Speech By
David Janetzki

MEMBER FOR TOOWOOMBA SOUTH

Record of Proceedings, 23 June 2022

APPROPRIATION (PARLIAMENT) BILL

APPROPRIATION BILL

REVENUE LEGISLATION AMENDMENT BILL

Mr JANETZKI (Toowoomba South—LNP) (12.22 pm): I believe budget speeches for treasurers and shadow treasurers to be a time to reflect a little more deeply on the economic environment in which we find ourselves. That is why I will leave others to more fulsomely critique the Treasurer's intellectual sophistry in relation to new and increased taxes. Let me say this: that the Treasurer repeatedly made a statement for profound political advantage to win an election campaign—there can be no more profound political advantage—is abundantly obvious. Now he is clearly, brazenly and repeatedly denying the truth of something that is apparent to every Queenslander. In doing so, we see evidenced again why so many people hold politicians in such contempt.

I turn now to the truth of the economic environment in which we find ourselves. There are some good headline economic numbers; I would never seek to deny that fact. Jobs growth is strong although it is underpinned by part-time jobs, not full-time jobs. We know that economies grow and develop not quarter to quarter but over years and decades. When the growth rates the government crows about are contextualised, it is easy to see just how many opportunities have been squandered by years of more Labor debt and taxes, wasteful spending and the wrong priorities.

We see good economic growth projected over the forwards but, unfortunately, it does little to address the fact that under this government—compared to the Australian economy—it has continued to stagnate at around 18½ per cent with a downward wobble. When you dig deeper, you find that private sector drivers of economic growth have declined from four times the strength of public sector drivers to roughly equal strength, averaged out over time. In other words, this government has left Queensland increasingly dependent on state and especially federal government spending, not the prosperity-generating private sector.

What would power Queensland's economy is the entrepreneurship that was displayed by successive governments for decades prior to this one in competing for private business investment. That is perhaps the most disappointing missed opportunity of them all. When the Palaszczuk government came to office, Queensland was attracting almost 30 per cent of Australian private business investment, a record that had taken slow and hard work over decades of successive governments—coalition and Labor—to achieve. As of the last state accounts, it languishes below 20 per cent—down a third.

As I said earlier, we welcome the good headline jobs and growth indicators in the budget, but they do not come close to redressing the years of squandered opportunities to maintain, let alone consolidate, a powerhouse private sector in Queensland. There is not in this budget a Labor policy platform that comes close to remedying the last seven years. We need a root-and-branch review of the regulatory environment, not a half-hearted promise to work with the Small Business Commissioner. We need a clear plan to get Queenslanders to hospital on time, let alone a plan to power towards world-class service delivery—service delivery that is so bad that an agency reporting to the Treasurer cannot even deliver a letter to the right address.

Rather, we have more wasteful spending, we have more debt and taxes and we have the wrong priorities. They abound everywhere. Last term, wasteful spending was limited to fat dog apps, hospital name changes and abandoned IT projects. This term, Labor has spent $200 million for 1,000 beds at the Wellcamp quarantine facility, but not one of them will address homelessness or the social housing waitlist of 50,000 across Queensland. Cost overruns are plaguing key infrastructure projects including Cross River Rail, from $5.4 billion to $7.4 billion; Gold Coast Light Rail stage 3, from $700 million to beyond a billion dollars; and the Coomera Connector, from $1.53 billion to beyond $2.1 billion—just to name a few. In this week's budget we have a record $9.785 billion health funding announcement, with roughly a third of that commitment beyond the forwards. We will hold them to account for every dollar wasted, every missed deadline and every reheated and reannounced announcement.

Turning to the government's fiscal strategy, I believe that we have now come full circle. We have seen every trick in the book from this state government and, to be fair, the Bligh government that came before them, to cover up our increasingly dilapidated state finances. It began with Labor pushing ever more expenditure into capex to push it below the all-important operating balance on the general government operating statement. It did not work, because you still have to borrow to make up a fiscal deficit, as you do with an operating deficit, even though we tend to focus on the latter in the public debate.

Government debt began to climb, so they started pushing expenditure off into the total state sector—the GOCs and the other entities, which do not get reported in the budget but only in the report on state finances later in the year. Again, government borrowing is government borrowing, whether it is done by the state government or one of its wholly owned subsidiaries, and so debt kept growing. They tried asset sales—goodbye QR National, Queensland Motorways, Port of Brisbane and a very long list besides. There were raids on the superannuation fund, but that still was not enough: debt kept on growing. In desperation, they tried to focus the conversation on net debt rather than gross debt. They knew that the ratings agencies focus on net debt, and it is hard to adjust for how easy it is for a government to achieve those debt levels by off-loading public assets. But debt kept on growing.

I should add that net debt in this budget is forecast to triple across the forwards. Last year we saw them resort to accounting tricks in a desperate attempt to offset that net debt number downward. They made up an asset out of thin air with a fake privatisation of the Titles Registry backed by a dodgy valuation, which, incidentally, we are still waiting to see. The Treasurer promised that all regional Titles Registry services would be preserved, but now they are closing Toowoomba, Gympie, Roma and I am hearing Nanango as well—another promise broken by the Treasurer and the minister knows it. Even with this sleight of hand debt has still kept growing. The accounting tricks continue.

