




Speech By
Hon. David Janetzki

MEMBER FOR TOOWOOMBA SOUTH

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MINISTERIAL STATEMENT

Economy

 **Hon. DC JANETZKI** (Toowoomba South—LNP) (Treasurer, Minister for Energy and Minister for Home Ownership) (2.11 pm): I rise to inform the House that the credit ratings agency S&P has just issued an outlook downgrade for Queensland, as we predicted.

Opposition members interjected.

Mr JANETZKI: Your legacy!

Opposition members interjected.

Mr SPEAKER: Order!

Mr JANETZKI: The state's credit rating has fallen from AA+ stable to AA+ negative. This is Labor's legacy.

Opposition members interjected.

Mr SPEAKER: I just called the House to order. If I hear another voice you will be warned.

Mr JANETZKI: The fiscal implications of this downgrade will be determined, but there is no doubt that this will add to the cost of borrowing. The responsibility for this outlook downgrade lies solely with the former Labor government and its reckless management of the finances of the Queensland people.

This is Labor's outlook downgrade. They were warned. In June S&P warned of the waning fiscal discipline of the previous Labor government. The credit ratings agencies told those opposite in no uncertain terms that they were on shaky ground, but they ignored those warnings. S&P warned that Labor's decisions showed 'waning fiscal discipline, revenue headwinds, and a growing infrastructure pipeline' that was 'eroding the buffer for our rating on Queensland.' S&P said that Labor's fiscal settings would 'increase pressure on key credit rating metrics, with deepening fiscal deficits translating into continuing strong growth in debt levels'.

Did those opposite listen? Absolutely not. In fact, the former treasurer repeatedly goaded S&P to downgrade Queensland. A few months later, in September, S&P reported on Labor's 2024-25 budget, noting multibillion dollar one-off spending and 'an upsizing of the state's already large infrastructure pipeline.' Labor ploughed ahead with an election platform that S&P described as 'lavish': state-owned school lunches; state-owned energy retailers; state-owned medical practices; state-owned service stations. They promised it all and they did not care. The members for Woodridge, Murrumba and Waterford were reckless and wasteful with the money of Queensland taxpayers. They were all complicit. The shadow treasurer attended more than 30 Cabinet Budget Review Committee meetings from May 2023. She was at the heart of Labor's flawed decision-making.

Within weeks of the Crisafulli government taking office in early December, we were up-front with Queenslanders about Labor's dire financial legacy. I informed Queenslanders that on credit rating metrics, the state's performance was equivalent or inferior to other states that had already been downgraded. I pointed to my pre-election comments that I never wanted to be a Treasurer who had a ratings downgrade on my watch, but conceded 'knowing what we know now, I am in an unenviable position where that could well be the case. It is highly likely that we have inherited an outlook downgrade, or even a rating downgrade.' That was before we even knew the true state of the books here in Queensland. We released Labor's last budget update at the Mid-Year Fiscal and Economic Review last month—a sea of red in deficits and a debt path to \$218 billion.

S&P's actions today sadly confirm what we had been saying for months about Labor's legacy of debt, deficit and deception. Queenslanders are paying, and will continue to pay, a high price for a decade of Labor budget blowouts, expensive failures and chaos and crisis. Labor's fiscal vandalism was so bad that from here it will take a miracle to avoid a rating downgrade. But we are acting. We have stopped Labor's \$37 billion Pioneer-Burdekin hydro hoax, we have paused CFMEU BPIC conditions that would have cost the budget \$17 billion over five years and have committed to not provide more funding towards hydrogen. The serious challenge ahead is clear, and we are up for it. We will continue targeting budget improvements in a calm and considered way and we will never let Queenslanders forget that Labor can never, ever be trusted to manage Queensland's finances again.