




Speech By
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MEMBER FOR TOOWOOMBA SOUTH

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APPROPRIATION (PARLIAMENT) BILL

APPROPRIATION BILL

 **Mr JANETZKI** (Toowoomba South—LNP) (Deputy Leader of the Opposition) (12.17 pm): This budget sets a record—the record amount of time for a budget to fall apart. The fiscal governance of this state has hit a new low, and that is something I did not think was possible after the former member for South Brisbane’s track record. What we have are funds without funding and accounting without principles. In fact there are barely any principles in this budget, but I guess that saves the Treasurer the trouble of walking away from them.

As anyone who has ever done a budget before knows, you set your fiscal principles and strategy first and then you build the budget from there. The Treasurer tells us that the principles will be retrofitted in a little while—like changing a fiscal principle to focus on the net debt-to-revenue ratio rather than a general debt-to-revenue ratio. I will give the House a stone-cold guarantee: that any budget delivered by me under a Crisafulli government will have clear and consistent fiscal principles and that if I fail at any of them I will stand before this parliament and explain why they were not hit, like someone with ticker would do—

Mr Power interjected.

Madam DEPUTY SPEAKER (Mrs Gerber): Through the chair.

Mr JANETZKI:—like someone with ticker would do, someone with ticker that would not cherrypick journalists’ quotes just to feel better about themselves. As Terry McCrann really stated, ‘The Queensland budget is bad ... the surplus fantastical.’ As Mark Ludlow really stated, ‘Dick starts to pay down debt, even if it’s a sleight of hand,’ and, ‘It seems like it’s only something small, but it makes a big difference when you’re spinning your budget numbers.’ The reality is that the Treasurer lives in fear of a credit rating downgrade. Who can forget his mea culpa after the 2012 election? While ministers including Fraser, Jones, Hinchliffe and former premier Bligh declined to speak, the Treasurer already had one eye to his political future. He was quoted as saying—

I do think Labor fell into the error, or seriously miscalculated and under-estimated the desire for Queenslanders to hold onto the AAA credit rating ...

And I think the concern Queenslanders had generally about government debt and deficit.

The Treasurer’s desperation to persuade credit rating agencies that net debt is not all that bad has goaded them into creating assets out of thin air. Their valuation of the Titles Registry simply does not make sense. How can the state government believe that the Titles Registry is worth nearly 40 per cent more than the current market capitalisation of the Bank of Queensland? The government will misdirect to the precedent of New South Wales, but that precedent involved something entirely different: privatising the operations of their counterpart office and theirs was valued at \$2.6 billion.

Labor believe their Titles Registry, which will not be privatised, should be valued at \$7.8 billion all up, which is worth more than double those of New South Wales at \$2.6 billion, Victoria at \$2.8 billion and South Australia at \$1.6 billion. I do not know what methodology the government used, but this does not look like mark to market and it sure strains credulity to say it is mark to book. The state's reputation is on the line here, so we continue to ask the Treasurer to release the opaque valuation methodology so that Queenslanders can assess it. If the government has nothing to hide, they have nothing to fear from its release. Now the government has announced that it will retain \$1.8 billion from the Titles Registry residual holdings on its books to presumably offset borrowings for unfunded initiatives including the Housing Investment Fund, the Path to Treaty Fund and the Carbon Reduction Investment Fund.

Returning to the fantastical proposed surplus in 2024-25, it reminds me of one of the Treasurer's good mates, and I will use his words. He said, 'Mr Speaker, this is a Budget that moves from supporting the economy through the slowdown to bringing us back to surplus now that we are recovering strongly.' Who could it be but Wayne Swan in the 2010-11 budget speech. Again, 'This Budget delivers a surplus this coming year, on time, as promised, and surpluses each year after that, strengthening over time.' That was Wayne Swan in the 2011-12 budget speech. 'The deficit years of the global recession are behind us. The surplus years are here.' That was Wayne Swan in his 2012-13 budget speech. Those words say it all. Here are the facts.

The Palaszczuk government had already blown the budget before COVID. Debt had blown out from \$72 billion to \$102 billion before the pandemic was ever heard of. There had been nine new taxes. We were anchored near or at the foot of CommSec's reports on most measures. That is still the case today no matter who or what the government choose to blame: COVID, Canberra, canines, councils, commercial in confidence, culture, cross-border migration or Queenslanders, as the member for Kawana's blame wheel highlighted. We are on a three-year streak of the most bankruptcies in the country and this budget merely embeds our underperformance.

There is a \$4 billion cut from the infrastructure spend when we already spend the least in the country as a percentage of our total budget. In contrast, New South Wales and Victoria are spending up to 25 per cent of their total budgets on infrastructure across the forwards. Worryingly, we are ever more reliant on federal expenditure to help Labor prop up the mismanagement of our economy.

