




Speech By
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MEMBER FOR CLAYFIELD

Record of Proceedings, 17 June 2021

APPROPRIATION (PARLIAMENT) BILL

APPROPRIATION BILL

 **Mr NICHOLLS** (Clayfield—LNP) (6.05 pm): This budget is a triumph of spin over substance. I think the member for Everton made that point in his contribution to the debate a little while ago. Not only is it a triumph of spin over substance; it is a budget of hope over experience—hope that things will be better and experience under Labor that we know they will not. It is built on a combination of wishful thinking, financial trickery and windfall gains. It promises much but delivers so little. It spins more but delivers less.

As far as spin goes, the Treasurer has spent all week claiming debt will be less, but the budget papers reveal just the opposite. In each year that this Treasurer has been in office, total state debt increases. It goes up. In fact, out to 2024-25 the current budget papers show borrowing with the Queensland Treasury Corporation increasing by about \$10 billion a year until 2023, then \$7 billion, followed by a final tranche of \$5 billion in 2024-25. That is almost \$43 billion in additional borrowing since just 2020. Under Labor, since 2019 borrowings with QTC have increased by an eye-watering \$51.5 billion. In five years under Labor borrowings have exceeded the previous 165 years of borrowing of the state of Queensland. That puts it all in perspective if you ever needed it. With lease liabilities included, the total is an even more staggering \$56.9 billion.

Where is most of this debt being incurred? We were continually told, 'It doesn't matter. It's in the government owned corporation sector. They earn an income, and that will pay the interest on the debt.' We know that the government owned corporation sector is flatlining. It is getting less. The government owned generators are not even going to produce any revenue for this government in the last two years of the forwards under this budget. It is so uncertain that they cannot tell. Of the \$56 billion, 53 of it is going into the general government sector.

To hear the Treasurer talking about less debt is not only an assault on the truth—which no-one is terribly surprised about—not only is it an assault on reality—which no-one is terribly surprised about—but it is an assault on his own budget papers and an assault on common sense and the future prosperity of Queenslanders, because today's debt is simply tomorrow's increased Labor taxes. To hear the Treasurer claim in exultant tones, as he does over there making his pitch for votes from the backbench, that Labor's debt is going to be marginally less than last year's horror projections is like hearing a drunk claiming to have beaten the bottle because he only drank 3½ bottles of scotch and not the full four.

To continue the analogy, the promise of the so-called Debt Reduction Fund is like the same drinker downing a tumbler of water between bottles in the hope that the hangover will not be so bad the next day. Who is going to have the hangover? The people of Queensland are going to be paying the price.

If that debt was being used in the main for increasing the capital stock, if we were actually going to get something tangible and productive from it, we might be inclined to accept the increased level of borrowing, but again the budget figures show this is not happening. The figures show that net debt is still getting worse. It is blowing out. Since 2019 it has blown out by \$42.6 billion. What does the Treasurer's own budget papers say about net debt? At page 131 it says that net debt—

... indicates the soundness of the government's fiscal position, as high levels of net debt will require servicing through interest payments and limit flexibility to adjust expenditure.

By their own measure, by their own papers, not only is it getting worse but also they are being told what the consequences of it getting worse are—that is, less flexibility and higher interest payments. The figures show that a large part of the borrowing is not being used to increase the capital stock of the state—the things Queensland needs like roads, ports and railways that facilitate economic growth and activity. If that were occurring, then for every cent that was borrowed and a liability incurred, there would be an asset of the same value and the net debt would not be getting worse, but it is. There would be an asset being built to the value of the borrowing to help generate the income necessary to pay the interest on the debt. They have to pay it some time, especially with the \$21 billion that QTC had borrowed by the end of May and had already locked in. The massive increase in net debt tells us that is not happening.

Not one cent of existing debt has been identified as being paid down. There is no less debt expected this year than was achieved last year or the year before that or the year before that. There are fiscal deficits every year and have been for every year since 2017-18 under Labor. The spin that this is all about COVID and that it is COVID related borrowing is just that: it is just spin. Debt and deficits were well and truly locked in before COVID.

Mr Bailey: You can do better than that.

Mr NICHOLLS: This Treasurer is just making them worse. I take the interjection from the member for Miller. He said, 'You can do better.' We can do a lot better than this government has ever been able to do. We can do a lot better. If he just waits a little longer, I will tell him how we did do it so much better. You can only repay debt by actually paying it off. It has got to be less. You cannot do it by shuffling the deck chairs on the *Titanic*. That does not work.

