



Speech By  
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**MEMBER FOR SURFERS PARADISE**

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**APPROPRIATION (PARLIAMENT) BILL (NO. 2); APPROPRIATION BILL (NO.2)**

**Mr LANGBROEK** (Surfers Paradise—LNP) (Deputy Leader of the Opposition) (4.10 pm): I rise to speak to the Appropriation Bill (No. 2) and the Appropriation (Parliament) Bill (No. 2). I thank the Finance and Administration Committee for its reports. The opposition is supporting these bills. As we have already heard from the Treasurer, the primary purpose of these bills is for the approval of supplementary appropriation for unforeseen expenditure incurred in the last financial year. As the Treasurer noted, the total of just over \$12 million is the lowest level of unforeseen expenditure in the last 18 years, both as a percentage and total basis of appropriation. I cannot accept his assertion that it was due to the management of the Palaszczuk government because the LNP was on the treasury benches for the majority of the 2014-15 financial year and in our time in office we were able to put an end to the waste and mismanagement that was the hallmark of the previous Labor government. It is another indication of our commitment to fiscal discipline and accountability.

As the Treasurer mentioned, we have had a prolonged period of government expenses growing at a much higher rate than revenues were growing. The average rate of increase of expenses over a prolonged period of time was 8.9 per cent, but under the LNP expenses growth averaged just 0.1 per cent. In fact, back in the 1998 budget, which was the last Borbidge budget, total revenue in Queensland was \$14 billion and yet a small surplus was able to be achieved by the Borbidge-Sheldon government. I think it also puts in perspective just how much increased revenues have become a factor of the Queensland government. Under Labor much of that was frittered away which led to the situation that we inherited when we came in in 2012. That is the point: \$14 billion in 1998 and here we are now in an over \$50 billion budget and we were able to achieve, as the government, expenses growth that averaged 0.1 of a per cent, which is the lowest level of expenses growth since accrual accounting began. We were able to do this while investing record amounts in health, education, child safety and road infrastructure. I know the Treasurer might choose to forget it, but we should always remember just how dire the situation was in Queensland before the LNP's election to office.

I know the Treasurer is aware, because I have previously tabled Queensland Treasury's *Fiscal Reform Blueprint* from 2012. Let us go back and look at what that document said. It said, 'Queensland's fiscal position and outlook is unsustainable and restoration must be an urgent priority for this term of Government.' It also said, 'Debt in 2014-15—that is, the budget year for which these bills seek supplementary appropriation—is expected to be almost 5 times greater than 10 years prior.' Using Labor's own budget forecasts, Queensland's total debt was projected to reach \$85.4 billion in the 2014-15 financial year. The Treasurer's own budget papers show that the LNP was able to reduce this total by almost \$10 billion. Unfortunately, despite the Treasurer's ongoing claims about paying down debt—and we have heard it from him again in this debate—the 2015-16 budget papers show debt continuing to increase each and every year over the forward forecasts up towards \$80 billion.

**Mr Pitt:** Your forecasts have them going higher.

**Mr LANGBROEK:** That even takes into account the Treasurer's raid on superannuation, long service leave and the shifty debt shuffle onto the government owned corporations to which the Treasurer is obviously referring with that interjection. The Treasurer can say that their projections are that they will have a lower debt under them, but with the way they have moved things around, anyone

who can read a balance sheet will understand the concepts have not lowered Queensland's total indebtedness. You can fool some of the people all of the time but you are not going to fool all of the people all of the time. For the moment this Treasurer is managing to do that, but we are going to stick with our fiscal principles that I know that he has amended severely.

