



Speech By
Hon. David Janetzki

MEMBER FOR TOOWOOMBA SOUTH

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APPROPRIATION (PARLIAMENT) (SUPPLEMENTARY 2023-2024) BILL; APPROPRIATION (SUPPLEMENTARY 2023-2024) BILL

Second Reading (Cognate Debate)



Hon. DC JANETZKI (Toowoomba South—LNP) (Treasurer, Minister for Energy and Minister for Home Ownership) (8.32 pm): I move—

That the bills be now read a second time.

The purpose of these bills that have been cognated tonight is to provide for additional supplementary appropriations for unforeseen expenditure that occurred in the 2023-24 financial year under the previous government. Although these matters relate to decisions of the former government which impacted the 2023-24 financial year, there is still a formal legislative requirement for this amount to receive formal appropriation by parliament via these bills before the House. Although these matters relate to the year past, this parliament must deal with them.

The \$9 billion in unforeseen expenditure for 2023-24 represented 11.6 per cent of the original appropriation. I repeat: it was 11.6 per cent of the original appropriation. That is a record unforeseen expenditure. The previous highest in the last 10 years was in 2016-17 when it was 4.76 per cent of the original appropriation. Let's think that through for a moment in terms of what that means. That means that those opposite could not run a budget in government and it was that bad that it was 11.6 per cent over the original appropriation. That is how bad those opposite had been running the budget. It is an impossibility. It is an implausibility. In the next 28 minutes I am going to spend some time going through how we ended up here. Because it is an appropriation bill—

Mr Mander: It would take longer than that.

Mr JANETZKI: I would take a whole hour if I could, member for Everton, but I get 28 minutes, so I am going to run through how those opposite so badly mismanaged the budget for so long that it culminated in these unforeseen expenditure bills that this House is debating tonight. It is crucial to good government that there is proper scrutiny applied to the allocation of the public's money. It is even more important when we have had three terms of a Labor government that was so fiscally irresponsible and relentless in its efforts to keep the truth from Queenslanders. We on this side of the chamber welcome scrutiny and transparency because we have the best interests of the Queensland people at heart—not just the political interests of ourselves, like those opposite did for so very long.

The very reason these unforeseen expenditure bills are being considered now in March, ahead of June's appropriation bills, is because of financial accountability measures undertaken by the last Liberal National Party government in Queensland. It was the Labor government under former treasurer Andrew Fraser that would only introduce the supplementary appropriation bills with the following year's budget appropriation bills. It was a decision of the last Liberal National Party government that that was a convenient way to hide poor financial management, which is something that Labor governments over

time have become very accustomed to every time they are in power. The decision was made to change it, and the supplementary appropriation bills are debated in this House and given due scrutiny and consideration prior to the next year's budget appropriation bills.

These appropriation bills in this cognate debate are a stark demonstration of the fiscal vandalism of the former Labor government—they really are—much of which was hidden before the election but which we have calmly and methodically investigated and shared with the Queensland people since the election. This bill in particular relates to decisions made by the previous government, including unforeseen expenditure of \$1.128 billion, and is the final component. Those opposite could not even get it right in one supplementary appropriation bill; this is the third supplementary appropriation bill relating to FY 2023-24. As I said, this is the third supplementary appropriation bill, so they did not just blow the budget by 11.6 per cent over what was originally appropriated; they had to come back three times. This bill, with this final amount, is the last sorry chapter of 10 years of the fiscal vandalism of those opposite. It is the last sorry chapter of those opposite and their fiscal vandalism.

Regarding the 2023-24 financial year, as I said, unforeseen expenditure has already been approved on two occasions. Other parts of that record overspend included \$2.267 billion contained in the Cheaper Power (Supplementary Appropriation) Act 2024 and the unforeseen expenditure of \$6.154 billion contained in the Appropriation Act 2024. This record \$9 billion unforeseen expenditure—this 11.6 per cent over the original appropriation of those opposite in their final budget—comes as no surprise as the former Labor government had lost control of the budget and its spending, and everybody knew it. We knew it because we started to see it through the 10 years of the Palaszczuk-Miles government but in particular in the last year, and we saw it in its last budget—the 2023-24 budget, the budget where I had said that, notwithstanding record taxes, record borrowing and record spending, we still had record numbers of people living in cars and on the streets—

Mr Bennett: Under the bridges.

