




Speech by

Tim Mulherin

MEMBER FOR MACKAY

Hansard Friday, 14 September 2012

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

 **Mr MULHERIN** (Mackay—ALP) (Deputy Leader of the Opposition) (5.26 pm): The 2012 state budget will go down in Queensland history as the meanest and trickiest in a generation. Regional Queensland will remember the first LNP state budget as one which ripped jobs and services out of the region. The state budget has proved that the Newman government's scrapping of 14,000 jobs and savage cuts to front-line services is not paying down debt but is helping to pay for the unfunded LNP election promises.

This is the trickiest state budget in a generation delivered by the meanest government in a generation. It is based entirely on the now widely discredited made-to-measure projections of the entirely politicised Costello Commission of Audit. The budget was so poorly received that two days after the Treasurer delivered it, rating agency Fitch downgraded Queensland's credit rating from AA plus to AA. As Fitch Ratings noted in its last regular assessment in March, the latest rating downgrade is all the LNP's work. Fitch Ratings' last regular assessment of the state, issued on 26 March this year, stated—

'Queensland's new government has pledged to address the challenges of budgetary recovery and debt growth. Its ability to do this successfully will be an important component of our assessment of the state's rating,' Fitch Ratings says.

In other words, Fitch warned that any of its rating issues after March would be the responsibility of the LNP government. Fitch outlined in March that the previous government had taken steps to rectify our financial situation following the global financial crisis and natural disasters. It stated—

The outgoing [Labor] administration has taken initial steps to rectify the situation, reviewing the capital [expenditure] programme and using asset sale proceeds to cut borrowing. The most recent budget aims to lower debt despite recent natural disasters, including severe flooding and cyclones, and sluggish economic growth.

So, as a final insult to the Treasurer's disastrous first budget week, the Queensland economy is downgraded on his watch.

The Treasurer will also go down in history as the Treasurer who delivered the largest deficit in Queensland's history. This is just one way in which the budget papers reveal the mean and tricky nature of the Treasurer and the LNP government. Instead of using comparative data provided by the independent Queensland Treasury, the Treasurer has relied on the flawed made-to-measure projections of Peter Costello to again mislead Queenslanders. Over the last couple of days since the Treasurer handed down the budget we have also seen a number of holes appear in their figures. In the budget papers numbers appear in error, figures cannot be justified and ministers have been forced to back down on budget announcements. I do not think the Treasurer would be too happy with how his first budget has gone down with stakeholders, the media or the people of Queensland.

Basically, the LNP government have had the budget week from hell. Regional Queensland has been abandoned by the LNP in their first budget, receiving only cuts to jobs and front-line services. To add insult to injury, the Treasurer has shown his mean and tricky nature by misleading the people of regional Queensland about how much infrastructure investment they will be receiving. The Treasurer boasted that 75 per cent of infrastructure investment will be spent outside Brisbane; however, 70 per cent of the funding will be spent within a four-hour drive of Brisbane. The truth is: 70 per cent of the LNP's infrastructure

funding will be spent in South-East Queensland, from Bundaberg to Toowoomba and south of the border. This means that Gladstone, Rockhampton, Mackay, Townsville, Cairns, Mount Isa, Barcaldine and Charleville will receive only 30 per cent of the infrastructure funding this year between them.

The Treasurer said that the LNP would not be a government of spin. He has failed the first spin test with this budget. The infrastructure funding breakdown proves once again that the LNP government is only governing for the south-east corner. The only new major infrastructure project announced by the LNP government is the new executive building in Brisbane's CBD. The Premier's only infrastructure project is a monument to himself and his ministers which will be known as 'Newman's Tower of Babel'. The Premier and this LNP continue to prove that they only care about the south-east corner.

As a further slap in the face for regional Queensland, all it received in the state budget was axed government workers and cuts to front-line services. We know that the regions have already been hit hard by job cuts in Health, Transport, Public Works and Main Roads. We have seen nearly 130 health jobs being axed at Townsville. Eight hundred jobs are going on the Darling Downs, 300 are going from Cairns, at least 30 are going from the Fraser Coast and eight are going from Emerald.

The Minister for Police and Community Safety announced that more than half the rural fires were being axed—that is, 45 of the 79 uniformed positions and 56 of the 117 support staff. He was promptly forced to back down on his decision because the member for Gregory, who has plenty of spine, objected to these harsh cutbacks. The LNP backbenchers are so disgruntled with the Premier's and the Treasurer's budget approach that they are threatening mutiny and forcing the minister to back down. It looks as if the tail is wagging the dog with this LNP government.

We have also seen massive cuts to departments with large regional staff, including 413 from Natural Resources and Mines and 130 from National Parks, Recreation, Sport and Racing. There are also discrepancies in the budget papers about how many jobs are being slashed from the agriculture department: Budget Paper No. 2 says 450, but the Agriculture SDS says 653. It is nearly impossible to find exactly how many jobs are going in each regional centre.