The LNP left office forecasting fiscal surpluses each and every year over the forward estimates. What has happened to these surpluses? They have been turned into fiscal deficits totalling more than \$3 billion. We put an end to the years of unforeseen expenditure totalling billions and billions of dollars. Let us go through it on a year-by-year basis: 2005-06, \$1.874 billion; 2006-07, \$3.99 billion; 2007-08, \$2.152 billion; 2008-09, \$2.957 billion; 2009-10, \$1.053 billion; then, of course, 2010-11, under the stewardship of Andrew Fraser, unforeseen expenditure of \$9.3 billion; and in 2011-12, \$2.826 billion. Whereas under the LNP, through our strong financial management, in 2012-13 the number was \$63.445 million and in 2013-14 it was \$448 million, largely due to defined benefit superannuation payments.

I am willing to admit that there are a range of factors that contribute to the variations in numbers in any one year. In fact, they are referred to in the report of the Finance and Administration Committee. I note that the committee raised questions in relation to the statement of receipts and payments about higher profits for Queensland Rail, Stanwell Corporation, Energex Limited and Ergon Energy in 2013-14—all under the LNP—and that Ergon and Economic Development Queensland also made tax equivalent payments for the first time in 2014-15—I am quoting from the report—as well as a \$120 million dividend received from Queensland Treasury Corporation in 2014-15.

There is a pattern that I have referred to that emerged under Labor and it is no wonder that under the former Labor government, under Andrew Fraser's stewardship, they decided to combine the supplementary appropriation with the annual appropriation bills introduced on budget day. I will remember the day when this resulted in a lengthy delay between when the expenses occurred and when it was actually approved by parliament. It meant 12 months passed before the bills were introduced and up to 18 months before the bills went through the House. That was some time after the completion of the financial year and why we have committed to having a bill similar to this in our Real Economic Plan that said that we will make sure, if we are returned to government, that we do not have lengthy delays for the supplementary accounts. That practice did nothing to enhance integrity and accountability. It was all about hiding the true state of Labor's financial ineptitude from the people of Queensland.

The LNP government had a proud record of introducing into parliament a supplementary appropriation bill as soon as possible after the end of each financial year. As I said, that is what we did in government. We remain committed to that. We gave that commitment to ensure that the people of Queensland know the true state of Queensland's finances. We will not try to hide Queensland's financial position, as this government is seeking to do, by ignoring the state's total debt. We will always be open and up-front about the challenges this state faces. I heard today the health minister say that we focused on the bottom line whilst Labor focuses on the front line. You need to focus on both and we make no apologies for focusing on the situation we inherited and making sure that we did have those record deliveries in front-line services as well.

The LNP commitment is reflected in the explanatory notes of the Appropriation Bill (No. 2). Timely consideration of unforeseen expenditure enhances transparency and accountability of government expenditure. As such, supplementary appropriation is sought via a separate appropriation bill as soon as possible after the end of the financial year rather than combined with the annual appropriation bills introduced the next year at budget time.

I must at least congratulate the Treasurer on doing better than his Labor predecessor in this regard. This bill has at least been introduced in a timely manner. That does not hide the fact that this government has no policies for taking the state forward or restoring Queensland's fiscal position. I spoke previously about our Real Economic Plan. This was released before the Treasurer delivered the budget. It was a case of the LNP opposition outlining its economic vision even before the government of the day. We are still waiting to see what plans this government has. Only last sitting week and even today we have seen the Premier and the government running a million miles an hour from the Queensland Economic Action Plan that was drafted in the Premier's own department. I can understand why the Premier and Treasurer would want to distance themselves from this document. After all, what did it have to say about some of their key election commitments such as Advance Queensland? That the policy would have a low impact on creating jobs, a low impact on boosting business investment and a low impact on improving productivity. In distancing itself from the document concocted in the Premier's department, the government has raised questions about what it stands for, what it is going to do for this state and how it is going to build a stronger Queensland economy and not hold Queensland back.

Earlier this week CommSec released its quarterly *State of the states* report. That report showed Queensland in the middle of the pack on most economic measures, well behind leading states like New South Wales and Victoria. Instead of standing up and acknowledging the need to do better, the Treasurer yesterday took it as an opportunity to attack me. That is fine, but his attack only serves to highlight the fact that he is fresh out of ideas. It is easy to play the man, harder still to step up and say what he intends to do.