Mr JANETZKI: Under the bridges; I take the interjection from the member for Burnett. Notwithstanding the record taxes, borrowing and spending, we had record numbers of victims of crime of 289,657. Notwithstanding the record taxing, borrowing and spending, we had record numbers of the sick and the vulnerable waiting on ramps, with 45 per cent ramping—the worst in the country. Notwithstanding in that budget we had those numbers, at the time the debt was projected to go from \$72 billion to \$172 billion across the forwards, although the former treasurer did let it slip out in April of last year that it would probably get to \$188 billion. He quickly put that away, so it was \$172 billion—and I will come back to how those opposite deceived the people of Queensland. I will come back to that in my contribution, but it went from \$72 billion to \$172 billion in that budget. The interest costs went to \$7.73 billion at the end of the forwards. That is what was in that budget and what was known. Notwithstanding all of that record taxing, spending and borrowing, we had those record numbers of homeless, people waiting on the ramp and victims of crime. We know that.

It is obvious that those of us now on this side of the House were raising concerns when in opposition. We were saying that it was a concern, but it was not just us. Who can ever forget the *Financial Review's* last assessment of those opposite in their last budget? It called it a clown show. That is the *Financial Review*. The *Financial Review* called the last budget of those opposite a clown show. Standard & Poor's commented that there was waning fiscal discipline that was eroding the buffer on Queensland's rating, and I will come to our rating and our outlook shortly.

It was obvious to anybody observing that those opposite had already lost control of the budget in 2023-24. If we needed any further example of the ways in which those opposite had lost control all we needed to do was observe the Labor Party during the election campaign. Their desperation to be re-elected drove their economic decision-making. Who can forget Labor's state-owned service stations that would have driven out the competition of the smaller independents. That was not supported by anyone, but those opposite thought it would be a great idea. They put forward state owned medical practices; another unexplained policy of those opposite. Then there was state delivered school lunches and another state run energy retailer.

A government member: Hammer and sickle.

Mr JANETZKI: Hammer and sickle! At one stage those opposite had committed to borrow \$33 billion in three weeks alone of the campaign. That is how desperate those opposite were. That is how disrespectful those opposite were of the Queensland taxpayer dollar and that is why we have repeatedly said, and we have already shown, that we will return respect to the hard-earned taxpayer dollar. In that budget there were cost-of-living measures that were never funded in the forwards. It took this side of the House to fully fund 50 cent fares. Those opposite did not do it. It was not in the budget. It did not exist.

Mrs Frecklington: What about the community legal services?

Mr JANETZKI: I will take the interjection from the Attorney-General. Since May 2023 the shadow treasurer has sat through CBRC meetings for every single one of these decisions: the \$33 billion in borrowings in three weeks of the campaign. The shadow treasurer was there for every decision that was made.

A government member: Cheering them on.

Mr JANETZKI: I will take the interjection: cheering them on. 'Let's not fully fund 50 cent fares, let's borrow \$33 billion for state owned medical practices, energy retailers and school lunches'. That is the legacy of the shadow treasurer from CBRC that she carries with her now.

It goes back further than that. We have just finished the Productivity Commission debate. In that debate I referred to Curtis Pitt, a former treasurer and member for Mulgrave, who introduced the productivity commission back in 2015. He was the treasurer for the first couple of years of the Palaszczuk government until Jackie Trad took care of Curtis. The former member for Mulgrave loaded up the GOCs with plenty of debt, but it really started to go downhill when the former member for South Brisbane, Jackie Trad, became treasurer of Queensland. The debt had blown out from \$72 billion to \$102 billion before COVID had even hit. We saw that treasurer, the former member for South Brisbane, rain down taxes on the property sector. There were a couple of budgets in a row where the former member for Mulgrave had taken steps in respect of loading up GOCs with debt, then the next treasurer who came in, the former member for South Brisbane, loaded up the property industry. She wanted to shut down the resources sector—the resources sector that underpins our prosperity and future growth, that pays for the services that Queenslanders deserve. They launched war on the property sector with taxes.

