




Speech By
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MEMBER FOR CHATSWORTH

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**APPROPRIATION (PARLIAMENT) BILL; APPROPRIATION BILL; REVENUE
LEGISLATION AMENDMENT BILL; BETTING TAX BILL**

 **Mr MINNIKIN** (Chatsworth—LNP) (11.38 pm): I rise tonight in response to the Palaszczuk government's fourth budget, the budget for the 2018-19 financial year. I will begin my budget reply speech where I left off last year when I stated that a real politician of conviction and substance, Abraham Lincoln, once said, 'You cannot escape the responsibility of tomorrow by evading it today.' Like last year at the end of the Treasurer's 24-minute budget speech, I unwrapped the plastic wrap around the budget pack and yet again I was not holding out much hope for many budget items in my wonderful electorate of Chatsworth. Instead, given my love of finance and economics, I eagerly turned to page 7 of Budget Paper No. 2 and scanned the overview of table 2, 'General Government Sector—key fiscal aggregates', and there it was: the real state of play.

Over the forward estimates, the total debt for the 2021-22 financial year is projected to be in excess of \$83 billion. This is a budget of taxes, debt and unemployment—\$2.25 billion of new taxes and fees over the next four years. There are five new taxes, but election costings were for \$491 million of new taxes. This is a key broken promise and an obscene breach of trust.

The Treasurer has introduced a waste tax of \$1.32 billion, a wagering tax of \$367 million, a land tax of \$311 million, a property investors' tax of \$132 million and car stamp duty of \$100 million. We see yet again, in the finest of democratic socialist traditions, that this is another budget of higher debt and in fact more debt. What would we expect from the Queen of Fabian socialists and all things EMILY's List, a student of the Anna Bligh school of fiscal stewardship, the supreme queen of watermelon politicians, the member for South Brisbane? She would struggle to answer a very simple question—what is the basic accounting equation? Would the Treasurer know which form of accounting methodology is used to prepare the state budget? Is it cash, accrual or a combination of the two, or would she like to phone a friend?

When is the fourth estate, aside from Steven Wardill and Judith Sloan, going to seriously question her actual ability as a competent deliverer of ministerial services? She was a complete dud as a transport minister, and she has an uncanny knack of moving on from a portfolio when things are getting a little sticky and tricky. Maybe the former transport minister, the member for Sandgate, would agree. I will speak on the Transport and Main Roads budget shortly.

As I continually state, every budget needs a contextual framework. Since being elected 3½ years ago, this inept, do-nothing Labor government keeps repeating the same mantra over and over—that it is all about jobs, jobs and jobs. It is pure spin with no tangible substance, and on what basis do I make that assertion? It is the budget papers themselves. The Premier, who did not know the GST rate and was another failed transport minister—what is it in the water cooler at the ALP—raised public transport fares by 15 per cent for three consecutive years and then scratched her head wondering why people were opting out of public transport and using their cars. This, combined with a massive underspend on infrastructure by the current Treasurer—remember, she underspent approximately half a billion dollars in last year's capex budget—has led to 'congestion busting' being the new buzzwords.

According to the continuous economic tyros opposite, in their own Budget Paper No. 2, table 1, page 5, the unemployment rate is expected to remain at or above six per cent until the year 2021-22, wherein it is expected to be 5.75 per cent. How convenient that one outlying year has a figure with a five in front of it, but this is assuming nominal gross state product hits 4.75 per cent across the forward estimates. Let us again try out the old pub test here for the fourth budget in a row. If I offer you a financial plan based on creating a jobs bonanza and a few years down the track the unemployment rate has hardly moved using your own projections and input assumptions, would you buy this budget as a true jobs bonanza blueprint?

Yet again, with remedial undergraduate precepts, has the Treasurer ever heard of funding contingent liabilities? Does this government truly understand how to rework capital on a balance sheet? Moreover, does the notion of the elasticity of demand coefficient ring a bell? Or how about risk spread using the 10-year bond rate as a starting measure?

Yet again, this budget is so lightweight and lacking in long-term vision and true reform that it merely delays the inevitable intergenerational fiscal pain. This is a case of *deja vu*, and I want to emphasise a basic precept that those opposite have failed to fundamentally grasp for the fourth year in a row. Throwing ever-increasingly large amounts of money into key government areas such as health and education is not in itself a measure of success. As the opposition leader said in her speech, each government of either persuasion trumpets each year that this is a record budget for X, Y, Z department. It is about the effectiveness of outputs, not just input efficiencies. Simply put, it is what you do with the resources rather than just throwing money at an issue or spinning your way out of trouble.

