




Speech By
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MEMBER FOR NANANGO

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**APPROPRIATION (PARLIAMENT) BILL; APPROPRIATION BILL; DUTIES AND
OTHER LEGISLATION AMENDMENT BILL**

 **Mrs FRECKLINGTON** (Nanango—LNP) (Deputy Leader of the Opposition) (3.03 pm): I rise to speak in this budget reply. Firstly, I acknowledge my daughter Lucy in the chamber. She has finished her exams this week and has decided to spend her afternoon listening to the budget in reply debate—and, no, she is not in trouble.

After nearly 18 months of the Palaszczuk Labor government and two budgets, it is clear that this government does not have a plan. The budget, which was handed down two days ago by a mistake-prone Treasurer—the likes of whom we have never seen before in Queensland—is a budget that is big on rhetoric and hollow on substance. It is interesting to note that this budget is meant to be an infrastructure budget. This infrastructure budget spends \$2 billion less on infrastructure than what the LNP's last budget spent on infrastructure. In this budget, infrastructure spending has fallen—from almost \$10 billion in our last budget in 2014-16 to \$6.9 billion in this budget. That is a decline of almost \$2.8 billion, or almost 30 per cent. In real terms, infrastructure spending has fallen by almost a third. How has Labor gone with the infrastructure promises that it made last year? As has been said numerous times this week in this House, Labor did not even bother to spend that money. Labor underspent it by almost 20 per cent. We now see that funding included in this figure. Based on this government's own job estimates in last year's budget, this underspend has cost Queensland around 6,000 jobs and meant delays to important transport, health and energy infrastructure. In the general government sector, which funds our roads, schools and hospitals, the Palaszczuk government has underspent by 22 per cent, or around \$1.2 billion.

This budget simply has no credibility. As has been said, the best predictor of future behaviour is past behaviour. If Labor cannot get these important projects rolling out the door, it certainly cannot be allowed to be responsible for our \$300 billion economy and our just over \$50 billion state budget. It is incredible to note that, under this Palaszczuk Labor government, infrastructure investment in the general government sector has also fallen to 2.2 per cent of gross state product—roughly half the percentage of infrastructure investment in the previous five years and, importantly, the lowest in living memory.

Where has the \$4 billion gone from Labor's raid on the defined benefit superannuation fund? This Treasurer tells us that, apparently, \$2 billion went into debt reduction and \$2 billion will go into infrastructure. We note in the figures that net debt in the general government sector rises fivefold—by more than \$7 billion. This supposed infrastructure budget is simply not there. The Treasurer has been caught red-handed with his decision to raid public servants' superannuation. After 18 months of this asleep-at-the-wheel Palaszczuk Labor government, business confidence is evaporating and the situation is even worse in the regions.

The headline numbers are not pretty. The budget has a fiscal deficit as far as the eye can see. Despite the government's reckless act of raiding the superannuation fund, debt is rising to nearly \$80 billion, leaving a fifty-fifty chance that the fund will go into deficit, meaning that it will not be able to pay members their entitlements. That means that taxpayers will have to bail out the fund. The only intergenerational legacy of this budget will be debt—just like the legacy of the Beattie and Bligh years.

As I said, in this budget this government is spending \$2 billion less on infrastructure. There is no way to dress it up, or say that there is a big infrastructure boost, when the budget papers simply do not reflect those statements. There has been some mention in the budget of the often talked about big infrastructure projects. Cross River Rail, Labor's supposedly No. 1 infrastructure priority, received only \$50 million to cover the cost of building up a bureaucracy. The long-awaited business case for Cross River Rail is yet to be delivered, making it impossible for the federal government to reasonably consider any funding request.

It is interesting to note the comments this week of the Treasurer, which seemed to contradict those of the Minister for Infrastructure and the Premier. This week, the Treasurer was reported in the media as saying that Labor may delay Cross River Rail. That only serves to create further uncertainty about Labor's commitment to that project.

