




Speech By
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MEMBER FOR CLAYFIELD

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

 **Mr NICHOLLS** (Clayfield—LNP) (Leader of the Opposition) (11.32 am): The 2016-17 budget is a budget based on hope—hope that the government’s heroic predictions will come true, hope that domestic and international economic conditions will not deteriorate but significantly improve, and hope that the people of Queensland will not see through Labor’s cheap trickery. It offers the people of Queensland Labor’s traditional magic pudding economics—the belief that the more money government spends the more it will have left over. Labor has again sought to perpetrate a fraud on the people of Queensland. Just 12 months ago the government promised a return to growth, a return to optimism, the paying down of debt and the creation of jobs. The rhetoric has failed to meet the reality. On that occasion the Treasurer announced unashamedly that he likes people. If that is so, why has the Treasurer dashed the hopes of so many Queenslanders? Why has this Treasurer tried to pull the wool over the eyes of Queenslanders and conceal the true extent of the state’s financial plight? Why has this Treasurer failed to follow through on his solemn promise concerning debt reduction and job creation? If this Treasurer likes people, he has a peculiar way of demonstrating his deep feelings for them.

Only last week the Treasurer, in discussing the prospect of increased taxes beyond 2018, said, ‘We obviously are going to have the conversation about how this is going to work in the future.’ When Labor Treasurers have discussions with the people about possible tax increases, these discussions end in only one way: with the dead hand of government deftly trousering the hard-earned money of taxpayers. Queenslanders are entitled to be fearful of what this government is contemplating but lacks the courage to tell them. Labor tax increases are on the horizon if those opposite get re-elected. At the same time, people are entitled to ask the government just what is being planned to dig the state out of the financial depths to which it has descended under Labor.

As a blueprint for the future, this budget is a miserable failure. The true test of this budget is whether or not it secures our future or puts our future at risk. Has this budget given Queenslanders hope that there is still a bright future ahead of us after the downturn following the mining boom? Do we have a clear pathway to reduce the unsustainable debt built up under premier Bligh and treasurer Fraser when spending was out of control—a government that included five of the current ministry? Is this budget even an honest account of where we stand as a state four years after the end of the largest resources boom in our history? This budget does not provide that pathway. It does not point to an optimistic future and it seeks to conceal and disguise the true state of Queensland’s finances. This budget once again puts our future at risk with unsustainable spending increases, reckless raids on the Public Service superannuation scheme, a collapse in infrastructure investment, a misguided jobs policy that favours certain industries over others and predicts increases in unemployment, and puts our credit rating at risk of a further downgrade with the key measure of credit worthiness deteriorating instead of improving.

This budget is already dead in the water, discredited in record time. Why is this budget dead? The budget was meant to be about jobs, jobs and jobs, but unemployment is forecast to go up in 2016-17 and does not fall below six per cent over the forward estimates. Moreover, on the Treasurer's own economic forecasts, employment growth will be weaker next year than it has been this year. If he hopes that economic growth will save him, then he is delusional. Last year, the Treasurer forecast economic growth would reach a bullish 4.5 per cent. Now, he admits it will only reach 3.5 per cent, a miscalculation of about one quarter. Does anyone really believe his similarly bullish forecast of four per cent growth for 2016-17? The Queensland domestic economy is in recession and only exports are supporting our economic growth. What is the Treasurer doing about it? Business investment—the engine room of our business and industry—is expected to have declined by a whopping 23 per cent this year and will decline again by a further 10 per cent next year. How is that going to generate the new jobs that Queenslanders want?

This budget was meant to be about infrastructure, but infrastructure investment is down to record lows as a percentage of gross state product. This budget was meant to be about growth, but the growth rate has been cut by almost one quarter. This budget was meant to be about debt reduction, but no matter which way you cut it debt goes up. In fact, net debt, which sees through Labor's accounting trickery, increases five times. On any examination this budget fails the test. Despite the rhetoric, this budget fails to address the critical question of this state's ballooning debt. It fails to put in place policies that will protect the state's critical credit rating and it fails to put in place policies that will quarantine taxpayers' hard-earned dollars from the government's tax collectors.