Honourable members interjected.

Ms GRACE: Mr Deputy Speaker, I rise to a point of order. Some of the members are not sitting in their regular spaces and are interjecting and I suggest that they do, in accordance with the traditions of this House.

Mr DEPUTY SPEAKER (Mr Martin): That is correct, members. You need to interject from your own seats.

Mr JANETZKI: The accounting tricks continue.

Ms Bates interjected.

Ms GRACE: Mr Deputy Speaker, I rise to a point of order. You just made a ruling and the member for Mudgeeraba instinctively broke your ruling. I am just alerting you to the practice.

Mr DEPUTY SPEAKER: Thank you for alerting me, Minister. The minister is correct. Thank you for returning to your seat. If there are any more interjections from members who are not sitting in their seat they will be issued a warning under the standing orders.

Mr JANETZKI: The accounting tricks continue. The Auditor-General no less has now issued a series of reports calling out transparency failures. There are more questions in this budget. What is the accounting treatment applied to a billion dollars of renters' bond money previously held by the Residential Tenancies Authority? What is the explanation for the absence of last year's big ticket announcements: the Housing Investment Fund, the Pathway to Treaty Fund and the Carbon Reduction Investment Fund? We know that they are basically empty, but should not the government at least be reporting that emptiness?

Now, finally, we come full circle. The Treasurer has broken his promise, stated on 26 separate occasions at least that I have found, to introduce no new or increased taxes. It is finally back to the good old days of Labor tax and spend. That is all this Labor government knows, something that I must say that the great, late Keith De Lacy worked so hard to put to rest. Even then, with the unique opportunity to finally embark on a course of fiscal repair, the government has squandered the opportunity. They have been handed a stunning $10 billion increase in revenues between financial year 2021 and financial year 2022, almost all of it an unexpected windfall, and yet the Treasurer's first instinct with that windfall revenue is to break a promise and increase and introduce new taxes. I say to the Treasurer, who indulges in the politics of envy like no-one else in this parliament, if he considers a business of 80 full-time employees a big business then he is more out of touch than anyone ever thought.

In this budget the Treasurer had an opportunity to use rivers of royalty and transfer duty gold to begin to repair the budget, but Labor cannot resist spending. They are addicted to it. Total expenditure is up by $7 billion this year and 90 per cent of the windfall coal royalties has been squandered on increased operating expenses and grants. We have a net operating surplus but a fiscal deficit of $5 billion. Therefore, debt continues to grow from $72 billion when the Premier took office to $110 billion today and onwards and upwards to $129 billion in 2025-26. That is just outstanding debt on current projections of the interest rate. This has the interest burden for the state growing from $1.5 billion to nearly $3 billion in 2025-26.

Household budgets are taking a hit because of interest rate costs and Queensland's budget is no different. There will be a significant increase to the cost of borrowing in the years ahead and Queenslanders will ultimately pay for this too. Why should members of this parliament care? Why does this matter? It matters because every single dollar of gross debt will have to be repaid by future generations. That is why a Crisafulli government will deliver an intergenerational equity report, because we cannot carelessly place the burdens of today on our children of tomorrow. It matters because cost-of-living pressures are not going away. Housing costs, fuel, food and power costs are up and may stay up there for some time with Queensland's inflation rate already at six per cent—much higher, I must add, than the nation's at 5.1 per cent. The Treasurer abolished the Productivity Commission. A Crisafulli government will restore it. We need the best and brightest independent minds on the job to drive productivity. The re-established Productivity Commission will tackle the challenges of growing Queensland's economic prosperity and what can be done to manage the cost-of-living pressures.

Since my announcement last year of our groundbreaking social enterprise financing fund, I am pleased to note the member for Bulimba's new-found interest in the sector. Media release after media release has emanated from the minister's office; some of it is good news but there is more to do. I note that the Social Enterprise World Forum is to be hosted right here in Brisbane in September and I look forward to being there. There will be thousands of social impact businesses visiting our great state to see what our thriving sector has achieved and what would be our future. However, the state government has still not released, announced or even murmured their social enterprise finance policy. I look forward to seeing more media from the minister ahead of SEWF in September.

I want to finish where I began: the Treasurer and his best efforts to ignore the truth of this budget and Labor's economic management over so many years. Here is the truth: the Treasurer promised at least 26 times there will be no new or increased taxes this term. He has broken that promise this week and then offered embarrassing excuses. His integrity lies in tatters. The truth is that this budget is a budget of missing, hidden or empty funds. Last budget the Palaszczuk government grabbed headlines with a $1 billion Housing Investment Fund. The truth? The Housing Investment Fund has $65 million in it this year. That is not from the budget papers; that is from the Treasurer today and from a government website this week. It is a pretend fund without funding and more accounting without principles.

The truth is that tricky accounting, more Labor debt and surprise taxes do not solve a full-blown cost-of-living crisis. The truth is that more Labor debt means higher interest costs. This means less money for health, housing and community services. The truth is that an economy that works for everyone would not have the worst ambulance ramping in the country, 50,000 Queenslanders on the social housing list and rampant youth crime across our communities. The truth is that for seven years the government has destroyed the health system and now they are asking for another seven years to fix it. The truth is that this was a budget brimful of broken promises delivered by a government Queensland can no longer trust.