Labor's Building Queensland is yet to release a pipeline of projects. The \$2 billion put aside in the infrastructure fund is yet to create any jobs for Queenslanders or boost productivity. We have heard many times this week how regional Queenslanders have simply been forgotten about, with significant cuts to the infrastructure spend compared to the LNP budget. In Wide Bay the infrastructure spend has been slashed by more than \$400 million. The infrastructure spend in Toowoomba is down by more than \$220 million. Incredibly, in Mackay—where we were only a week or two ago—it has again this year been slashed by another \$80 million.

Since January 2015 we have seen Labor putting politics before the people of Queensland. Labor has refused to work with the federal government and fund projects. I acknowledge Michelle Landry, the hardworking candidate for Capricornia. She has announced much needed funding for the Rookwood Weir, a project that is expected to increase agricultural production by \$1 billion a year and create 2,100 local jobs. Where is the Palaszczuk government on this vital piece of infrastructure for Queensland? It is completely silent within this budget.

Interestingly, not listed in this year's budget papers is the Townsville port access corridor. It was in last year's budget but it has been completely taken off. This is a project that would boost the port's already \$8 billion worth of trade that flows through that vital port through direct access for freight trains of up to 1,400 metres, increasing capacity, efficiency and safety of existing rail operations. This vital piece of infrastructure for Townsville is not even mentioned. It was completely taken out of the budget papers.

The sad reality of Labor's political games is that Queenslanders simply miss out on a share of federal funding. Other states are prepared to work with the federal government. I am proud of the LNP's working record with the federal government to secure infrastructure for Queensland. The LNP worked with the federal government to secure funding for the Toowoomba Second Range Crossing, creating up to 1,800 full-time construction jobs and improving road freight, especially for the resources and agricultural sector. We see that work commencing now. We also worked with the federal government to provide a \$6.8 billion rescue program for the Bruce Highway, a program that will have over 200 individual projects for the state's main road artery. Those projects are actually happening right now. That road is important to millions of Queenslanders. Whether you are a banana grower in Ingham or a tourism operator on the Sunshine Coast, you really do need the Bruce Highway work.

Looking at this budget we see not only the infrastructure that Labor has not funded but also projects it has failed to deliver. In relation to state development it is easy to see the difference between an LNP government and the now failing Labor Palaszczuk government. It is evident in my travels as I go across the state. It is fair to say that regional communities are hurting. One-third of the young people in outback Queensland are unemployed. In Cairns almost one in four young people cannot find a job and in the Wide Bay almost one in five people are unfortunately in the unemployment queue. What is missing in this budget for these people in the regions and across the state is a vision for building these communities and facilitating state economic growth.

The Palaszczuk Labor government's Building our Regions fund had a budget allocation in last year's budget, the 2015-16 budget, of \$70 million. Those opposite sat in this chamber and talked about how that was going to be the saviour of the regions. The embarrassing fact for this lazy Palaszczuk government is that less than half a million—in actual fact, \$406,000—of that \$70 million was actually expended last year. Regional communities have been missing out on the vital investment they need and the jobs that would flow from that investment because of this government's inaction. This week in

the House when asked about it the Premier's first thought was to blame hardworking regional councils across the state. This comes at a time when we have heard the claims of a Labor government that it is accelerating these projects in the regions. Honestly, it is incredible. I do not think time could go any slower. We are screaming out for these projects in the regions and nothing is happening.

I am proud of the LNP's Royalties for the Regions program which was scrapped by Labor. Even though it was scrapped, it still delivered more in this financial year than the Labor Party's Building our Regions fund. It is just incredible. Unlike those opposite we had a plan to build infrastructure projects in regional Queensland. Where this government is winding back infrastructure in Queensland in regional communities, we have put \$495 million on the table through our Royalties for Regions program, unlocking the economic potential of regional Queensland to improve our communities and, vitally important for our regional communities, to create jobs. When the Labor Party is talking about the jobs that they are trying to grow in regional Queensland—or anywhere in Queensland—they need to look at why this infrastructure spending is not happening, why it is not rolling out the door.

