




Speech By
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MEMBER FOR CLAYFIELD

Record of Proceedings, 13 June 2019

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

 **Mr NICHOLLS** (Clayfield—LNP) (5.08 pm): What an impassioned speech we just heard from the member for Gaven. It was full of enthusiasm, ready to go and it is good that at least the majority of members on the Gold Coast are from the LNP as they have a passion for their area and are prepared to stand up and fight for their area, because we certainly have not seen that from the member for Gaven. Since the budget was delivered by the Treasurer on Tuesday afternoon, all we have heard from Labor members in this place ad nauseam is, 'Do not blame us; blame the Morrison government.' The only name that we heard fewer times from members of this government in terms of congratulating the Morrison government was 'Shorten'. In the last three days has anyone heard members opposite mention the word 'Shorten'? It was consigned to the dustbin of history so fast by the acolytes of only three weeks ago. It went faster to the remainder bin than Peter Beattie's biography!

In turning to the budget, I reflect on some of the announcements that have been made. Normally with a budget a government gets out and gives some strategic leaks. People might hear of a strategic drop to the *Sunday Mail*, something that will happen, a big news story. People might read something about it, so I flicked onto the iPad, looked at the *Sunday Mail* edition of the paper, but nothing—a big zero. I thought that they had gone back to the printer. They had to go back, rewrite it all and take out the \$2.3 billion that Shorten promised in relation to Cross River Rail, the money for this and that road, GST equalisation and all their other excuses for increasing debt and the fiscal deficit and for not delivering on infrastructure. But we turned up on Monday and what did we read? There is \$600 million-plus for prisons. I thought, 'Well, that is a novel way of going about it. We will have a crime led economic recovery under a Labor government.' What they are banking on is more criminals. They will bank on building another prison, spending something in the order of 10 times more than what we planned for in 2015 to provide 650 beds. A crime and prison led economic recovery under a Labor government? I thought, 'Well, how will that work?' because they are soft on crime so they will not catch them and put them in prison in the first place!

The hypocrisy and contradictions of a Labor budget are legendary and continue in this budget. Last year I said that budgets matter. That is no less true today than it was a year ago and indeed as it is each year. Last year, I expressed some surprise at the lack of enthusiasm the Treasurer brought to the job of the budget speech. I think it went for 26 minutes and there was of course no mention of the words 'coal' or 'debt'. I reflected on that and thought that the Treasurer, having taken the job from the person who had previously been promised the job at the election in 2017, just realised how dire Queensland's financial circumstances were and how difficult explaining those circumstances would be. This year, there are no excuses. This year, the chickens come home to roost. The 2019-20 budget is a testament to the failures of the Palaszczuk Labor government. This year's budget serves to highlight yet again Labor's ineptitude and lack of a plan. They are like a deer in the headlights. They are frozen. They do not know which way to go and they cannot see and cannot tell anyone else how to go about anything.

I listened to the Treasurer and I went through the papers. I was reminded of the Bligh Labor government budget of a decade ago. The members for Inala, Woodridge, McConnel, Cooper, Sandgate, Bundamba and Morayfield were also in this place about a decade ago and the similarities are frightening: debt, denial, desperation and a government going bust in a boom. There is of course one significant difference; that is, now there is no global financial crisis. At least back then the Bligh government had to deal with the global financial crisis, no matter how misguided they went about doing so. For this budget there are no similar excuses. For this budget there is just debt, denial and desperation.

Whilst total state debt now reaches a record \$90 billion, back in 2009 it was a record debt of \$57 billion, projected in 2009 to go to \$83.5 billion in 2013-14. It took an LNP government to stop that happening. An LNP government stopped that happening, and the figures do not lie. As I used to say, we need only crayons and wax paper to explain figures in the ALP caucus room; there is nothing much more to it. There was a plan outlined in that budget—not a good plan by any means; in fact a dreadful plan, not a plan taken to the people of course, not a plan voted on—but at least a plan of sorts.

Mr Millar interjected.

Mr NICHOLLS: Member for Gregory, I take that interjection: what was that plan? Let us remind ourselves. It was to sell \$15 billion of assets. We all remember Labor's 'Mythbusters' plan, supported by all those opposite in this place then: sell assets and pay down debt, but it did not work. What did they sell? They sold Queensland Motorways, Abbot Point, QR National, port of Brisbane and Forestry Plantations Queensland. They had previously sold the Cairns and Mackay airports, Brisbane Airport, their wind energy assets, the gas assets and Enertrade, Golden Casket, Power Direct, Sun Gas, Sun Retail and Allgas—all sold by the Labor Party.

What else did they have? They had a plan to limit Public Service wage growth to 2.5 per cent and also ditched the Queensland Fuel Subsidy Scheme, costing Queensland motorists between seven and eight cents per litre of fuel. They increased car registration to the highest in the country. They increased tolls on the Gateway Bridge by 30 per cent so they could sell the Gateway Bridge. Here is one that has been repeated. They said they would find savings in the Public Service of initially \$200 million—that is coming back to haunt them—rising to \$400 million each year after that. In later budgets they increased stamp duty costs when people wanted to buy their principal place of residence by up to \$7,500.