Despite the election commitment to pay down debt, debt will continue to increase towards \$80 billion over the forward years. While the Treasurer says the deficit is under control, the fiscal balance—that is, the amount of money the government needs to borrow to continue to perform its functions—is forecast to blow out from a deficit of \$940 million in 2015-16 to over \$2 billion in 2016-17. This is a budget which promises surpluses but delivers fiscal deficits totalling \$7.3 billion over the next four years. Under Labor, Queensland will be borrowing more and this will mean Queenslanders will be paying more. Net debt, which this government promised to pay off entirely—promised to pay off entirely—will increase from \$1.6 billion to \$8.6 billion. The ability of the state to repay its debts is weakening, again meaning Queenslanders will have to foot the bill for Labor's recklessness.

The Treasurer has delivered a wafer-thin operating surplus in 2015-16 following on from the two operating surpluses delivered by the former LNP government. Again, the Treasurer got his calculations horribly wrong last year. He forecast an operating surplus of \$1.2 billion and now it has almost disappeared. He has got his numbers wrong by over \$1 billion. Moreover, the operating surpluses between 2015-16 and 2017-18 are now expected to be \$7 billion lower than were previously forecast under the LNP. These operating surpluses by this Treasurer are illusory anyway, because debt is still rising. The real measure of budget responsibility is the fiscal balance and this is in deficit as far as the eye can see, meaning that debt will continue to mount, representing an ever-increasing burden for Queenslanders now, for their children and their grandchildren. Today's debt is simply tomorrow's taxes.

What solutions does this Treasurer offer to overcome this sorry state of affairs? What has he done to fix the problem? Having shifted \$4 billion worth of debt on to government owned corporations last year in his pea-and-thimble trick, this Treasurer cast his net wide again this year in search of another mesmerising policy masterstroke that he never told the people of Queensland about. What did he come up with? Nothing more than a \$4 billion cash-and-grab raid on public servants' superannuation. What are the risks behind this move? The Treasurer and the Premier would have you believe that there is absolutely no risk at all and that this so-called solution is the single initiative—the single initiative—that will restore the state's finances. On Tuesday, the Treasurer said—

We remain steadfast in our commitment to upholding the quality of our credit.

It is hard to imagine a more delusional statement from a Treasurer in delivering a budget that contains a \$4 billion raid on superannuation. In raiding the superannuation fund of public servants, this government has downplayed the advice of the State Actuary, delivered in a letter of 26 April this year, of a fifty-fifty probability of the scheme falling into deficit by 2020 based on the \$4 billion raid. Perhaps this Treasurer should have asked the fund members first how they felt about his raid on their superannuation fund. These are not the risks that a responsible Treasurer should be taking—or perhaps he is becoming the 'Minister for Risky Business' as well.

Indeed, when the State Actuary did not endorse the government's plan to a sufficient extent, what did the government do? It does what Labor always does: it moved the goalposts to ensure that its plans would be approved. Rather than reaching the high standard, it lowered the standard. However, the Actuary in his further advice of 20 May 2016, even after Labor changed the goalposts, highlighted the dangers in the government's proposals. He said—

In my view, this risk is greater than it appears on face value as the circumstances in which a deficit arises (i.e. adverse investment markets, subdued economy etc) are likely to be ones where the Government is unlikely to have easy access to cash to repair the deficit, either through receipts or borrowings ... In order to ensure the ongoing funding of the Scheme, it is critical that the Government recognises this issue and stands ready to contribute additional funds should adverse experience occur in future.

Why is that good advice? Because it has happened before. It happened under Andrew Fraser and Anna Bligh and the ministers who are sitting over there from that government. We all remember in 2009 when, under Labor, the credit rating was lost and credit markets closed up. The state government under Labor could not borrow. It had to go cap in hand to the federal government to get a guarantee in order to be able to access the funds that it needed to run the state. This is not something that is in the never-never—this is not something that has not happened ever before; this is something that has happened in recent memory in this parliament. What does this Treasurer do? He ignores the recommendations of the State Actuary. He places the funds at risk on a fifty-fifty basis. Let the government be warned: the alarm bells have been rung. The dangers of this policy choice have been pointed out and the government has chosen to ignore them. What does the principal sponsor of the government's own post budget-business lunch say? What did he say?