The Treasurer in his budget speech spoke about the importance of the Queensland resources industry, yet we have major companies and peak resources industry groups stating Labor is doing its best to hump them out of Queensland with regulations, red tape and project approval hold ups. The Carmichael Mine is a prime example. We are seeing no jobs. Regional Queensland—the heartland of Queensland—is hurting the most through a lack of jobs because this government is holding up Queensland from being the economic powerhouse that we really are.

In relation to trade, the free trade agreements that the federal government have put in place are good for the Queensland economy. If only we had a government that was serious about capturing the advantages of those agreements. The Palaszczuk government does not have a sustainable plan when it comes to trade. One day we see the surprise announcement of two new trade offices in Chengdu and Singapore to boost international investment and then two days afterwards—I doubt the Treasurer had spoken to the trade minister about this—we see a new tax on foreign investment. It is hard to imagine a more blatant breach of Labor's election promise of no new or increased taxes than a great big new tax on foreign investment.

Maybe the Treasurer did not understand how big this tax was. We have heard many times how embarrassing his 3,000 per cent error was. While the Treasurer was talking about opening trade offices in international places to encourage trade and investment here in Queensland, it is incredible to say the least that two days afterwards there is the announcement of a big new hairy tax. Admittedly he did not know how big it was until he was corrected by one of his staff. It is worrying that the Treasurer comes into this House and says, 'Don't worry about it. It is all fine. We have it under control. Other states also have a tax on foreign investment. It is okay because someone else is doing it. Do not worry about Queensland.' Queensland's executive director of the Property Council of Australia, Chris Mountford, has now labelled this tax a high-risk move for Queensland's fragile economy. It is again another reckless move made by a Treasurer who says one thing—'there will not be any more taxes'—and then does another. In May of last year, he categorically ruled out this new tax on foreign investors. Not only will this broken promise destroy jobs in Queensland but, unfortunately, it will also erode investor confidence at a time when we need it most.

I am really pleased to touch very briefly on the LNP's employment plan, which will create 20,000 jobs for young Queenslanders as part of our plan to get Queensland working. Our plan will reduce the cost of working for young apprentices and incentivise businesses to train and retrain young Queenslanders, not only in the regions but also across the length and breadth of this state. Under Labor youth unemployment has increased and our figures are the second worst in the nation, just ahead of Tasmania. We will provide a \$5,000 incentive for Queensland businesses that take on an apprentice who then completes that apprenticeship. That will provide for 10,000 new apprentices over four years. Under the Palaszczuk government, apprenticeship numbers have fallen in terms of both completion and take-up rates.

Our scheme is not just for employers; of course, it is for the apprentices themselves. It will help increase the opportunities for young Queenslanders, helping tradies, sparkies, plumbers and hairdressers to get working with a \$500 tool voucher available upon completion of their apprenticeship. It will provide small businesses with incentives to help train and retrain young Queenslanders who simply want a job. For those Queenslanders who do not necessarily want to complete an apprenticeship but want the dignity of work and for small businesses that may otherwise struggle to put on employees, we will offer \$4,000 grants to assist with recruitment and start-up costs for eligible young Queenslanders who are unemployed and not enrolled in full-time education or training. We will provide incentives for businesses to employ Queenslanders, unlike this Palaszczuk government.

The employment bonus is there to encourage businesses to employ eligible participants under the apprenticeship boost or job-start incentives to train and retrain young Queenslanders. After 12 months of continuous employment for each eligible participant, employers will have workers' wages excluded as part of the next year's workers compensation premium. As Deputy Leader of the LNP, I could not be prouder of the employment plan that we are launching. It is a real policy and a real alternative for Queenslanders. Let us compare that with Labor, which has no plan. Only the LNP has the energy and the experience to get Queensland moving.