The Treasurer might think that Queensland lagging in sixth position on economic growth is okay, but I do not. The Treasurer might think that Queensland's position as part of a third tier of economies is satisfactory, but I certainly do not. The Treasurer may think that ranking last of all states on construction work is acceptable, but we on this side of the House think we need to be doing better.

As I have already said, I thank the Finance and Administration Committee for its consideration of the bill. As the Treasurer mentioned, unforeseen expenditure for the 2014-15 financial year totalled just over \$1 million. I also note that total appropriation in 2014-15 was less than the amount approved as part of the 2014-15 budget. That is undoubtedly a good result. It is the result of hard work and diligence by a lot of people who maintain these accounts behind the scenes. It is also a sign of the fiscal discipline instilled in the departments. I extend my thanks to all of those departmental officers who have accepted once more that it is entirely important that government agencies live within their means.

As highlighted in the *Consolidated Fund financial report* and the explanatory notes, \$9.1 million relates to unforeseen expenditure incurred by seven departments last financial year. Sixty per cent of the unforeseen expenditure incurred by departments was incurred by the Public Safety Business Agency, relating to capital projects transferred from the Queensland Police Service. A further 28 per cent was incurred by the Department of Agriculture and Fisheries, relating to additional expenditure required for the Queensland Agricultural Training Colleges.

Just a couple of weeks ago, I was at Emerald for a function to acknowledge students from the Emerald Agricultural College. We saved both that college and the agricultural training college at Longreach, but there is still considerable work to be done with the sector to encourage students and to both adopt the model and make sure that we invigorate the agricultural sector, as we were proud to do. It was wonderful to see those students at that function in Emerald just a couple of weeks ago.

It should also be noted that clause 4 of the Appropriation Bill (No. 2) amends section 71 of the Financial Accountability Act 2009 so that departments can borrow with the Treasurer's approval and removes specific reference to the Queensland Treasury Corporation. This amendment has been canvassed by both the Treasurer and the parliamentary committee in consideration of the bill and is a necessary change. Departments will still be required to get the Treasurer's approval for borrowings. As such, I will not spend any more time speaking to that aspect of the bill.

Regarding the Appropriation (Parliament) Bill (No. 2), there was a total of slightly less than \$3 million in unforeseen expenditure for the Legislative Assembly. That expenditure was primarily in relation to one-off expenses for the 2015 state general election, the fire protection system at Parliament House and upgrades to the finance system.

I do not wish to spend too much longer canvassing the various parts of the two bills. We have already heard the Treasurer provide an explanation and Treasury officials have also provided evidence to the Finance and Administration Committee, which has produced the report, which of course I have referred to today. However, I do want to make this point: fiscal discipline is absolutely essential here in Queensland, where we continue to have a huge debt problem, which is a problem of the Labor Party's making. Treasury's own advice to the previous LNP government was that an unprecedented period of fiscal discipline is required to restore the state's financial position. I urge the Treasurer not to lose sight of that.

The former LNP government started the process. We put a lid on expenses growth. We enhanced financial accountability by ensuring that supplementary appropriations were introduced into the parliament as soon as possible at the end of the financial year. We managed to stabilise the state's debt. We put Queensland on the path back to a fiscal surplus—a true surplus—as recommended by Queensland Treasury. That was the result of hard work and focus. My concern is that this Treasurer and this Labor government will not have the same commitment and the same focus. My concern is that under this Treasurer we will return to the bad old days when unforeseen expenditure blew out by billions of dollars. My concern is that under this Treasurer expenses growth will balloon once more, severely impacting Queensland's financial position. My concern is that under this Treasurer debt in Queensland will continue to grow past \$80 billion, despite his promises to pay down debt. All I can say is that the LNP opposition will be holding him to account and watching him every step of the way to ensure that Queenslanders know the true state of the finances. In conclusion, I again thank the committee for its consideration of the bill and I thank the departmental officers for their work.