An opposition member interjected.

Mr NICHOLLS: I take that interjection—'Give me my money back.' I suspect that is what 50,000 public servants are probably saying as well. What does the principal sponsor of the government's post-budget business lunch say? He said, 'So we're actually going backwards.' Then, not at the lunch—so it is not taken out of context—but when he was directly asked about it in an interview he said, 'The economics of it don't make sense to me.' Not only is the government being warned by the State Actuary of the foolishness of the raid, not only does this Treasurer and this Premier change the rules for the raid but also they ignore the economics of the raid, and that is, that it does not make sense.

Over and above their reckless attitude towards the superannuation fund of public servants, this government has also adopted a carefree approach to the role of government owned corporations. When it comes to debt, under this Treasurer GOCs are ignored—'That's not government debt.' Labor does not consider them to be part of the state's finances. They might be owned by the state but, under this Treasurer, the state is not responsible for them or, seemingly, their debt. However, when the cash reserves of the GOCs are considered the government sees nothing inconsistent with pillaging those reserves for its own ends. It does not want to know about the debt, but it certainly wants to grab the cash. That is the attitude of this government.

Just as last year's pea-and-thimble trick sought to load up GOCs with government debt, the Treasurer has now announced that those GOCs will be required to make any surplus cash available through a modified offset banking arrangement. A quarter of a century after the corporatisation reforms, driven by Queensland Treasury, that established the GOCs, that said that they should be run independently, that they should have their own boards, that they should manage their own affairs, Labor is back to stripping cash out of the GOCs as if our most important utilities are nothing more than a giant ATM. The government looks upon GOCs like the barbarian hordes looked upon Rome—as a source of plunder. In dealing with GOCs, this government has exhibited about the same subtlety and finesse as those barbarians. In such a contest, there will be only one winner.

For this government's debt reduction strategy to be effective, it has to confront both elements of the question. Not only must Labor tackle the historically high levels of debt generated by its Beattie and Bligh predecessors but also it must confront its own manic desire to spend its way out of a crisis of its own making. The only brake on spending by a Labor government arises when someone else's money runs out. It is part of Labor's DNA that it sees public expenditure—in reality the spending of taxpayers' hard earned money—as the solution to all and every economic and social crisis. In Labor's eyes, there is no problem that cannot be solved by throwing money at it. This budget is proof that, even after more than 100 years of the Labor social experiment, spending money is still regarded as the solution to every problem.

On Tuesday, the Treasurer announced that expenditure is under control and is expected to grow by 2.9 per cent per annum over the forward estimates. However, that disguises the stark reality that the government's own employee expenses grew by 7.3 per cent in 2015-16 and are expected to grow by almost five per cent in 2016-17. Again, we have been here before, because these are the highest rates of growth since the period of the Bligh government when, between 2008-09 and 2011-12, employee expenses grew in each of the four years by between 8.1 per cent and 8.8 per cent per annum—each

year for four years. It is interesting to observe that the Premier, the Treasurer, the Minister for Health, the Minister for Education and the Minister for Transport—almost one quarter of this ministry—all served as ministers during the period when expenses grew under the Bligh-Fraser government.

One would have to say that it is pretty obvious where they acquired their economic skills: from one of the most economically reckless governments in Queensland history, a government that lost the AAA credit rating, a government that started racking up \$85 billion worth of debt and a government that left us with fiscal deficits for as long as the eye could see. Regrettably, it is these lessons that they are now putting into effect through this budget as they fail to rein in the record levels of expenditure.

