




Speech By  
**John-Paul Langbroek**  
**MEMBER FOR SURFERS PARADISE**

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### MOTION OF CONFIDENCE

 **Mr LANGBROEK** (Surfers Paradise—LNP) (Deputy Leader of the Opposition) (11.16 am): Mr Speaker, I congratulate you on your appointment and also the Premier and the executive on their appointments. I rise to oppose the motion before the House. I cannot in all conscience support a motion of confidence in a clueless administration. As we have already heard, this is a government that fell over the line, with 37 per cent of the primary vote compared to the LNP's 41.5 per cent of the primary vote. It is clear that we have seen a duplicitous mashup of preference deals, emotive election day antics and a well-resourced union scare campaign. Queenslanders were put through a torturous two weeks before His Excellency the Governor asked the member for Inala to test her numbers on the floor, and so here we are today.

To hear the Deputy Premier's contribution this morning which sought to liken the election result to Labor's humiliation in 2012 when they were reduced to seven seats is a real eye-opener. We are only a hair's breadth away from potentially forming government should there be some other incident during this parliament, and it is nothing like Labor's humiliation in 2012. Just under a year ago, on 22 May 2014, in this place the member for Mulgrave defined a massive gerrymander as governing despite not winning more than 40 per cent of the vote. I wonder if he still feels that way today.

I think it would be instructive to take a brief look at Labor's past and then its present so we are able to confidently cast our minds to the future. But before that I would like to refer to some of the Premier's and Deputy Premier's comments about appointments. Let us have a look at some of Labor's merit based appointments. In the past under Anna Bligh her husband, Greg Withers, was appointed to head the office of climate change. Paul Scurrah, whose wife was chief of staff to Anna Bligh, was appointed as the CEO of Queensland Rail. John Bradley, the former political adviser of the Beattie government and long-time ALP member, was appointed DG of the Department of Premier and Cabinet in 2011. Peter Beattie, a former Queensland Premier, was appointed trade commissioner to LA in 2008. In terms of merit based appointments, while no-one is questioning the rights of people to apply for jobs, even the Premier could not keep a straight face when she tried to suggest that a new government is not going to make appointments based on who they know and who they are.

So let us have a look at the past. In 2012 when the LNP government entered this place—and I note the new member for Ashgrove who has returned was not here in that parliament—we were left with a disgraceful, disorganised, dysfunctional mess. When I walked into Education House, there was a sense of relief, because the former minister, now the member for Woodridge, had been AWOL and MIA. He had abandoned ship. He had left an office rudderless for months. His only appearance since about October or November 2011 was in March 2012—and it was to shred documents the week before the election.

Nowhere was the task confronting the LNP government more obvious than the Queensland Treasury's incoming government brief, and I will quote from it, as I know the former Treasurer did quite regularly in this parliament. It stated—

Queensland's fiscal position and outlook is unsustainable and restoration must be an urgent priority for this term of government.

It continued—

Treasury's medium term fiscal analysis serves to demonstrate that a long and sustained period of restorative fiscal measures and unprecedented fiscal discipline is required to restore the State's fiscal position, stabilise the debt to revenue position and return the State's AAA credit rating.

As much as the member for Mulgrave may try, there is no way to spin these irrefutable facts. Thanks to Labor, Queensland had the largest debt of any state in absolute terms, the largest debt of any state in per capita terms and the largest debt of any state as a proportion of revenue. There is no way around this. Labor and the Labor party are the kings of debt. Labor saddled every man, woman and child in Queensland with almost \$16,000 of debt each. They forced the state into paying around \$4 billion a year in interest costs to service that massive debt. That is \$4 billion that could and should be spent on schools, hospitals and roads. That is \$4 billion that could and should be spent on the front-line services that Queenslanders deserve. No accounting trick or adoption of a new measure will hide these facts; there is no way around this. Labor are the kings of debt.

