




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

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## MATTERS OF PUBLIC INTEREST

### State Finances

 **Mr LANGBROEK** (Surfers Paradise—LNP) (Deputy Leader of the Opposition) (11.46 am): I want to speak about the budget strategy and also refer to comments this morning by the honourable Minister for Education about capital works in the education portfolio. I inherited a situation where there was no planning for schools in Queensland beyond ad hoc planning.

**Ms Grace:** Oh, rubbish!

**Mr LANGBROEK:** It is true, member for Brisbane Central. We set up the Queensland Schools Planning Commission. We have built 11 schools. There were no schools opened in 2014 because of the lack of planning by the former Labor government. The current health minister, Cameron Dick, the member for Woodridge, was the responsible minister for education at the time. The big drain on the capital works budget that is happening at the moment is partly because of the lack of planning for Brisbane State High. We are now having to build at a cost of \$60 million to \$70 million out of the \$300 million capital works budget. That is what the Minister for Education needs to deal with now. Tell the people in the electorate of Toowoomba North that they did not deserve the school that was built at Highfields. Tell the people in the member for Coomera's electorate that they do not deserve the 10 schools that are being built in their area or the schools in the other growing areas north and south of the city. It is a bit rich to get a lecture from a Labor government whose planning was so poor there were no schools opened in Queensland in 2014. It does take a few years to plan for schools.

Let us deal with the issues of the day. We heard from the Treasurer this morning that it is just a month until the Palaszczuk government's first budget. By their own admission, the Premier and the Treasurer, the budget is the line in the sand. It is the point at which this government stops pointing the finger elsewhere for its own failures and starts accepting some responsibility. It is a budget that will illustrate whether this government will live up to its word and deliver on its key election promises. First and foremost is the promise to pay down debt. Labor promised to pay down debt by \$5.4 billion over six years. Labor's economic and fiscal strategy, released during the last election, shows an accumulated debt pay-down of \$2.084 billion over the forward estimates. The LNP will be watching closely to make sure Labor delivers on this promise, although there are serious questions as to how this debt pay-down can be delivered.

As we on this side of the House have been saying for a long time, you cannot spend the same money twice. Diverting revenue from one source to another will not achieve a reduction in debt without finding savings elsewhere. Where are the savings going to come from, Treasurer? Even assuming you can pay down debt using the same money twice, the Treasurer is facing a huge hole in the revenues of Ergon and Energex thanks to the Australian Energy Regulator's preliminary determination for the 2015-20 regulatory period. This will require cost savings to be made at those businesses and it will mean lower dividends coming back to the government. We believe that revenues at those businesses could be down by as much as \$450 million per annum. That represents

a huge hole that the Treasurer will not be able to plug or hide from. That is not the only hole that has emerged in this budget. The Treasurer's signature policy to merge the electricity businesses has been routinely criticised at every turn as having the potential to further drive up power prices. The ACCC is not buying it and energy markets are not buying it. This plan does not stack up. Of course, the Treasurer is relying on the savings from aggregating those businesses from 2015-16 onwards. To expect that the merger savings will be realised next year is a pipedream. It ignores the significant up-front costs of merging businesses together should that proposal even get through. It also ignores the fact that, with the no-forced-redundancy provision, the savings from aggregating the businesses are well into the out years. Quite clearly, the major planks of Labor's debt reduction strategy are rotting.

What else do we know? We know that the Treasurer has promised to match the LNP surplus this year. The *Brisbane Times* has stated that when the Treasurer made that commitment he vowed to maintain a general government net operating surplus over the economic cycle, promising to match the LNP's much touted return to surplus next financial year. For the benefit of the House, the LNP left office forecasting fiscal surpluses over the next three years. The fiscal surplus in 2015-16 was forecast to be \$331 million. That is a real surplus, as recommended by Queensland Treasury. I refer the Treasurer to the 2012 fiscal reform blueprint where Treasury clearly recommends adopting the fiscal balance as the primary budget measure. That is the difference between the LNP and Labor: we do not tell Treasury what measure we are going to adopt; we take their advice and act. The Treasurer wants to weaken Queensland's fiscal principles and that means more debt and more deficits. It is in Labor's DNA.

The budget must also restore some confidence, a lot like the federal budget did. I hope that the Treasurer has learned from his mistake in talking down the Queensland economy. The budget is a key test of the promise to lead an open and accountable government. We will be holding the government to account.