Much was made in the budget speech of the new fiscal principle: ensuring that growth in Public Service employee numbers does not exceed population growth—on average—over the forward estimates. Unfortunately, the Treasurer failed his brand-new fiscal principle in record time. It was broken the moment he announced it. The promise did not even last one afternoon. One would have to say that is a record even for the Labor Party. In 2016-17 the growth in Public Service numbers will be almost double the population growth rate. While the population is estimated to grow by one and a half per cent in the coming financial year, the number of public servants will grow by over 2.4 per cent. We have heard the Treasurer excuse this failing by saying the promise applies only over the forward estimates. This defence is as credible as Bill Shorten's 10-year commitments on expenditure: they do not stand up to scrutiny and they bear little relationship to reality or recent Labor history. It is also straight out of Wayne Swan's discredited playbook. We all remember Wayne Swan. Every year from 2008 onwards until 2013 he promised the budget would be back in surplus—every year!

Mr Minnikin: How did that go?

Mr NICHOLLS: \$190 billion in accumulated deficits after promising a surplus more than 500 times. It is straight out of Wayne Swan's discredited playbook: defer all the tricks to the out-years. No-one is fooled by that trick anymore. This budget is riddled with inconsistencies and contradictions. It claims to look to the future but is based on rear-vision mirror thinking that owes little to the demands and challenges of the 21st century.

As Talleyrand is reputed to have said of the Bourbons upon their return to the throne in France, Labor has learned nothing and they have forgotten nothing. If there is one thing that the latter part of the 20th century should have taught us it is that changing circumstances demand new responses. Economies do not stand still and if Queensland is to remain competitive in the face of both domestic and overseas challenges we need to adopt new approaches. Doing things exactly as they have been done in the past will solve nothing; it will simply relegate us to a second-rate future.

Not only is this budget redolent with inconsistencies and half-truths, it appears based on policy incoherence and backward thinking driven by a desperation to spend other people's money. The budget introduces a \$40 million cash cow called the Industry Attraction Fund that is optimistically charged with aggressively targeting interstate and international businesses to move their operations to Queensland. This industry welfare policy is the last desperate gasp of the economically irrational who seek salvation in bribing others to come to Queensland because they are bereft of ideas themselves. Is Labor so incompetent or so clueless that bribery has become the first refuge of the modern Labor thinker? This government appears to have lost confidence in Queensland and in its own capacity to devise good policy. The Treasurer, the Premier, this government, have run out of ideas.

In 2002 Gary Banks, the former chairman of the Productivity Commission, hit the nail on the head in his criticism of this sort of economic foolishness. In a speech to CEDA right here in Brisbane he said—

If governments can agree to a truce on interstate bidding wars and other selective corporate support, they can then concentrate their forces on a much more worthy and productive battle: improving further their economic governance, tax regimes, infrastructure and other service delivery. These are the real mainstays of the contribution of state and territory governments to economic performance in the long term.

Almost 15 years after Gary Banks' warning and over a century since Federation, one of the principal aims of which was to get rid of the barriers between interstate trade and commerce, what do our Premier and Treasurer want to do? Rather than looking to Asia and the Pacific and capitalising on the federal coalition's free trade agreements, the Premier and the Treasurer choose to look jealously south, salivating at the mouth at the prospect of nabbing some New South Wales or Victorian business and bribing it to move north—as is said in the Bible, coveting thy neighbour's wife. This policy does nothing for existing Queensland businesses, those who own them and those who work in them. In fact, it blatantly discriminates against those Queensland businesses. This is a State of Origin battle in which the Palaszczuk government is backing New South Wales businesses against Queensland businesses. How crazy is that? It is not only an act of desperation, it is simply bad policy.

As Queensland speeds rapidly back to the past in pursuit of policies that are discredited, outdated and irrelevant, the Labor government, with the Treasurer in charge, shovels more coal into the old steam engine it calls progress and disappears into economic irrelevance. But the story gets even worse. There is now a new government energy services business which will compete with our very own mum-and-dad small business sparkies struggling to earn a decent living; a government business with a minister who would rather meet with his union mates than with hardworking local businesses employing Queenslanders. What is next? Will we see this Palaszczuk government returning to the practice of running butcher shops as it did back in the 1920s and 1930s? The tragic fact is that Queenslanders have been conscripted as passengers on this government's steam train ride into the past and they have no chance of getting off.