Now that they have handed down the budget, the LNP need to finally be honest with the people of regional Queensland and outline how many of the 14,000 government jobs will go from each region. On Wednesday we saw a massive day of action protesting against these job cuts not just in Brisbane but also across Queensland, with large crowds turning out in Cairns, Townsville, Mackay, Rockhampton, Gladstone and Toowoomba. This was the largest day of action in Queensland since the Howard government's Work Choices. That shows the level of discontent these job cuts have spurred across Queensland. I think regional LNP backbenchers should be worried about their future as, having been in power for less than six months, the Newman government is on the nose in regional Queensland.

The state budget also exposed the mean and tricky nature of the LNP government through its recycling of Labor government infrastructure initiatives. All of the regional infrastructure funding announced as LNP projects in this budget were started and initially funded in last year's budget or previous budgets by the previous Labor government. Some of the allocations for regional projects in last year's Labor budget were: \$58.1 million allocated to the Townsville Hospital expansion; \$1.25 million for the SES headquarters in Cairns; \$408 million for the Mackay Base Hospital redevelopment; \$4 million for a replacement fire station and \$3 million for a new ambulance station for Emerald; \$62.6 million for the Mount Isa health campus redevelopment; and \$156 million for the Rockhampton Base Hospital expansion. This names just a few Labor infrastructure projects which the LNP are now attempting to take credit for. This is not a new ploy for the LNP, though.

We have seen this government celebrate a number of massive capital works projects delivered by Labor through our budget strategy that the LNP have spent six months attacking. The LNP government have repeatedly used the audit by their political mate Peter Costello to attack the previous government's strategy of continuing to build vital infrastructure whilst saving and creating jobs. We all know that the Premier likes to spell 'hypocrisy', but the Premier and his LNP government cannot have it both ways. They cannot attack Labor's strategy for months and then turn around on budget day and celebrate its results. His hypocrisy knows no bounds. The truth is: none of these regional infrastructure projects would ever have been built under an LNP government.

This budget not only attempts to take credit for infrastructure projects initiated by Labor; it also scraps a number of vital infrastructure projects in regional Queensland. Cairns was wiped off the map in the state budget with the scrapping of major infrastructure projects and critical underfunding of others. The people of Townsville must also be disappointed by the LNP's first budget. The day before the budget the member for Mundingburra and local government minister stated in the *Townsville Bulletin* that the promised funding for the Blakeys Crossing and Woolcock Street upgrades would be in the budget. The LNP made an election commitment of \$24 million to flood-proof the notorious stretch of the Bruce Highway called Blakeys Crossing, and a further \$10 million was committed to an upgrade of the Woolcock and Mathers streets intersection to ease congestion. Now all three LNP MPs in Townsville have something to explain. Nowhere in the budget papers are these projects mentioned. The three Townsville LNP MPs need

to explain why they are breaking a crucial election commitment to the people of North Queensland and where this promised funding is coming from.

My electorate of Mackay also missed out on vital road project funding. The Brisbane-centric LNP government do not understand how important road upgrades are to the people of regional Queensland. This Premier would not know what it is like to drive these roads. After all, he did think Bowen was north of Cairns. The budget has shown that the Mackay area LNP members for Mirani and Whitsunday cannot stand up for the people of the Mackay-Isaac region. There was no new funding for important road projects such as the Walkerston bypass and the Fursden Creek bridge. It is time for the member for Whitsunday to explain whether the Fursden Creek upgrade is being scrapped. The previous Labor government committed \$40 million over four years in last year's budget to complete the project, and now it looks like the project will be mothballed.

With \$368 million being ripped out of the Community Services budget, organisations such as the George Street Neighbourhood Centre in Mackay will find it increasingly difficult to retain staff and provide the vital services which support vulnerable families in our local communities. The people of the Mackay region will be very disappointed by the lack of representation in the LNP government by their local LNP members for Mirani and Whitsunday.

Regional Queensland has further been hit by massive cuts to the Department of Agriculture, Fisheries and Forestry. I have already outlined the 450 or 653 jobs being axed in the agriculture department—a fact the minister blatantly denied when I first raised concerns about these job cuts in July. The LNP government made a lot of noise before the election about making agriculture one of the four pillars—sorry, pillars—of the economy, but all they have done is white-ant the agriculture department, and this will destroy the sector. One of the LNP's election commitments was to create a stand-alone department with an emphasis on improving agricultural career prospects, yet all they have done is slash more than 23 per cent of the jobs in the agriculture department.

