




Speech By
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MEMBER FOR BURNETT

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APPROPRIATION (PARLIAMENT) BILL; APPROPRIATION BILL

 **Mr BENNETT** (Burnett—LNP) (8.20 pm): This 2015-16 Queensland state budget makes next to no mention of the clear election commitment of merging Queensland's generation and distribution electricity assets to scrap out annual savings of \$150 million. Many times during the campaign we all heard of the grand plan to deal with Labour's legacy of debt. The budget was silent on committing two-thirds of the dividends of our 'income-earning' assets towards debt in future years, which we also heard a lot about during the campaign. That plan was supposedly going to pay down \$12 billion over the next decade. Both dodgy deals were shot down by economists. They were part of a two-card trick to get through an election campaign. Now Queensland has finally been exposed to the Palaszczuk government's dodgy deals.

What Queenslanders have instead is a plan that puts at risk one of Queensland's greatest fiscal advantages over the rest of Australia, that is, our fully funded public service entitlements. The government will raid the funding pool set aside for long-service leave entitlements, suspending contributing towards the defined benefit fund and transferring debt onto the balance sheet of government owned corporations. The premise that we can move \$4.1 billion of public service entitlements into another platform of government is disingenuous at best. What Labor is trying to do is argue that GOCs pay off their own debt using their own revenues and we should shrug our shoulders as if this is not a problem.

The problem is that Queensland taxpayers are ultimately responsible for the debts of those businesses. That is exactly why we will not see any positive action from the ratings agencies as they measure the debts of the whole government sector against a state's revenue, even if we have been moving money across to different balance sheets. What has not been disclosed is that loading the energy networks with maximum debt now either reduces their capacity to fund future capital works with retained earnings—meaning more debt while their capacity to borrow more will be reduced—or requires an equity injection from the state, as we do for CS Energy and Stanwell. Every year, in this budget and many other budgets, tens of millions of dollars from taxpayers will be needed to sustain those assets, yet we hear from those opposite that they are important revenue-earning assets.

What successive Labor governments do not acknowledge or ever deal with is the debt and debt reduction, even if it is long service leave debt which must be paid for one way or another. What happens in an economic downturn? It is much like what occurred in 2009 when Labor was elected and revealed its plan to sell assets only after that date. Labor promised Queenslanders a reformist budget reminiscent of the Hawke and Keating era. Instead, what we have is a trick plan that seems to make the debt disappear, only to have it reappear in another place. It is smoke and mirrors. We all remember the Treasurer's promise in the lead-up to the budget to underpromise and overdeliver. What we have received is a budget that is underwhelming and underdone, because nothing will change with cost-of-living pressures and debt levels will continue to increase, which is what we have received from traditional Labor budgets for many years.

As has been well reported, the 2015-16 Queensland budget is scathing in its disregard for public finance accounting standards. The Treasurer has been widely criticised for rejecting the advice of the International Monetary Fund, the OECD, Australian state and federal budget honesty acts, numerous audits of federal and state finances, and the fiscal sustainability metrics of the ratings agencies, as reported today in the *Australian* newspaper. We all know that Labor has opened the door to these dodgy and deceitful raids on government owned corporations and we know that, not content with a lazy \$4.1 billion from the most recent raid, they will go looking for more idle cash. What is most disturbing in this post-GFC, post-mining boom decade of low interest rates and obviously stalled global economy, which appears to be getting worse every day, as well as highly volatile stock market returns, is that Queensland Labor would recommend cutting the relatively small surplus in the public sector superannuation scheme to zero.

In keeping with a typical Labor budget, there is no acknowledgment that Queensland's finances are in no state to restart the spending trajectory of the Bligh-Fraser years. So far the 2010 decade has been one of the toughest decades in Australia's history. Per capita incomes have been falling and the domestic and global outlook remains uncertain. Where other Australian governments have heeded the worst of those warnings and reined in debt and spending, Queensland—like Greece—thinks it is a special case, believing that it will be saved by liquefied natural gas exports, which is a one-trick pony. There is very little doubt that Queensland's finances will be downgraded again. The only thing that saved them recently was a credible Liberal National Party treasurer who was able to tell a convincing story and deliver fiscal repair.

I have said consistently that you cannot, in all integrity, move people off the unemployment queue and into a classroom to be trained in programs that failed previously for jobs that do not exist because this Labor government is doing nothing to grow the economy. We also know that, instead of looking to the private sector, Labor is growing government with 19 new bureaucracies and hiring another 3,000 public servants at a cost of \$1 billion. Those types of poor Labor policies were predicted before the election; here we go again.