Between 2006-07 and 2011-12, Labor delivered fiscal deficits totalling \$29 billion with further deficits locked in. In the period from 2005-06 to 2009-10, the level of state debt doubled. Under Labor, government expenses grew at an average rate of 8.9 per cent per year—far in excess of revenues. Under the LNP, expenses growth averaged just 0.1 per cent. That is responsible fiscal management and it is spelt 'L-N-P' not 'A-L-P'. In 2005-06 one-third of capital expenditure on things such as new roads, schools and hospitals was funded by borrowings. By 2011-12 almost all capital investment in the Queensland public sector was funded by borrowings. They were not just putting part of it on the credit card; they were putting the whole lot on the never-never, and it is the next generation of Queenslanders who are going to have to pay. That is what the state can look forward to under a Labor government.

Many voters might ask why that matters. After all, is it not a government's job to spend money to provide services? And they are right. That is exactly what governments need to do, but to borrow recklessly, as Labor did over 20 years, lost this state its AAA credit rating. As the current Treasurer, the member for Mulgrave, previously said in his famous 'Mythbusters' fact sheet—

FACT: The credit rating is a big deal because it determines how much interest is paid on loans.

Because of Labor, we are paying a higher interest rate on our debt. Anyone with a credit card knows that is dead money and we are throwing away more money than we need to. Labor's last financial document—the *2011-12 Mid year fiscal and economic review*—showed debt increasing to as much as \$85.4 billion this financial year. This is before taking into account the \$5.9 billion in revenue writedowns experienced during the term of the LNP government and the \$2.5 billion reconstruction cost from natural disasters like Cyclone Oswald. The LNP was able to absorb these costs and still reduce the state's projected debt. We have reduced Queensland's forecast debt by \$7.8 billion in 2014-2015, despite these challenges. We put the budget back in a sustainable position, with fiscal surpluses forecast from 2015-16 onwards. The LNP got in there, made tough decisions and stopped the rot.

And so to the present. Just one month after Labor took the reins, the rot is back. There are two reasons for this. The first reason is the paralysis the state is suffering after two months of Labor. This is a government which has done nothing. There is a freeze on infrastructure—12 months with no new projects, no new jobs. All Labor has to show after its first month is not, as the Leader of the Opposition said, 27 inquiries—because since he received his facts Labor has announced another inquiry. There are now 28 reviews. 'We'll look into it,' they cry. Those inquiries include: a review into boot camps and youth justice, a review into the Queensland greyhound industry, a review of health targets, a review of Queensland's biosecurity capabilities, a review into fair price for solar power, a review into administration staff allocation in schools, a review into what is needed for research and development blueprint for agriculture, a review into the VLAD laws, a commission of inquiry into the closure of the Barrett centre and a commission of inquiry into organised crime. Can I just say to those opposite that those laws have made sure that we have a very safe state. Queenslanders do not want to see the confirmation that those laws are going to be wound back.

There are more reviews, committees and panels: a review into the Queensland Productivity Commission; a review to establish an electrical safety commissioner; an Advance Queensland panel; a red-tape-reduction panel; an animal advisory board, which is another significant policy from the Premier in that campaign; a rural jobs agency; a regulatory body for the plumbing industry; a review of the Multicultural Queensland Advisory Council; a sentencing advisory council; an electrical education committee; an electrical equipment committee; and a review of the Queensland Electrical Safety Office. The list just goes on and on and here are some more: Building Queensland; Jobs Queensland; a Great Barrier Reef task force; a task force to advise the government on the residential transition for

older Queenslanders; a review into the Queensland Plan; and a review into the Callide Dam and SunWater. That is 28 reviews. The bureaucracy gets bigger, the consultants gets richer and the bottom line descends further into the red. Make no mistake, that is what this government does best—it spends money with no benefit for the 4.6 million Queenslanders seeking cost-of-living reprieve and an enhanced level of service delivery which the LNP was providing in spades.

The second reason for my lack of confidence in this government is trust. Queenslanders should not and cannot have confidence in a government that has already broken its word. During the election campaign time and time again Labor said they had a plan to reduce debt and that they would not sell assets. These promises were littered throughout their flimsy fiscal document *Our state, our assets*. It is a rather ironic title, is it not? It does not say 'Our state, our major assets', or 'Our state, our strategic assets', does it? There is the first broken promise. Labor have already come out and said they will sell off government land and buildings. Mr Speaker, did you hear this mentioned during the campaign?

