



Speech By  
**Tim Nicholls**


**MEMBER FOR CLAYFIELD**

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Record of Proceedings, 12 August 2020

**QUEENSLAND FUTURE FUND BILL**

**ROYALTY LEGISLATION AMENDMENT BILL**

 **Mr NICHOLLS** (Clayfield—LNP) (6.33 pm): I was beginning to regret for a moment or two allowing the member for South Brisbane to have the floor. In the end, I am actually glad I had the opportunity to listen to her contribution because it reminded me of so many good things—like the fact that in 2012 most of the Labor Party could not be bothered to deliver a budget reply speech. We came in here and we waited for them. I think the then member for Ipswich, Mr Berry, was standing up and, Mr Deputy Speaker Robinson, you may recall this quite well. All of a sudden there was silence. There was no member from the Labor Party in the chamber—they were not even here—so I stood up and I said, ‘Thank you very much. We will close the budget. Obviously the Labor Party do not care about the 2012 budget.’

Where was the member for South Brisbane? Where was the member for Inala? Where was the then member for Mackay? Where were the other members whom I cannot remember? They were not anywhere to be seen; they were not fighting for their side of politics. It was one of the most abject failures of political representation I have ever seen. They could not even be bothered to turn up to deliver a budget reply speech. That is how much the member for South Brisbane and the member for Inala cared about getting on the record back in 2012.

I interjected before when the member for South Brisbane was talking about the increase in the petroleum royalty. The line she used when I said, ‘I’ve heard this before,’ was the exact line the Newman LNP government used when it increased royalties on coal—and we did increase royalties on coal. We make no apology about that because, at a time when coal companies were getting \$340 or \$350 a tonne for coal, the people of Queensland as the suppliers of that resource deserved to get a better return on their resource. It was progressive and it only kicked in at certain levels. As the price got higher, it was only reasonable to expect that the companies that got the benefit from processing and selling that coal—the super profits they were receiving at that time—paid a fraction more to the people of Queensland as we went about repairing the budget deficits and the budget black hole we were left with by the then Labor Party.

At that time, we had to write down revenues by over \$5 billion because their projections of income growth were so wildly inaccurate. They projected 14 per cent year on year revenue growth in respect of transfer duties in the middle of a GFC. They had not saved for a rainy day. They had sold assets. When they sold the assets, what did they do with the money? They did not pay down debt because the debt kept increasing. When we came into office debt was projected to exceed \$100 billion, as I am sure people here know and as I remember quite clearly. The Labor Party said, ‘No, you’re making those numbers up. It will never happen. It will never reach \$100 billion under Labor.’ What is the latest projection? It is over \$100 billion. It is stratospheric debt incurred by the Labor Party.

The Queensland Future Fund Bill is a hoax. It is a hoax in the same way as the Queensland Future Growth Fund of the Beattie government was a hoax. We have seen this before. This is not even a new trick because we have seen it all before. In 2006 the Beattie government set up the Queensland

Future Growth Fund and the object of that fund was to provide funding for initiatives or infrastructure for the benefit of Queensland. Does that sound familiar? Some examples of initiatives were developing new technologies for mitigating climate change and infrastructure relating to water or energy supply—and here is the killer, because I heard this mentioned by a number of people—but they could only do it with the approval of the Treasurer, so there was complete oversight of it, for things benefiting Queensland other than initiatives or infrastructure.

Where did the money for that come from? Where was the seed money? It came from these sales: Allgas distribution to APA Group for \$514 million, Sun Retail electricity retailing business to Origin Energy for \$1.2 billion, Sun Gas energy retailing business to AGL Energy for \$71 million, and Powerdirect Australia to AGL Energy for \$1.226 billion. They were selling assets into the Queensland Future Growth Fund for all of those purposes. That was the money that the Beattie-Bligh government put into those funds. Who was here at that time? We had the member for Inala; the member for Cooper; the member for Woodridge, who was the former member for Greenslopes; and the member for McConnel, who came after the then member for Brisbane Central, Peter Beattie, resigned. They were all party to it. What were the funds to be used for? Here are a couple of doozy announcements. A press release from 26 April 2006 said—

And as part of our new Queensland Future Growth Fund announced yesterday we will help fund two new dams and two new weir projects. This includes the dam in the Mary River catchment—

That went so well. How much did that end up costing the state of Queensland? It was \$600 million by the time we managed to extract ourselves from that particular piece of genius. It goes on—

In addition on the Fitzroy River in Central Queensland we will raise the Eden Bann weir—

and—wait for it—more than a decade and a half later—

and build a new weir at Rookwood.

We are still waiting for the Rookwood Weir a decade and a half after it was promised by Peter Beattie. He was good at this. He went on to say, 'Raising the Eden Bann Weir on the Fitzroy River and building a new Rookwood Weir in Queensland.' He did not say it once and he did not say it twice; he said it half a dozen times.

It is a sham and it is a hoax in the same way that the Queensland Future Growth Fund set up by the Beattie government in 2006 was a hoax. It will not protect this government from the loss of a credit rating, either. It was the Bligh government that lost the AAA credit rating in 2009 after all of those asset sales, after setting up the Queensland Future Growth Fund, after making all the promises—and there was the \$300 million that went into clean coal technology. We are still waiting for a result on that. Just ask CS Energy how it went. It is a hoax because it does not pay down one red cent of debt, it does not identify one asset to be transferred and it assumes no losses. However, each of those assets transferred into the fund generates an income that is currently being used to pay for the services that Queenslanders use. That is the central argument that the Labor Party have always used. They have always used it.

They say, 'We have to hang on to them because of the revenue we use'—they spend it three times every year but nonetheless it does produce some degree of revenue that the people of Queensland use and it weakens the balance sheet of the GOCs from whom those assets are being transferred. If Powerlink has an unregulated asset to supply power to a mine—and I note the member for Keppel could not even tell us what an unregulated asset is—and it goes off the balance sheet, that is the big income producer. It is not limited by regulation; that is a commercial agreement. It goes off the balance sheet of the GOC and goes into the Queensland Future Growth Fund. This is GOCs that have already been weakened because in 2016 the then treasurer regeared them—that is, he told them to go and borrow more against their assets, already weakening their balance sheet, and then gave instructions to certain of those corporations to pay 100 per cent of their dividends, leaving them with no money to invest in future assets that they needed. It is a sleight of hand; it is designed to obscure the true state of the finances.

The comparison is often made with New South Wales and its generations fund. There are some very significant differences between the two. New South Wales has not lost its AAA credit rating. New South Wales seeded its future generations fund with \$3 billion from a balance sheet transfer—money it had—and \$7 billion from their leasing activities. They also appointed a board to govern it and that board is led by Glenn Stevens, the former head of the Reserve Bank of Australia. It also holds a community component that spends the funds via direct community engagement and voting on future spending. It is completely different. The reason the New South Wales one works is that it is run by a coalition government that understands financial principles, has not lost its AAA credit rating, puts in place the proper governance procedures and makes sure the money gets spent for the right purposes—not because the Treasurer gets an itch on the inside of his strides and decides he wants to go and spend some money somewhere.

The reason it has to be a locked box—and it is funny when they talk about the locked box—is that the ALP has form: they promise one thing and do another. Who can forget in 2009 they said, 'We won't sell assets.' Then they came back in and in the first budget what did they do? They sold the lot off. We asked the then transport minister, the former member for Ipswich, if QR was for sale and she said no. Later that day, guess what? QR was on the chopping block. Go for it!

It is a hoax. It should be seen as a hoax. It is nothing but a fudge from an incompetent Labor government.

*(Time expired)*