The truth is: the LNP commitment to agriculture was never ambitious. They pledged to double agricultural production by 2040, when Labor was on track to more than triple the value of agricultural production by 2020—20 years ahead of the LNP's lazy schedule. We already knew that the government were cutting the new Townsville biosecurity laboratory at James Cook University while also closing the existing lab at Oonoonba. This is confirmed in the budget. The move to scrap both of these biosecurity labs is in contravention of advice from the director-general, Mr Jack Noye, when he briefed Minister McVeigh twice advising against the move, which will cost \$10 million and result in 16 job losses. Alarming, the minister is acting in isolation, ignoring the advice from his own hand-picked director-general and industry stakeholders.

The move also puts regional Queensland at serious risk of disease outbreaks. Without the scientific expertise and facilities in North Queensland, it will be increasingly difficult to respond quickly or effectively to outbreaks of viruses such as Hendra in regional areas. While North Queensland horse owners wait days for Hendra virus results, they could potentially be exposing their families, neighbours and other animals to this deadly virus. With this move the agriculture minister has put North Queenslanders at risk and significantly reduced their biosecurity capability. It has also been revealed that the agriculture department's farm financial counsellors have been cut from 13 locations throughout Queensland. After the floods and cyclones, farm financial counsellors provided much needed financial counselling for primary producers and small business operators whose farms and businesses were affected by the summer of natural disasters. Farm financial counsellors were an essential part of our flood recovery program in regional areas and the cutting of this service is another indication that this LNP government completely disregards regional and rural Queensland. The LNP government cannot talk about growing the agricultural sector if it will not provide the support needed for farmers to get their businesses back operating after natural disasters. The slashing of this service is a disgrace.

I am also shocked that \$2.4 million has been cut from the 2020 Beef research projects. The former government had budgeted \$5.4 million beyond the 2011-12 financial year, and this has been slashed to just \$3 million. All the government has done is shift money internally within the department from these types of projects to other areas such as horticulture and sugar. I am sure that those sectors do not support robbing Peter to pay Paul. The beef industry is an incredibly important industry to Queensland. It is the third largest export earner for this state, contributing around \$4.45 billion at the farm gate per year to the state's economy. Slashing investment in beef research is a false economy by this LNP government. Queensland is overwhelmingly a food exporter. As such, there are significant opportunities which the government should be tapping into with the increasing global demand for food.

In addition to meeting demand for global food security, there is a global economic shift towards the tropical economy, estimated to be worth \$40 trillion by 2025. With 50 per cent of the global population living in the tropical world, Queensland has a distinct advantage as one of the few developed nations with a strong research and development base in innovative tropical science. To meet these opportunities, productivity must increase, and fundamental to productivity growth is research, development and extension taken up at the business level in the form of innovation. Whilst in government we focused on

developing R&D through paddock-to-plate programs which used a value chain-supply chain approach through policies such as the bio based industrial products which will create the new industries in regional areas, and of course we are the first jurisdiction in Australia to have a comprehensive paddock-to-plate food policy. Instead of innovation, we see the slashing of investment in R&D by this short-sighted LNP government. Growcom has also highlighted its concerns that the state-of-the-art Redlands Research Station will be closed. Redlands Research Station has been a leader in tropical horticulture. The closure and inevitable asset sale of this research station is another short-sighted blow to the state's agriculture industry.

The Minister for Local Government needs to outline why local governments will suffer from a range of cuts to grant programs across a number of portfolios. Local government needs the financial support of the state and federal governments in order to deliver local projects that would ordinarily be outside the scope of their limited budgets. The government is cutting \$59.6 million over four years from local government grants and subsidy programs. Far from supporting local governments, the LNP government is leaving them to fund important projects themselves. In many cases this will mean that important local infrastructure is not maintained or built. In the Department of Science, Information Technology, Innovation and the Arts the LNP government has also cut \$20.7 million from the Smart State and Proof of Concept and Commercialisation Champions grant programs over four years. These grants help turn local research and innovation into commercially viable projects. Unfortunately, the LNP has decided that driving new and exciting innovations in Queensland is not a priority.

The facts are, removing the costs of this government's redundancy program, this budget provides for growth in employee expenses of 3.75 per cent per year over the next three years. This is less than the economic forecasts in this budget for inflation over this period plus population growth of at least 4.5 per cent. The budget papers predict inflation to be 2.75 per cent over the next three years, with population growth projected to be over 1.75 per cent over this year and next year, rising to two per cent in three years. This means that this budget is factoring in future job cuts to government workers in addition to the more than 14,000 sacked this week. It means we are yet to discover what the LNP's idea of the right sized Public Service is. Basically, this sneaky approach has hidden the fact that the LNP has budgeted for even more job cuts, so the public sector pain does not stop here. In wrapping up, let me reiterate that the first LNP state budget has done nothing but slash and burn vital front-line services, infrastructure and jobs across Queensland. It is a short-sighted budget which will end up costing Queenslanders in the long term. No wonder thousands of angry people across Queensland were chanting this week, 'We'll be sacking Campbell Newman in three years!'