In Airlie Beach during the campaign, the media reported that the member for Inala would not comment in detail about Labor's economic plan, only insisting it would not include asset sales or asset leases. She was asked if Labor would sell publicly owned buildings and land or sell Queensland's ports and electricity generators. The media report stated—

'There is no starker contrast between Labor and the LNP,' Ms Palaszczuk said.

'Labor will not sell your assets. We will not sell the assets.'

That was the quote. Her first words in today's confidence motion were to reiterate the no-asset-sale mantra. The member for Mulgrave sold his fiscal strategy with the following words—

There is a better way to pay down debt and deliver election commitments. We do not have to sell off power utilities and port authorities and other assets to achieve that.'

On election night, the member for South Brisbane told me and the people watching Channel 9 that the biggest issue in the campaign was asset sales. Apparently, when Labor is in opposition building sales are asset sales for which you need a mandate, but now that Labor is in government these sales make business sense, in the words of the Deputy Premier. And that is a broken promise whichever way you spin it, but that is not the only broken commitment since the election.

Returning to Labor's fiscal document, and moving past the title, here is what it actually says: 'Labor's vision allows us to pay down debt without further damaging our economy'. But less than three weeks after taking office the Deputy Premier and Treasurer were already backing away from that promise as well. The respected *Australian Financial Review* newspaper trumpeted on 2 March 2015 under the headline 'Sunshine State may borrow to pay for infrastructure', that Queensland's Deputy Premier, Jackie Trad, has left the door open to increasing the state's debt to build much needed infrastructure. So not only does the ALP have no plan to build infrastructure; they have no way of paying for infrastructure other than borrowing more money.

To put it simply, the government cannot be borrowing more money on one hand and reducing debt on the other. On top of that, the newly minted Treasurer has already been out making his case to weaken Queensland's fiscal principles in a shameless attempt to hide the inevitable increasing debt under Labor. Following the 2005 election it took Labor less than three weeks to break its own promises around debt and start the process of selling government land or assets. Those of us who were here in 2009 will remember then that at least Labor waited a few months before breaking its promises. One thing it has done is move the goalposts. It is no wonder that Labor wants to revert to the weaker operating balance measure. It is an attempt to weaken Queensland's fiscal principles to hide its inability to manage the budget.

**Mr Pitt:** It is what every other state and territory uses.

**Mr LANGBROEK:** Every other state does not do it, because our debt is greater than every other state. That is why Treasury has always had the advice that we cannot be looking at just the operating balance; we need to be considering the fiscal balance.

**Mr Pitt** interjected.

**Mr LANGBROEK:** I want to explain that, taking the interjection from the member for Mulgrave, the Treasurer. In 2012 the LNP government took Treasury advice and moved from targeting the operating balance, which takes into account revenue and expenses, to the fiscal balance, which also takes into account capital purchases. In the words of Treasury, the existing fiscal target of an operating surplus is too narrow as achieving this target is insufficient to arrest the growth in debt. One look at the numbers shows why. In 2008-09 the former Labor government posted an operating surplus of \$35 million, however debt that year increased by almost \$4 billion. In 2009-10 there was an operating deficit of \$56 million and an increase in debt that year of \$5.6 billion. I can see why the

Treasurer does not want to count the capital purchases to come up with a fiscal deficit policy. He only wants to talk about the operating budget. In 2010-11 there was an operating deficit of \$1.5 billion and an increase in debt of more than \$9 billion. In 2011-12 there was a deficit of \$233 million and an increase in debt of \$4.4 billion.

I hope I have dealt with the Treasurer's interjection as to why we consider the fiscal balance and not just the operating balance, because the debt in this state is so significant that Treasury recommended we should be considering what those positions are. Treasury's recommendation was to replace the operating surplus target with a general government net lending surplus, in other words a fiscal surplus target, by no later than 2015-16.

We know that large increases in debt can still occur despite the government posting positive operating surpluses because we have seen it before under Labor. Make no mistake; Labor stands for higher debt and larger deficits, and the only way to fund these is through more taxes. The Treasurer has already signalled his intention to focus on general government sector debt, which he refers to as real debt. As much as the member for Mulgrave may want to ignore it, the state's total borrowings are heading towards \$80 billion. As much as he may want to ignore it, this debt would be much higher today if it were not for the responsible management of the LNP. As much as he may want to ignore it, the last time Labor was in power general government sector debt increased more than tenfold.