A further review of the budget papers exposes the fact that there is nothing good in Labor's proposal to phase out sandmining on North Stradbroke Island and provide a miserable \$20 million over five years to develop the North Stradbroke Island Economic Transition Strategy. This is completely insufficient. Extending the mining leases for Enterprise Mine from 2019 to 2035 delivers real economic gains to North Straddie and Queensland could benefit from extra mineral production of \$1.5 billion, value added to the Queensland economy of \$950 million, royalties to the state of around \$75.74 million and the retention of approximately 107 full-time-equivalent jobs from 2015 to 2035.

In the budget we see that Queensland's environment department will stop monitoring increases in land protected for koala habitat and high-quality conservation refuges after it failed to meet its targets. The budget papers detail an estimated 12.5 per cent annual increase in land to be rehabilitated as habitat for koalas this year, but it fell short, at only 5.2 per cent. The yearly percentage increase in land for nature refuges was to jump 10 per cent, but came in at 2.7 per cent. Both measures have been discontinued this year. The koala-habitat measure has been discontinued due to a ministerial decision from the previous government, but a new stocktake of the total protected land area will be introduced, which is just more red tape.

It comes as no surprise that the Great Barrier Reef will be burdened with new bureaucracy to add to the complexities of management and advice with a \$100 million boost to reef funding over the next five years. Treasurer Curtis Pitt declared that no government in history has been more committed to the reef and he outlined increased spending on water-quality monitoring, scientific initiatives and changes to primary production. What a pity that was all just to create another layer of bureaucracy. A departmental office of the Great Barrier Reef will be responsible for overseeing the efforts of 11 state and three federal agencies. There is no framework and scope has not yet been delivered—just talk. And they have responsibility for the reef! What the reef does not need is another expensive level of government.

Queenslanders should be concerned with this government's unattainable target of reducing nitrogen run-off by up to 80 per cent and sediment run-off to half its current level in the Wet Tropics and Burdekin catchments by 2025. Those targets will become regulated under this government, adding costs and burden for no gain while further demonising the farming sector. Our communities need to be concerned that Labor has slashed grassroots environmental programs. The LNP delivered \$12 million over three years through the Everyone's Environment grants program, which was highly successful and highly popular. Labor has ripped half a million dollars out of the Heritage Protection budget. Tonight, much has been made about pre-announced federal government road projects and previously announced local projects.

What is concerning is the lack of infrastructure, especially for the Bundaberg and Burnett region. We have no flood mitigation projects, no multiplex community centre, no hydrotherapy pool for the front-line health service and no funding for the urgent safety project at Kay McDuff Drive. We have heard a lot about jobs, but I cannot identify any new money for my region that will generate much needed jobs. We hear that this government will introduce many of their failed training programs, including announcing \$750 million for vocational training. The majority of that was already announced last year.

In my region we have seen the announcement that funding will not continue for the Great Teachers = Great Results program. The government is destroying the Bundaberg Safe Night Out Strategy by cutting \$24 million out of this program across the state. I acknowledge that those opposite have not ceased our commitment to provide more police and teachers. They are keeping our pensioner concessions. Pensioners will welcome that.

Our police are going to need the numbers and resources if Labor continues to go soft on crime, decreasing grant funding to the Crime and Corruption Commission to investigate criminal outlaw motorcycle gangs. There are seven fewer staff, thanks to this funding cut.

We see the attack on small business continuing, particularly the attack on those men and women who represent the commercial fishing industry. Not only are they being forced out of their traditional fishing grounds with compulsory closures, we are seeing a savage cut to the voluntary net fishing buyback program. Can we think of anyone but those in this government who would destroy someone's livelihood and remove the compensation?

The reality is that this budget delivers very little for Bundaberg and next to nothing for those hardworking men and women of the Burnett. The reality is that we have received a capital spend reduction of 33 per cent this year compared to 2014-15. I remind the people of my region that this budget is bad for jobs and bad for growth. Employment growth is down. Jobs are now drying up in the region due to a significant lack of confidence. Unemployment is up and continues to rise after we had stopped the upward pressure. It will be sad to continue to expose the deteriorating state of my local community.

Mr DEPUTY SPEAKER (Mr Ryan): Order! Member for Burnett, we will wait for the House to come to order.

Mr Rickuss interjected.

Mr DEPUTY SPEAKER: Order! Member for Lockyer, I am waiting for the House to come to order and I do not need you to be a conductor.

Mr Rickuss interjected.

Mr DEPUTY SPEAKER: Order! Do not backchat or I will warn you under the standing orders and you can have an early night.

Mr BENNETT: In closing, Albert Einstein once defined stupidity as 'doing the same thing over and over again and expecting a different result'. He also said 'we cannot solve our problems with the same thinking we used when we created them'. They are great thoughts for those opposite. I do not support the bill.