Those of us who come from the real corporate sector understand this notion very well, as funding streams need to be maintained—

Mr McDonald interjected.

Madam DEPUTY SPEAKER (Ms McMillan): Order! I remind those members on my left that many of you are not sitting in your correct seats and therefore you cannot interject.

Mr MINNIKIN: Those of us who come from the real corporate sector understand this notion well. As I have previously stated in this chamber, at some stage you have to pay back the piper. It is another one-off sugar fix from this do-nothing Labor government that lacks vision and a true sense of economic reform in their zeal to chase short-term political populism with long-term financial consequences.

We see yet again that this budget fails future generations by avoiding the tough decisions required to be made by this generation. Unfair intergenerational debt will continue yet again under Labor with this incompetent Treasurer. The biggest job creator, however, appears to be the government itself. Employee expenses continue to grow out of control, with the Palaszczuk government once again missing its previous forecast for employee expenses growth as the number of public servants surges yet again. Total employee costs have blown out but, despite paying more, Queenslanders are getting less with the continuing rail fail, child safety crises, crime rates on the rise and the return of ambulance ramping.

As members on this side of the chamber know, real growth comes from the private sector. Domestic private sector economic activity will only grow by two per cent in 2018-19, down from 2.75 per cent in 2017-18. It is easy to see why the domestic economy is struggling when business confidence has taken a plunge to well below the national average.

Labor's prodigious appetite to spend and spend simply knows no bounds, which is best exemplified by this tyro Treasurer. As I have always said, past behaviour is indeed the best way to predict future actions. It does not seem to matter which Labor Party members come or go; they all share in their DNA—and the Treasurer is a mighty perfect example—an absolute inability to understand what expenditure containment and debt control are really all about. Labor members always talk big on infrastructure, but how many times does the all-talk, no-action—

Mr BAILEY: Madam Deputy Speaker, I rise to a point of order. Can I just inform the honourable member that the microphones are working.

Honourable members interjected.

Madam DEPUTY SPEAKER: I thank you for your point of order. Those members who are not sitting in their seats cannot interject. That is the second issue that I have had.

Mr POWELL: I rise to a point of order, Madam Deputy Speaker. Firstly, the minister's point of order was clearly frivolous and I think you should be calling him on that. Secondly, I do not believe any of the members who are interjecting are not sitting in their seat. The member for Gregory is in his seat.

Madam DEPUTY SPEAKER: I am sorry but the member for Callide is not sitting in his seat—

Mr POWELL: The member for Callide is not sitting in that congregation.

Ms FARMER: I rise to a point of order, Madam Deputy Speaker. I think the member is showing disrespect to the chair by questioning your judgement.

Madam DEPUTY SPEAKER: There is no point of order.

Mr MINNIKIN: In 2016-17, Labor failed to spend \$1.7 billion of its capital program. Capital purchases in 2016-17 were approximately half a billion dollars underspent. Labor cannot even guarantee and get the money they have identified for projects out the door. Queenslanders are paying the price for Labor's lack of investment in infrastructure.

I continue to give the government credit for at least one section of the budget, and that may be found in Budget Paper No. 2 on page 95 under section 7.1, 'Federal financial arrangements'. The Productivity Commission inquiry into horizontal fiscal equalisation, HFE, presented an opportunity for Queensland to provide a submission to the federal inquiry in support of the principle that all states should have fiscal capacity to provide similar levels of services and infrastructure, which was done on 5 February this year at the public inquiry. I have already spoken several times in this chamber on Commonwealth-state financial relations and the notion of competitive federalism, and I intend to do so again in the future as this issue is critical to the state given the fiscal profligacy shown by this Labor government.

Whilst I am truly honoured to be the shadow minister for transport and main roads, as we all know all politics is local. In my wonderful electorate of Chatsworth, yet again the traffic congestion along Old Cleveland Road will continue, and residents can ruminate on this fact as they pay extra for their car registration, with reference to Budget Paper No. 4, page 89, with only \$1.8 million allocated in the 2018-19 financial year. Anyone who knows traffic infrastructure will realise that this is mere window dressing yet again, to have a plan for a plan to upgrade intersections at Boundary, Gallipoli and Creek roads.