As the member for Broadwater and our leader has already spoken about, the government's agenda of micro-economic reform is non-existent; in fact, it is laughable. The government clearly do not end intend to do anything real. The business launch pad cuts no regulation and simply gives businesses a single portal into a sprawl of regulation. The Treasurer has replaced the independent Queensland Productivity Commission with the government controlled and Orwellianly named Office of Productivity and Red Tape Reduction. It was abolished for the simple reason of asking too many questions of the government and delivering too many ideas to them that they did not like.

The problem with the fear of ideas and no reform agenda is that there is nothing to drive private business investment. There has been an alarming decline in Queensland private business investment, the driver of sustainable long-term growth in Queensland's future. It is declining in competitiveness as a share of the Queensland economy and in absolute terms. During the Bligh and Palaszczuk eras, Queensland's competitiveness in attracting private business investment has declined by almost a quarter, causing the business investment share of the economy to collapse by over a third. Even Victoria, the land of the lockdown, is outperforming Queensland in private business investment. Queensland private business investment is declining at more than 12½ per cent on an annualised basis.

Now budget papers reveal the heroic assumption that overall business investment is expected to grow by four per cent in 2021-22 after three years of consecutive decline. More specifically, the budget papers predict a four per cent increase followed by a further 7½ per cent growth annually in business investment. What is the Treasurer basing this heroic assumption on? It is a sentiment survey—feelings—and an assumption of no natural disasters, no interest rate rises and no capacity constraints.

Deloitte Access Economics has warned that unemployment will be Queensland's continuing Achilles heel. It is a fact that Queensland's current reversal in employment fortunes is heavily skewed towards part-time, casual and temporary jobs created by the consumption and housing boom we are seeing. Federal Treasurer Frydenberg has talked about an unemployment rate with a four in front of it. That means that every employment opportunity must be available to every Queenslanders to find work. That is why today I want to discuss an area of policy that is particularly close to my heart.

The growing social enterprise sector focuses on improving the employment prospects for those furthest from the workforce. The success rate of social enterprise workers is undeniable: 80 per cent employment after 12 months compared with 35 per cent for government programs for disability employment services. As a founding director of Vanguard Laundry in Toowoomba, I saw up close the

power of giving people with a lived experience of mental illness a job and an employment pathway. These were men and women who had struggled to find secure employment, some for a decade or more. Broader research by Swinburne University found that after one year of Vanguard's operation, workers were much less likely to rely on welfare; a quarter had stopped receiving Centrelink payments altogether; they were less likely to present at the Toowoomba Hospital; smoking rates had dropped; and wellness had improved. They simply felt better.

Creating employment opportunities also forms a vital part of an inclusive and empowering community for people living with a disability. Statistics show that 70 per cent of refugees struggle to find a job in their first year of living in Australia and 70 per cent of ex-criminal offenders will never find work. We can do more to support job opportunities for young people at risk to minimise contact with state services like youth justice, mental health and community development programs. That is why the leader and I are announcing today that a future LNP government will introduce the largest social enterprise scheme in Queensland's history.

The LNP's social entrepreneurs loans scheme will invest \$20 million every year to empower social enterprises to change the lives of Queenslanders who need it most. Loans will be capped at \$500,000 and applicants will be required to meet certain conditions to access the scheme. The interest-free loans will offer catalytic capital to Queensland's brightest and most innovative social entrepreneurs, and it will be supported and administered by QIC.

Currently in Queensland there are no large-scale, jobs focused loan funds that help proven social entrepreneurs scale and grow into new markets and opportunities. From Cooktown to Coolangatta, there are opportunities right now that could be scaled to move our unemployment numbers to where they need to be. I want the Queensland economy to work for everyone—jobs policy with heart and capitalism with a conscience. This kind of investment from government could also activate philanthropic sources, and the impact investment market could be leveraged to expand our scheme and, as the leader said, create hundreds of new jobs. In fact, I believe the policy can create thousands of new jobs.

In conclusion, what does this budget tell us about this government? It proves that this government knows the price of everything but the value of nothing; that Labor's marketing becomes slicker in direct proportion to the mismanagement they need to cover up; that the government might announce a record health spend but they do not understand the value of our frontline workers dealing every day with ambulance ramping, waiting lists and system pressures; that the government have tried nothing and yet they are still out of ideas; that they do not understand the value that businesses play in a functioning society; and that they see nothing deceptive about renaming old government programs and claiming them as new money.

It is also time for accountability and integrity in our public finances. That is what a parliamentary budget office will deliver, and we will deliver it in government. A parliamentary budget office will restore trust, and Queenslanders will never again have to doubt the integrity of public finances prior to an election. We should never see circumstances where a \$4 billion debt commitment at an election becomes \$28 billion a mere few weeks afterwards.

Honest Queenslanders deserve better than yet another term of Labor budgets full of funds without funding and accounting without principles. It is time for this government to become serious about our budget and back the Queensland public who work hard and sacrifice plenty of their pay cheque to fund this government's operations.