




Speech by
Ray Stevens

MEMBER FOR MERMAID BEACH

Hansard Thursday, 29 November 2012

ETHICS COMMITTEE

Report, Motion to Take Note

 **Mr STEVENS** (Mermaid Beach—LNP) (Manager of Government Business) (3.02 pm), by leave, without notice: I move—

- (1) That this House notes report No. 126 of the Ethics Committee and the recommendations of the committee that a right of reply be incorporated into the *Record of Proceedings*; and
 - (2) That the House adopt the committee's recommendation and incorporate the right of reply into the *Record of Proceedings*.
- Question put—That the motion be agreed to.
Motion agreed to.
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RESPONSE BY PROFESSOR BOB WALKER AND DR BETTY CON WALKER TO STATEMENTS MADE BY THE TREASURER AND MINISTER FOR TRADE (HON TIM NICHOLLS MP) ON 11 SEPTEMBER 2012 AND 14 SEPTEMBER 2012

On 11 September 2012, the Treasurer made the following statements in the Queensland Parliament:

1. The honourable member for Brisbane Central certainly understands finances more than the so-called specialists, the honorary professor Bob Walker and his wife from Sydney University, from the groves of academia. I think it is always important that we look at the qualifications, the experience and the history of people like Walker and Walker. ...
2. ... there is an endless ability for any government anywhere in the world to continue to go into more and more and more debt.
3. ... they paid these clowns from Sydney to come up with a spurious report.

In relation to statement 1, the Treasurer denigrated our qualifications and asserted that our experience was limited to the 'groves of academia'.

Professor Walker's academic qualifications are BCom (NSW), MEd (Sydney), PhD (Sydney). He is a Fellow of the Institute of Chartered Accountants in Australia, and joined the profession after a period working in public accounting. His publications include books and articles that deal directly with the matters raised in recent analysis of the Interim Report of the Commission of Audit. Before his recent retirement from full-time academic work he served as a professor of accounting for 33 years at the University of NSW and the University of Sydney.

He has provided advice to various Public Accounts Committees and Auditors-General. He served as chairman of the NSW Council on the Cost of Government (reporting to the Premier and to Parliament on government activities, and undertaking reviews of individual agencies) and as chairman of the Superannuation Administration Corporation (NSW), as well as providing expert accounting advice in litigation involving major corporations and the Australian Tax Office.

Dr Con Walker's academic qualifications are BEc (Sydney), PhD (Sydney), DipEd. (Sydney) She has written books and articles dealing with matters of public policy. She has never worked in academia, and has previously worked for CSR Limited, for the NSW Cabinet Office and NSW Treasury working with Premiers and Treasurers from both sides of politics before setting up her own consultancy firm. She has also served on various government bodies.

In relation to statement 2, we have never claimed or suggested that 'there is an endless ability for any government anywhere in the world to continue to go into more and more debt'. No such claim or suggestion appears in our review of the Costello Report or in any of our other writings.

In relation to statement 3, we reject the claim that we provided a spurious report and that it only reflected what our client (the Queensland Council of Unions) wanted us to write regardless of the facts or our own interpretations.

On 14 September 2012, the Treasurer made the following statements in the Queensland Parliament:

1. ... Honorary professor Walker and his wife-collecting a nice earn out of the union movement-say that gross debt is not a measure you should use...
2. This is effectively saying that we should be able to raid superannuation savings to pay down the debt that Labor incurred to support the budget.
3. I have some recollection that even Andrew Fraser said that the Walkers were low rent, provided low-rent advice and had no economic credibility.
4. (a) ... their mates in the union movement have gone down to their tame honorary professor from New South Wales-;
(b) The Queensland Council of Unions have a tame someone-Walker and Walker.

In relation to statement 1, we have never claimed that measures of public sector 'gross debt' were irrelevant in assessments of a government's financial management. We noted that one of the commonly accepted indicators of a government's financial circumstances is 'gross debt less financial assets', otherwise known as 'net debt'. In short, the concept of 'gross debt' is relevant as a component of the calculation of 'net debt'.

In relation to statement 2, we have never claimed or suggested that the Queensland government 'should be able to raid superannuation savings to pay down the debt that Labor incurred to support the budget', in fact we said the complete opposite. We said that 'if the government wishes to claim that its defined benefit superannuation schemes are fully funded then it should do the right thing, and transfer the assets from QTC to the control of trustees of the relevant public sector superannuation funds'.

In relation to statements 3 and 4 (a) and (b), we reject the claim that we provide 'low rent' advice and that we are 'tame' consultants. We provide consultancy services for what we consider is a reasonable professional fee, having regard to our qualifications and specialist knowledge and experience. As for the claim that we have no 'economic credibility', our qualifications, experience and record as commentators on financial matters speak for themselves.