Because the Treasurer knows this is the case but cannot or will not do anything to fix the problem, he is now inventing a new mantra. He says that Queensland debt is not a problem. He says that we should embrace borrowing more. He says that we should borrow more but actually get less. He tries to convince Queenslanders that there is no consequence of Labor's debt binge and their failure to have a path out of ever-increasing borrowings. Just this morning we heard the Treasurer with his continued attempts to spin away Labor's failure to control its spending. He referred, if memory serves me, to the LNP government, which he does all the time. It is a fixation with him. He must study the figures and wonder, 'How can I do as well as the LNP government?' He reads my speeches and even quotes them back at me. They say that imitation is the sincerest form of flattery.

What he failed to point out is that the LNP government started off in our term in government inheriting five years of Labor fiscal deficits totalling more than \$22 billion. We were \$22 billion behind when we started in 2012, and two years of operating deficits under Andrew Fraser and Anna Bligh. The member for Woodridge, the member for Inala and the member for McConnel were all sitting around the cabinet table approving those budgets each and every year that it happened. When we started with Labor's accumulated losses already in the operating statement on 1 July 2012, we had a mammoth task. Despite the lead weight in the saddles, we managed to turn those operating losses around in just one year—after starting more than \$22 billion behind.

We dealt with unexpected shocks too. We dealt with things like ex Tropical Cyclone Oswald, the plunge in coal royalties of more than 20 per cent and a 10 per cent drop in predicted stamp duties that had been boosted by Andrew Fraser, Anna Bligh and the member for Woodridge as a member of that cabinet. They were expecting to get 14 per cent year-on-year growth in stamp duty revenues at the height of the global financial crisis.

Despite everything the Labor government says, our purchase of non-financial capital assets—that is, the productive stock like schools, hospitals, roads and ports—was higher in our first year of government than every year under Labor from 2015 all the way until 2020. From 2013 onwards, our fiscal balance was better than every year under Labor from 2008-09. Who can forget, like they want to forget, that Queensland under Labor was paying a higher interest rate on its debt than the state of Tasmania? That is who they measured themselves against. On top of that, they had sold off \$15 billion worth of assets, but guess what. The debt still did not go down. They spent it all. They wasted it.

No-one says that borrowing to fill holes in revenue caused by unexpected events should never be undertaken. That is not my position and it has never been my position, but when borrowing continues year in, year out as it has under Labor since 2017 the excuse wears thin. It bells the cat on Labor's claim that borrowing to pay the bills is only COVID related. It is Labor habit and it is Labor mismanagement pure and simple.

There is so much more that I could say in relation to the debt and the deficit, but I want to move on now to talk about Labor's financial trickery and the way they have in fact benefitted from the great initiatives of the federal LNP government. These are the windfall gains that this government have benefitted from. There is an extra \$1.5 billion this year alone from the GST and continuing increases of 5.4 per cent next year and five per cent for the following three years. Can we remember them bleating about the GST? Year in, year out, they said that there was not enough and that we were not seeing any of the money. Now the rivers of gold are flowing their way because of the extra funds arising from the federal government's outstanding COVID responses, including the billions provided through JobKeeper and JobSeeker which kept being spent in Australia and boosted the economy.

Then there is the second windfall of stamp duty, with a 21.4 per cent windfall this year and 24.5 per cent next year. People have confidence because the Morrison government has kept them in jobs and kept their businesses operating. Not only are they buying their houses to live in; they are buying investment properties as well. We remember what Labor wanted to do with investment properties. We all remember Bill Shorten's successful policy. How did that negative gearing policy go? That went well. Take that home, Mundingburra, and see how that went for you. No wonder Phillip Thompson is doing so well up there. No wonder he is slaying the Labor Party up there and he will continue to do so.

Then there is the trickery. The titles office financial trickery has all the hallmarks of the bankers out of Russia and all of those places. It was \$4 billion three weeks ago and \$8 billion three weeks later. If it was so great, table the valuation. If it makes so much sense, table the valuation. They say commercial-in-confidence, but hang on a second. Who else is competing with the titles office in Queensland? No-one. Not a single soul. Where is the money coming from? There is all this financial trickery but no-one actually says. Is it a loan? Is it debt? Is QTC being asked to pay for it? Are QIC going to the market to fund it? How is it being funded? There is not a word in the budget papers. It is completely opaque. It is complete financial trickery.

In the minute remaining I turn to the seat of Clayfield. We see a heat map put out by the government showing where they are spending money. I can tell honourable members that the heat map is icy cold when it comes to Clayfield, but that is nothing new. We take on all comers and we are very happy to take on the Labor Party; they have been trying for a long time.

The member for Miller waltzed out in his cardigan last year to announce an upgrade of the Woolloowin Railway Station. Why does he not do the Albion one that he promised five years ago first? We are still waiting on it. He was going to supersize the Albion Railway Station. All we got is a super delay from a super dud. The schools are missing out. Kedron State High School is still in a hall from 1960 despite having 1,800 students.

This is a dud budget from a dud government led by a Treasurer with no skill and no ability.

(Time expired)