The shortcomings of the budget are many and obvious. However, there are three critical areas in which the people of Queensland are being deceived and in which the government's rhetoric is well short of reality. If there is one area in which this budget has clearly failed the people of Queensland it is in infrastructure investment: one of the key drivers of economic growth and a vital element in ensuring jobs for Queenslanders into the future. The Premier and Treasurer have been telling us day in and day out that infrastructure will save us, that infrastructure investment will create jobs now and jobs in the future. But what exactly has happened? Infrastructure investment has collapsed. In fact, the budget tells us that as a percentage of gross state product infrastructure investment in the next five years will be half the average what it has been in the past decade. The word 'infrastructure' is mentioned no fewer than 35 times in the Treasurer's budget speech. However, not once does he admit that infrastructure spending has declined significantly on his watch. Not once does he admit, even with the \$2 billion ripped out of superannuation accounts and apparently put into infrastructure, that infrastructure spending is still going to decline to its lowest ever level as a percentage of gross state product and stay at that level over the forward estimates.

Last year the Palaszczuk Labor government bragged that its \$10.1 billion infrastructure program would support 27,000 jobs. But the government then failed to spend \$2 billion of its infrastructure allocation last year. That is a massive underspend of almost 20 per cent. How many jobs went begging? This year's infrastructure allocation of \$10.7 billion is \$800 million less than the LNP budgeted on infrastructure in the 2014-15 state budget. Capital purchases over the next four years have been cut by \$2.3 billion compared to the LNP's capital program.

For a government that promised to focus on regional Queensland, they have once again short-changed our major regional centres in this year's budget. The infrastructure spend in Wide Bay has been slashed by more than \$400 million when compared to the LNP's 2014-15 budget. Infrastructure spending in Toowoomba is down more than \$220 million over the same period. In Mackay, infrastructure spending has had an almost \$80 million cut. Cairns has had its infrastructure spend slashed by \$120 million and Townsville has seen its infrastructure spend slashed by \$180 million. If a state government cannot get its act together, cannot manage its forward capital program, it is time to hand back the security pass to 100 George Street and give someone else a go.

Infrastructure investment only creates jobs in the long term and raises income if it is productive investment. Infrastructure investment must be affordable and sensible. Bad infrastructure investments or badly timed investments will lower productivity and incomes and not create any new jobs. Making smart, sensible infrastructure investments on behalf of Queensland taxpayers requires a lot more than setting up the next hard-hat PR stunt. It requires careful evaluation and proper governance processes and this government is failing at both. These are big multibillion dollar decisions; the biggest decisions that governments can make in many cases. Big decisions require careful scrutiny and proper process to ensure good financial management and that taxpayers receive value for money. Labor simply cannot be trusted to deliver infrastructure.

The second key area where this government fails is the one probably closest to the hearts of all Queenslanders and that is the issue of jobs. This is a budget that promises more jobs, but delivers fewer jobs. Unemployment is forecast to remain at or above six per cent over the coming years. Last year, the Premier and the Treasurer promised Queenslanders jobs now and jobs for the future. This promise has proven to be nothing more than a cruel hoax. Since delivering that budget in July last year, more than 20,000 full-time jobs have been lost here in Queensland at a rate of more than 1,000 full-time jobs a month. The number of Queenslanders on the unemployment queue has grown by 11,500 people. The seasonally adjusted unemployment rate has increased by almost half a per cent. The participation rate has fallen, meaning people have given up looking for work and the youth unemployment rate in Queensland has increased from 13.2 per cent to 15 per cent. By those measures—by their own measures—the last Labor budget has been an abject failure.

In her budget reply speech in 2014, the Premier stood where I stand today and made a solemn promise. The Premier announced that she would establish Jobs Queensland as an independent statutory authority. In the words of the Premier, Jobs Queensland was 'all about getting government refocused on jobs and job creation'. Jobs Queensland was going to 'ensure that we create and keep in Queensland the jobs of the future'. Queenslanders are still waiting. Despite Jobs Queensland now having a \$40 million budget allocation, despite the necessary legislation passing through the parliament last October and despite it being one of Labor's key election promises, Jobs Queensland has no board and no direction. It has not helped create one job for Queenslanders. Apparently, it does not even have a home. It is another unfulfilled promise.

