicholls, the member for Clayfield. This is the budget of a generation. I have long held the belief that the private sector is the engine room of the economy. It is this engine that creates the jobs, pays the taxes, creates both individual and corporate wealth and provides those necessary services for our community. Government is effectively the foreman who oversees the machine so that it runs both efficiently and effectively. It is the role of government to replace the parts, provide the oil, undertake maintenance operations and overall ensure that this engine is maintained correctly and is not vulnerable to stress.

It can be any machine. Driving and maintaining your own motor vehicle is analogous to this metaphoric engine. Maintaining the motor vehicle and driving it carefully will almost ensure that it lasts for a lifetime. However, if an errant teenager to whom you lend the car drives it carelessly and does not heed the messages coming from the warning gauges, it will be only a matter of time before the engine overheats from not filling the radiator and not watching the gauges. Then the car falters.

This analogy relates to every economy, whether it is the sophisticated economic powerhouse of the USA or the People's Republic of China. The message is to keep an eye on the gauges and watch for the warning signs. Vehicles often drive on smooth roads and sometimes reluctantly on dirt corrugated roads. After all, that is what motor vehicles do and that is what economies do. We do expect for there to be natural disasters. We do expect for there to be financial crises in this globe of ours. Queensland has been through global financial crises and floods and famines. These economic and natural disasters are, after all, natural occurrences. It is for government with its many advisers and experts to forewarn of these disasters or to provide strategies for government to pass through with a minimum disturbance to the economy. It is no excuse for any government to say that the predicament that they have found has been caused by these crises and natural disasters. So what happened to Queensland's engine? This is a state that has an abundance of natural resources, has been the envy of our southern neighbours, has a climate which encourages people to our state to support our tourism, and both pastoral and agricultural lands that not only provide us but also the world.

**Mr Rickuss:** This was the only government that could go broke in a boom.

**Mr BERRY:** I will come to that, member for Lockyer. What else do we need? Of course, we need a workforce able and willing to work, to contribute to the Queensland economy. Drawing an analogy, the people of Queensland are the oil that makes the Queensland machine run smoothly and with as little friction as possible, and that includes our public servants. With all these rudimentary elements in place, Queensland had been humming along and bringing prosperity and certainty of rewards for our citizens up to a point in time. So what went wrong? To examine this question, I need to explain where we are now and how we got there.

Akin to running a vehicle on three cylinders, Queensland has lost its AAA rating. We lost the rating because of the state of our economy. The penalty we pay is the payment of more interest on our loans—

not only Queensland but also every local government that has had to borrow funds to maintain those local economies. This is akin to not replacing the tyres, not keeping the engine tuned and not eliminating the rust when it formed over time. The cost now of returning that motor vehicle to running condition will cost this economy \$86.3 billion in 2014-15. Of course, I speak of our debt position. That would have happened if in fact nothing was done to repair our economy. Akin to not tuning our car, our vehicle is now running more expensively to the point where the family income has been totally absorbed by paying for the running costs. Even worse, we now have to borrow to maintain this vehicle.

Queenslanders became increasingly worried about the way in which the Queensland economy was being run—so much so that on 24 March 2012 they decided to get expert advice and action from a party that is prepared to deliver. After all, the conservatives have had a long history of balancing budgets, making surpluses and effectively watching the gauges. Queenslanders abandoned the backyard bookkeeper who solved an unemployment problem by having the government employ 20,000 more public servants than were necessary; offering salaries and wages far beyond what the private sector can pay; and funding every program without putting in place the KPIs, benchmarks, performance targets, tender limits and so on. We ended up with a system where the payroll system of the largest health provider in this state did not know who it paid, how much and what work was being done for that pay. We ended up with a government employee fraud being able to unskillfully divest \$16 million of taxpayers' money to finance a lavish lifestyle. We have ended up in a situation where our hospitals have reputedly seven nonclinicians to every doctor or nurse whereas private hospitals have a ratio of three to one. It is not for me to speculate as to the culture of wantonly spending this generation's inheritance other than by setting out the reasons as to why this is not only a budget of a generation but also a budget for a generation.

It is disappointing from an observational perspective for the Australian Labor Party to draw its talent from only unions. Having been employed with unlimited job security is not the fertile soil in which hard work, enterprise and action are nurtured. It is disappointing for union members to unquestionably follow union leaders—for there to be no question about from where they had come and where they are going, being part of the problem and not part of the solution. I have levelled criticism at the previous government's spending. Unfortunately, this so-called social justice spending is both flawed at an intellectual and an economic level. I remember the days of the Australian Labor Party at a federal level where Prime Minister Whitlam's government gave a grant for the development of a surfboard for women. The amount was about \$30,000. In those days one could buy a quaint house in the western suburbs of Brisbane for less than that. The cartoonist of the *Courier-Mail* at that time had his own ideas about the R&D of the women's surfboard. He depicted a surfboard with two strategic holes cut into the board. The point I am making is that government is the engine—

**Mr Rickuss:** Did it work?

**Mr BERRY:** Effectively. The point I am making is that government is an engine as part of a thing which we call the economy; it is not the economy. Government is there to assist business. It is not for business to support and feed government. If we get the balance right, business prospers and in turn government earns revenue and Queenslanders prosper with the improvement of amenities and services expected from government. It was not the straw that broke the camel's back, but certainly the mooted ski jump did little to share faith in the Bligh government. This government has its genesis in small business and in business generally. Its policy embodies the ideal of the individual and allows the individual to nurture, to build business, to create wealth as all Queenslanders in the past have done going back to the seventies and eighties. The Treasurer has delivered a budget which of course is based on reasonable rational assumptions—not the assumption based on a revenue increase of 14 per cent but a more modest and realistic six per cent. This budget is of course to have a fiscal budget surplus in 2014-15, stabilising the debt at \$81.7 billion in 2014-15. Under Labor without any policy change, it was to blow out to \$86.3 billion. Having a sustainable economic growth of four per cent heeds well for our economy.

The Newman LNP government has been entrusted with the task of ensuring that Queensland is put back on track. Whether that attracts the chagrin of the union movement is unimportant to the main game. However, I implore union members to work with government, especially those members employed in government. The unsustainable way the public sector was used by the Bligh government harmed the public sector. History shows that in the 1970s and 1980s Queensland's public sector had punched above its weight in managing Queensland's engine economy—a record for all state government employees to be proud. Those better days will soon return where our public sector will be efficient, effective and recognised as such. As for all Labor government treasurers, in my lifetime I do not think I will see a surplus budget by an ALP Treasurer. This budget has directly benefited—

**A government member** interjected.

**Mr BERRY:** I am ageing. This budget has directly benefited Ipswich by providing 1,200 government employees to work in Ipswich, by providing a direct injection of up to \$160,000 to P&Cs of the many schools in our city, by making improvements to the Cunningham Highway, by improving Ipswich's health system in continuing the construction and outfitting of the Ipswich Hospital, and by providing a new fire station complex for the Ripley area with an estimated construction cost of over \$5 million. Ipswich will benefit by the long-term consequences of this budget. I commend the bills to the House.