Under the member for Inala, we saw public transport fares increase year on year on year. While we are on the subject of trains, let us remember that the Bligh Labor government made business so difficult in Queensland that Downer EDI pulled out of bidding for the Next Generation Rollingstock project in 2011. It pulled out because business conditions in Queensland were so difficult. The then government locked in over half a decade of power price increases by arguing for higher returns on the network distribution and generation companies, so locking in five years till 2015 of year-on-year power price increases. A decade ago, expenses were growing in the public sector at rates double and more the rate of inflation. Does this sound familiar?

There was a solar bonus scheme which was unaffordable, which put more pressure on power bills through higher costs to consumers and distributors and which added \$4 billion in costs to power bills to 2027, a cost that Queensland taxpayers still pay for in this budget. Yet again in this budget we see Labor abandon its own fiscal principles, as rubbery as those fiscal principles were, as soon as those principles are too hard to meet. Instead of working hard to meet its principles, it works harder to move its principles. How members opposite have failed to meet those principles!

The public sector growth principle failed from the day it was announced and continues to fail. They failed to meet the principle on infrastructure spending by spending less than predicted in last year's budget each year until 2021. No doubt, without the boom from the coal royalties and the new taxes totalling more than \$3 billion, Labor would have failed in its fiscal principle of maintaining an operating surplus, because it would have been an operating deficit. We know this because we need just look at the net debt position. That more than any other in the budget papers tells Queenslanders that borrowing is being spent on expenses and not infrastructure. The reason for that is that net debt is getting worse. If borrowing were for infrastructure, Queensland's asset base would be increasing. For every dollar we borrow and spend on infrastructure, we get an asset worth a dollar. This shows up in the books. What is happening? Each year out to 2023 net debt gets worse. Liabilities—what we owe—exceed assets—what we have—by more than \$19 billion. That is why the opposition leader's fiscal principle makes so much sense.

Labor's budget still has no plan to pay down debt. Gone is the short-lived Debt Action Plan. Can anyone remember that? Gone is the debt reduction fund. Did it even exist? Gone are the raids on superannuation and long service leave, because there is none left, as is the debt shifting onto the

balance sheets of government owned corporations, because they are now under threat of a ratings downgrade. On top of that, one of them is being asked to make a \$100 million special dividend payment on top of the 100 per cent dividend payments they will already be forced to make.

There is something else going on, though. There is a new mystery organisation hidden away on page 58 of Budget Paper No. 2. The new announcement is—

A new board will be established to oversee the economic and financial risks to the State's Balance Sheet. This will provide the Government with central oversight of the identification and management of risks associated with whole-of-government assets and liabilities.

Has anyone ever heard of this one—the central government oversight board to look over the risks and management of the state's assets and liabilities? Members might wonder just what this new board might do and who will be on it. Which luminaries and oracles will be willing to take on this exalted role? More importantly, members and Queenslanders might well wonder why we have the almost 1,000 officers in the Treasury department and why we have a freshly minted Under Treasurer. What is his role? Why do we have the Queensland Treasury Corporation? What does it do? What about QIC? Surely it has some expertise in assets and liabilities. Finally, honourable members might ask why we have a Premier and Treasurer in cabinet if it is not their job to oversee and manage the risks associated with the liabilities and assets of the people of Queensland. What are they doing that is so important that all of these organisations, bureaucracies and individuals cannot identify and manage risks associated with whole-of-government assets and liabilities? Is it simply the case that the government does not trust its own bureaucracy?

We have a Labor government in denial and desperate. It denies that it has a debt and spending problem, but, like someone with a bad habit they are unable to break, this Labor government keeps desperately going back for more—more debt and more taxes to feed its profligate spending habit. It is not just royalties. Page 77 of Budget Paper No. 2 shows that tax revenue continues to grow. Tax revenue will explode by 8.3 per cent next year following an estimated 5.7 per cent in the current year. That is cumulative—year on year. It is not happening just because payrolls are getting bigger, because they are not. Unemployment is still at 6.2 per cent. Payroll tax is getting bigger because they are upping the rate. Let us look at the wagering tax. It goes from \$9 million last year to \$100 million. That is a tenfold increase. Let us address the big elephant in the room: the waste levy—\$1.3 billion.

In the very short time remaining to me, I want to quickly mention what has happened in Clayfield. I do not need a lot of time, because when I turned to the Brisbane and Redlands glossy brochure and looked at the map of Clayfield I saw a big zero—nothing there. I now know how my friends in the regions feel—completely ignored by the Labor Party. There is a previously announced inner northern bikeway project that has been going for years, a couple more classrooms and then a big zero. The people of Clayfield know that the Labor government in this state does not care for them. I cannot wait for a Frecklington-Mander government with sound fiscal principles to deliver not only for the people of Clayfield but also for the people of Queensland in the regions and all its cities.

(Time expired)