The Rural Job Agency, which was referred to in last year's government employment plan, is just a mirage. It is another broken Labor promise. It has been reported that Queensland Treasury has not figured out how to stop the roting of the government's regional jobs plan announced as part of the budget. Labor cannot even deliver a program that has been designed with the assistance of the Public Service.

Young Queenslanders are not getting the training and skills they need to get a job, while skills shortages in the labour market are not being met. If this is all Labor can do to refocus on jobs and job creation, Queenslanders looking to their futures have much to fear. We should be striving for productivity growth, which is the cornerstone of high income growth, high living standards, low unemployment and enduring prosperity. Productivity should be the focus of every government. Without productivity growth, wages do not grow, spending slows and the economy stagnates. We cannot rely just on population growth to drive the Queensland economy, as we have done in previous resources booms. The next boom could be a long way off, so we need to grow our economy by focusing on being more productive, more flexible and more responsive to opportunities, especially in the growing markets to our north.

Productivity growth is driven by businesses, large and small, in the private sector. The LNP believes the focus should be on reducing the regulatory burden on business. We certainly will not be jacking up taxes on business, which destroys incentives, investment and jobs. We still believe small business and private enterprise are the engine rooms of this productivity growth and the real key to productivity is enabling the private sector to innovate in ways that are best for each individual business, not subject to the dictates of George Street. That is why we must continue to reform our economy, making it more dynamic, enabling more people, more business and more regions to compete and to innovate.

We have our plan to get Queensland working. Unlike the employment minister, who thinks youth unemployment is not new and that there is not much you can change about it, we think there are things you can do to help young Queenslanders get ahead and get a job. On occasions, business needs a helping hand and so do those who want to work. That is why today I am announcing our plan to get Queensland working and to create 20,000 jobs and opportunities for young Queenslanders.

If elected, an LNP government will implement our plan to get Queensland working with targeted support for small businesses and workers that leads to jobs and opportunities for young Queenslanders throughout the state. We are doing this to arrest the decline in apprentice commencements and completions. In the first 12 months of this Palaszczuk Labor government, 2,600 fewer Queenslanders started training and 7,100 fewer Queenslanders completed training. We do not think that is good enough. We are doing this because we also want to help young Queenslanders who are not in training or currently studying to get their foot in the employment door as well. We are doing this to ensure that young Queenslanders have the tools and the equipment they need to stay in work.

Our plan includes a Queensland apprenticeship boost at a cost of \$50 million over four years. We will be providing \$5,000 incentives to businesses that take on an additional apprentice who then completes that apprenticeship. The boost will provide up to 10,000 new apprenticeships over four years and is part of our plan to arrest the decline in apprenticeship completions.

Mr Crandon: That is for every business and not just the top end.

Mr NICHOLLS: I take that interjection.

Honourable members interjected.

Mr SPEAKER: Thank you, all members. We will listen—

Mr Crandon interjected.

Mr SPEAKER: Member for Coomera, you have had a good go. We will listen to the Leader of the Opposition.

Mr NICHOLLS: Our plan includes a tools for tradies program, at a cost of \$10 million over four years. We want to help apprentices who have worked hard and completed their apprenticeship to get the tools they need to get a working start and help them get ahead as they commence their new career. That is why over four years we will provide \$500 vouchers for 20,000 apprentices who complete their trade. They can use those vouchers to help them buy or renew the tools of their trade when they most need it, at the end of their apprenticeship. That is practical help to get Queensland working.

We will also be introducing a job-start incentive, at a cost of \$40 million over four years. We know that small businesses face hurdles in getting and taking on staff. Recruitment and start-up costs can often be a barrier for businesses looking to employ and can act as a disincentive to take a risk and put on a new worker, particularly for a smaller business such as a typical mum-and-dad business in Queensland. Under our job-start incentive, we will help with those costs by providing \$4,000 grants paid in instalments over 12 months to businesses taking on young Queenslanders who are unemployed and not enrolled in full-time education or training. That grant will be available to businesses with a turnover of up to \$2 million and we believe the initiative will provide up to 10,000 jobs for young Queenslanders over four years. Importantly, it will be paid on a pro rata basis to encourage maximum completion and to ensure strong program governance.