Then we come to the former treasurer, the member for Woodridge. Who can forget when he first took over as treasurer he did not know the debt number. He did not care.

Mrs Frecklington: Dead as a tool.

Mr JANETZKI: I will take the Attorney-General's interjection: dead as a tool. He did not know the debt number. There we have it in a nutshell. He promised 26 times before the 2020 election that there would be no new or increased taxes. What happened—new taxes that hurt renters and the interjurisdictional land tax that would have put up rents in the middle of a housing crisis. He was the treasurer who allowed the patients tax that put upward pressure on emergency departments, put upward pressure on the cost of seeing the family doctor, put upward pressure on bulk-billing and made it more difficult for the sick and the vulnerable to go and see the doctor. That is why it was so pleasing that last sitting week we abolished that tax. Those opposite lift taxes, we get rid of them. We cut taxes, those opposite do not.

Who can forget that the former treasurer, the member for Woodridge, did not just break tax promises and lift taxes, he squandered the precious taxpayer resources of this state. He squandered \$70 billion of revenue that he had not forecast. He collected \$70 billion of revenue he had not forecast in his first budget in 2020 and by 2024 that \$70 billion had gone. What did Queensland have to show for it: the record number of homeless that I have referred to, the patients tax that he allowed to flourish, the record number of victims of crime—

A government member interjected.

Mr JANETZKI: A generation of failure! That is the legacy of the 10 years of those opposite. When we formed government in November we very calmly and methodically started to investigate what those opposite had undertaken for the 10 years. In my initial Treasury briefing they warned of a heightened risk of structural deficits and surging debt levels. That was from the long 10 years of Labor government. We did start calmly and methodically working our way through the fiscal deficit of those opposite. In relation to the capex that we have taken out and investigated and brought to the public awareness, where do we start?

Ms Bates: It's a long list.

Mr JANETZKI: It is a very long list; I take the interjection of the finance minister. Honourable members will remember that the Pioneer-Burdekin project started at \$7 billion and then went to \$12 billion. Those opposite hid that from the Queensland people. They went to an election having hidden the real cost of that project, which was \$36.8 billion.

A government member: Disgraceful!

Mr JANETZKI: It is a disgrace that they would hide such a blowout from the Queensland people. I will not even go into what it meant for their Energy and Jobs Plan, which just fell apart from that moment. That project would have been a drag on the Queensland balance sheet for a generation. For those opposite to hide that figure from the Queensland people is a disgrace.

The cost of CopperString started at \$1.8 billion in 2020, went to \$5 billion and then \$6.2 billion. Before the election, those opposite knew that the costs had blown out again. The member for Springwood certainly knew, although the then treasurer claims that he did not know. He answered a question on notice from the member for Traeger and said that the figure was \$6.2 billion, but the member for Springwood knew that it was \$9 billion. From 2020 until before the election it went from \$1.8 billion to \$9 billion and they never told anyone.

Mr Bennett: Paradise Dam is \$4.4 billion now.

Mr JANETZKI: The Paradise Dam project is another one—\$4.4 billion. They knew it but they never told anyone. They were more interested in the glossy brochures and the big announcements than in the delivery of any infrastructure or services for Queenslanders. That is all they ever cared about. Borumba Dam went from \$14 billion before the election to now \$18 billion. That is another figure that they hid from the Queensland people. With all of these capital expenditure projects, those opposite knew and they hid it from the Queensland people. It is shameful.

Of course, I have not spent much time talking about operational expenses. Child Safety was \$461 million short. Those opposite were going to let the most vulnerable and at-risk kids in residential care out onto the streets in March. They had not funded it in the budget. Child Safety looks after our most vulnerable and at-risk kids, but those opposite had not funded it and they knew it.