I note in Budget Paper No. 3, the Capital Statement, that funding of \$1 million is provided out of a \$4 million total spend to replace the Chandler permanent fire and rescue station. An amount of \$260,000 is provided for the Belmont Shooting Centre to finalise Commonwealth Games venues to enable ongoing community use. I sincerely wish there was more I could say about my local electorate in this budget speech, but sadly there is nothing further contained in the budget. How surprising!

As part of my budget speech, I would now like to comment on the budget as the shadow minister for transport and main roads, a role I am privileged to serve. Rail passengers have never before experienced such chaos, confusion and incompetence. Labor were gifted the most reliable rail network in Australia and in three years they made it the nation's worst. What a shambles! The transport minister, just like his predecessors, has tried to dodge any responsibility for this epic rail fail. Instead, we have 470 fewer services a week, trains skipping stations to meet punctuality targets and a \$41 million overtime bill. There is no funding in the budget for real-time fuel price monitoring. In relation to Cross River Rail Labor have committed \$3.7 billion for this project. The project is \$14.5 billion. Labor have committed \$3.7 billion for this project at the expense of regional infrastructure. Where is the other \$11.3 billion coming from?

Labor has failed to back Brisbane Metro, a vitally important public transport project. The Palaszczuk government could have supported this project for as little as \$20 million of land—a site at South Brisbane and a site at Rochedale. The Palaszczuk government is blocking Metro for purely political purposes. The 2018-19 budget was a wasted opportunity for Labor to support Metro.

Labor has been dragged kicking and screaming by the LNP to fund any improvements to the M1. The measly \$55 million Labor promised in the election campaign for the M1 Action Plan has been reprioritised from the State Infrastructure Fund. Labor simply said the Gold Coast was not worth a fifty-fifty split even though they had agreed to a fifty-fifty funding split on other M1 road upgrades such as the Gateway to Logan Motorway M1 upgrade in 2007.

Labor has short-changed the Sunshine Coast and created uncertainty by not fully funding the Nambour to Beerburum rail duplication. The Labor government's allocation of \$160.8 million over four years for this much needed project is well short of the state government's share of \$390 million which is required. This simply adds to the growing frustration being expressed by Sunshine Coast residents about the need for certainty for this project—something Labor promised, as has been said by other members from that great part of the state—over a decade ago. Rather than securing the funding package, it leaves a \$230 million shortfall, putting a question mark over the whole project. The Sunshine Coast line has the worst rail frequency in South-East Queensland, yet is one of the fastest-growing areas. The single track line shared between passengers and freight has only 325 passenger services scheduled each week.

There is no funding in the budget for real-time fuel price monitoring. Motorists are paying too much because Labor refuses to act. The NRMA estimate that real-time fuel price monitoring will save a family approximately \$500 a year. It is better off in their pocket than anywhere else. Fines from speed cameras have already rocketed under Labor and the budget contains an additional \$40 million in traffic fines, which tends to suggest the Palaszczuk Labor government is using the speed cameras as cash cows and not for road safety purposes.

In closing, I want to say that this budget is disappointing yet again on multiple fronts. It continues to lack vision. That is a word I did not hear in the Treasurer's budget speech. I did not hear the word 'vision' once. The budget continues to lack vision and an appetite for true economic reform. It does not adequately fund imperative infrastructure and it continues the theme of intergenerational debt. Sadly, as I have said before in this chamber during the three previous Labor budgets—and I need to state it again—it will be future generations that will also be made to pay a price for this short-term economic sugar fix without fiscal substance.

Those across the chamber always proclaim there is dignity in work. We wholeheartedly agree. Maybe, though, they should have thought about that when framing a budget that will keep unemployment at around six per cent. Maybe they should not speak with forked tongues in relation to that dreaded word 'coal', which is demonised by the Treasurer when she desperately chases green preferences in her own electorate but needs the royalty bounty to assist with her budget—didn't she ever! If not for that it would have been all over the shop. Maybe they should not have given up on the people of Queensland by throwing in the towel when it comes to prudent fiscal responsibility, But then again under this Treasurer, to quote the popular line: socialism is always a truly wondrous thing until you run out, inevitably, of other people's money.