Finally, our plan includes an employment bonus at a cost of \$8.2 million over four years. Businesses that employ eligible young Queenslanders under the apprenticeship boost or job-start incentive will be encouraged to train and retain young Queenslanders. After 12 months of continuous employment of each eligible worker, employers will have that worker's wages excluded as part of the next year's premium calculation for workers compensation. Importantly, if any worker is injured at work, they are still fully covered.

We believe our plan will provide 20,000 jobs for young Queenslanders—double that proposed by Labor—reduce the cost of working for young apprentices and incentivise businesses to train and, importantly, retain young Queenslanders, especially the low skilled, who can find it almost impossible to land their first job. Our plan will be supported by reallocating funding provided for the Back to Work package and unnecessary bureaucracies that waste time and money and do not actually create a job.

This is a sensible and realistic plan to get up to 20,000 young Queenslanders working and will be rolled out with the expert advice of a re-established ministerial industry commission. As I said, it will be across the whole state. This is evidence of our positive plan to get Queensland moving and to deliver real outcomes. Where the Labor government is focused on splashing money around, our programs will be targeted at achieving maximum results.

The third area in which Labor has failed abysmally is in relation to taxation. Again, the distance between what Labor promised and what they are delivering is massive. It represents a chasm which not even the most skilled and adept mountaineer could cross. The budget promises lower taxes, but slugs motorists with car registration fees that increase at twice the inflation rate. Taxes per person have increased by \$59 since the election of the Palaszczuk government. Again, at the last election the Premier and the Treasurer gave a firm commitment that they would not increase or introduce any new taxes for this term of government.

Despite ruling the tax out in May last year, the Treasurer has decided to slug a great big new property tax on foreign investors. Some people may be asking: why should we be worrying about a new tax on foreign investors? The answer is simple. It was pointed out today by the Property Council of Australia. It affects home ownership for Queenslanders. The other issue is that capital is nimble: it moves and moves quickly.

In terms of the overall tax take Labor can only take solace in the fact that taxes on the mining industry are returning fewer dollars than they have in the recent past. This is the only thing that makes the average taxation per head of population look good in the Treasurer's budget. It certainly does little to fund Labor's insatiable urge for tax dollars. Knowing this makes Queenslanders doubly wary of the Treasurer and his conversation on taxes. Here is what he said in his famous Mythbusters fact sheet—

MYTH: All the Government had to do was increase taxes across the board because Queensland is a low tax state anyhow.

FACT: In the last three Budgets, the government has taken significant steps across the board to fund new services.

Already we have:

- raised land tax and stamp duty at the top end
- increased taxes on casinos and introduced new liquor licensing fees—to help meet the costs of alcohol abuse
- increased coal royalties
- increased motor vehicle stamp duty and we have recently introduced a rise to car registration.

The best predictor of future action is this Treasurer's past actions. This is further proof of what everyone knows—that Labor has only one way of paying for its promises; reaching into the pocket of each and every Queenslanders and coming out with a fistful of dollars.

The broad strategies behind this budget are fatally flawed. At the same time, however, individual portfolio areas are not free from the same toxic maladministration which characterises the overall budget—and if one could call it that—strategy. Again, Labor has demonstrated its complete contempt for the people of Queensland as it dishes up the same discredited fare that symbolised the dying days of the Bligh government as it desperately tried to hang onto office. What failed then will fail now as the people of Queensland see through Labor's shabby attempts to conceal their own twisted priorities and poor administration. The divide between rhetoric and reality remains wide and this will become even more glaringly obvious as the year progresses.

In so many key service delivery areas this government is failing Queenslanders. The regional roads budget has been slashed. Important Bruce Highway improvement projects up and down the coast have had their funding delayed and we have seen the deferral of funding for important safety upgrades along the Warrego and New England highways.

Over the last 12 months Labor has blown its Health budget by almost \$100 million, signalling a return to the bad old days of cost overruns under the previous Labor government. Despite the minister's promises to reduce waiting lists, Labor's own budget papers show that over the past year thousands of patients on the waiting list for the waiting list for categories 1, 2 and 3 specialist appointments have had to wait longer than clinically recommended.