I hope the member for Mulgrave understands that the state's total borrowings are guaranteed by the Treasurer of Queensland. He needs to make good on his promise to reduce these borrowings because increasing debt will mean more taxes on future generations. Shutting his eyes and ignoring the reality of the debt will not make it go away. Increasing debt will mean Queensland's credit rating is downgraded once again, hurting every man, woman and child in this state.

Let us look at what Labor intends to do about that debt. It seems its members have been relying a bit too heavily on the *Magic Pudding* from Norman Lindsay. The real world of finances does not work like that. Under Labor's so-called plan to reduce debt, two-thirds of the profits from government businesses would go towards debt reduction; I heard the Premier speaking about it yesterday on radio. However, in real life people cannot spend the same money twice. Queensland households cannot use the mortgage payment to clear the grocery bill. That is precisely what the member for Mulgrave and the Premier want to do. These profits are already used to meet the existing commitments of the government—and those are the services provided to Queenslanders or the construction of infrastructure upon which Queenslanders rely. Directing cash from one purpose to another will not reduce debt unless new debt reduction measures are found. Given this government's publicly stated opposition to asset sales, that means cutting services, sacking staff or introducing or increasing taxes as we know members opposite did when they were last in government.

Similarly, Labor's promise to provide savings of \$150 million a year by consolidating energy businesses does not stack up. When asked last week, the Premier could not even say whether the merger plans would be included in the budget, despite Labor relying on these supposed savings starting next financial year. What we do know is that these costings were done by the Electrical Trades Union's preferred consulting firm. However, the modelling behind these numbers has never been released. If this government is truly committed to openness and accountability, it should release these numbers. When we hear efficiencies, we know that means job losses. Is it not ironic that a union preferred consultant's report recommends efficiencies or job losses for its members? There has been no public detail provided, apart from the spectacular revelations from the Australian Competition and Consumer Commission to which the opposition leader referred casting the whole nonsensical proposal in doubt. ACCC Chairman, Rod Sims, said Queensland already has the most concentrated energy market in mainland Australia and further reducing competition by merging CS Energy and Stanwell could end up costing Queensland families more. His exact words were—

They [the Labor government with the previous merger] turned Queensland from one of the most competitive generation sectors to the least. Queensland has the most concentrated electricity generation market of the four main electricity generation states.

Any increase in that form of concentration will obviously give greater market power and push up electricity prices.

The Premier said she would not do anything that would increase the cost of household electricity and yet she has done another triple twist pike with a backflip. Last week, responding to Rod Sims, the Premier said—

My government is not going to do anything—any mergers—that cause any disruption to Queensland families ...

We will be consulting but we do not want to see any negative impact on any Queenslanders in relation to their power prices.

However, yesterday in an interview on 612, recorded right here, the member for Inala shifted to say, 'My government is not going to go down any path that's going to cause any massive price rises in electricity to families out there.' In this case, size does matter. We have gone from 'no impact' to 'no massive impact'. Which is it to be? Deal or no deal?

As appealing as the *Magic Pudding* answer is, it is a fantasy and the Labor government cannot have it both ways. Where are the savings coming from? The member for Mulgrave knows he needs to tread carefully. Business needs confidence to invest. Without business investment there are no jobs, jobs, jobs.

**Mr Pitt:** You've spent 20 minutes talking it down.

**Mr LANGBROEK:** The Treasurer has reassured us that he will not be talking down the Queensland economy. I am not talking down the Queensland economy; I am talking down his stewardship of it. Members opposite have already created uncertainty about the Turbot Street dental school and the Kurilpa riverside site. What business needs from this government is a plan—a plan to create jobs and a plan to strengthen the Queensland budget. Unfortunately, all we have so far is a plan to have a plan in 12 months time, a plan to cross their fingers at budget time. We have a plan; Labor does not. Ours was not all calculated on asset sales. We register a verdict of no confidence in this government.