Under the LNP and the member for Southern Downs we were able to achieve a transformational turnaround when it came to waiting list figures. It was only the LNP that was able to introduce a national first—a wait-time guarantee—which ensured every Queensland patient ready for care was to be seen in the clinically recommended time frame. This approach was about achieving real outcomes for Queenslanders and improving the health system. We were able to achieve those real results.

In education we introduced independent public schools, empowering principals, delivering quality teaching and giving local communities the ability to respond to the needs in their schools and their communities. This approach led to a trend of enrolments back to state schools in our time in office. We also delivered 11 new schools in record time—schools the current education minister is taking great delight in opening. Now, under Labor, just six new schools are to be built over five years. This is further proof that this Labor government is not focused on the future growth of our state. The identified \$191 million in cuts to the Education budget is not going to produce quality outcomes for Queensland students.

Labor is rolling back our strong law and order reforms, particularly on youth justice and the scourge of criminal bikie gangs and going back to the failed policies of the past. Their only solution to prison overcrowding is to let the offenders out faster. There are many other examples across all portfolios that illustrate this government's failings, which the shadow ministers will explore in further detail in their contributions.

I will deal briefly with the shadow portfolios of arts and major events. Many Queenslanders enjoy arts for the memorable experiences they provide, not just here in the city, but out in the regions as well. The LNP has always been particularly supportive of efforts to get arts on the road and to take different exhibits or productions to communities throughout the state. I pay particular tribute to the member for Mansfield for his efforts in government in ensuring that occurred. That is why the Playing Queensland Fund is an important part of this. That is why I want to record my support for the increases in the Boost to Touring aspect of that fund. I also note the other necessary investments made in the replacement of assets at the Queensland Art Gallery and the additional funding to maintain the state's collections and address critical maintenance and safety issues at the Queensland Museum regional campuses and the storage facility at Hendra.

Unfortunately, this government has taken its eye off major events. The contract for the V8 Supercars races on the Gold Coast, Ipswich and Townsville expires at the end of this year, but this government has apparently stalled in finalising new contracts. Importantly, there is not one reference to these important events in Tourism and Events Queensland's performance statement.

Queensland's best years lie ahead of us. We are a large, diverse state with enormous opportunity. We are now entrenched as one of Australia's leading states, and our voice in national affairs must be heard. The opportunity that lies ahead of us is for the whole community to grasp—for every family and region, not for the government to micromanage, to try to pick the next technology revolution and then ultimately squander.

Under the last Labor government, spending was out of control, running at growth rates almost 10 per cent per year over the decade-long mining boom. The dark clouds of debt that were accumulating above us were ignored. Labor chose to keep borrowing and keep employing more public servants on borrowed money. This government cannot ignore that problem. Indeed, it seems to be following it. It has resorted to trickery rather than make a genuine attempt to control spending by focusing on the efficient delivery of core services.

This is a government that does not have a plan for taking Queensland forward. It does not have a vision for confronting the many challenges our great state faces. It does not have a plan to provide Queenslanders with the jobs and certainty they so desperately need. It is a government that has put short-term political expediency ahead of the best long-term interests of Queenslanders. It is a government that has consistently and shamelessly ignored the promises it made to the people of Queensland a scant 18 months ago.

This government has clear responsibilities. The job is pretty simple: deliver public services efficiently and fairly, use taxpayer funds wisely, do not borrow money unless you are very sure there will be a return to the Queensland taxpayer from the investment, stay out of the way of the private sector in generating jobs and wealth and rising living standards, and lower business costs to promote international competitiveness so those businesses can employ more people.

This budget has no coherent policy foundation. It lacks vision and it lacks direction. It is a budget that promises more jobs but delivers fewer. It is a budget which promises to pay down debt but which sees debt continuing to rise. It is a budget that promises more infrastructure but delivers a record low in infrastructure spending. This is a budget of raids, rip-offs and write-downs that is reckless with other people's money. This is a failed budget that has failed the people of Queensland.