In November, I raised the prospect that we would not just have an outlook downgrade but that it was highly likely we would have a rating downgrade as well, simply because of the fiscal vandalism of those opposite and what they had undertaken for so many years. I warned about it. What did the January MYFER, Labor's last budget update, tell us? Knowing what we know now, it is clear that the Queensland people were deceived by those opposite. The evidence is in this bill. The \$9 billion in unforeseen expenditure is evidence enough. However, what Labor's last budget update highlighted was that the debt figure of \$172 billion in last year's budget, which had risen to \$188 billion when the former treasurer let it slip, was actually \$218 billion. That is \$40,000 per capita for every man, woman and child in Queensland. That is \$9.9 billion at the end of the forwards in interest costs.

With the Queensland budget, you get to spend only \$80-odd billion in round terms every year. When one-third goes on health, one-quarter goes on schools and you have not built any roads, dams or bridges as yet, that tells you the interest burden that those opposite have left on the Queensland taxpayer. They have been held responsible because they lost government, but I will never let them forget. We on this side of the House should never let those opposite forget what they did to the Queensland budget. The MYFER, Labor's last budget update, revealed the depth of their debt, deficit and deception.

We have said that we are going to target budget improvements because the Queensland people deserve it. The bill that we have just passed sends a clear message about what we want to achieve. In 2021, I first started talking about productivity in response to what I saw as those opposite not spending the taxpayer dollar with the respect that it deserves. The former treasurer, the member for Woodridge, collected \$70 billion more than he had forecast in his first budget in 2020. He collected that by the end of last year. Despite that \$70 billion more than he forecast, services have declined. I was extraordinarily interested in how they would deliver value for money from that extra \$70 billion that the former treasurer collected, but I did not see it. I saw declining services, not improving services. I saw wastefulness. The Wellcamp quarantine facility cost \$223 million.

A government member: We don't even own it.

Mr JANETZKI: That is correct; we do not own it. I am not sure whether the shadow treasurer was in the CBRC for that one but—crikey—probably not at the time. They are all complicit. Everyone who sat with that government's cabinet is complicit. That was \$223 million wasted. I remember before the election, after the change of leadership when they moved Annastacia Palaszczuk on, a couple of jets were moving in convoy, costing \$126,000. On this side of the House we will not forget these little things. Let us not forget their wastefulness.

Mr de BRENNI: Madam Deputy Speaker, I rise to a point of order. I refer to standing order 236 in relation to relevance. The bills that are being debated before the House refer to appropriations in the 2023-24 year and the Treasurer has strayed well outside that period. I ask you to draw him back to the relevance of the bill, which is the appropriations in 2023-24.

Madam DEPUTY SPEAKER (Dr O'Shea): Treasurer, obviously with appropriation bills a very broad scope applies. However, could you please limit your comments to the period of 2023-24.

Ms Bates: I am pretty sure that's when they were in the jets. When were they in the jets? Was that 2024?

Mr JANETZKI: That was in the middle of it so I am going to keep talking about the jets. I think the former police minister, the member for Morayfield, might have been on one of those jets, flying in convoy.

Ms Boyd interjected.

Mr JANETZKI: It is an appropriation, member for Pine Rivers, for 2023-24. That shows the wastefulness of those opposite, as does Wellcamp. In the year of 2023-24 we had those examples. I remember that there was a trip to art galleries by the arts minister at the time, costing \$126,000. They spent \$170,000 on jets flying in convoy. The little things start to add up.

I have run through the big capital expenditure projects, the big operating expenses, the capital project blowouts, the cost overruns and the unfunded commitments for service delivery that they never intended to deliver. Labor's last budget update made perfectly clear their wastefulness: the \$218 billion debt, meaning a debt of \$40,000 per capita for every man, woman and child, which is the highest for any state in the country. It revealed the depth of their debt, deficit and deception. This is the final sorry chapter in the economic mismanagement of those opposite. It is a very sorry history.

However, I want to talk briefly about the steps that we have taken already. Firstly, we have said we will not progress with the Pioneer-Burdekin project. We will not progress with that \$36.8 billion project that started at \$7 billion and went to \$12 billion. What did they hide before the election? What did we discover after the election? The figure is actually \$36.8 billion.

We have said that we are not going to progress with hydrogen investments to the tune of equity and grant contributions to what was a speculative investment. We welcome the private sector to come and invest in Queensland. We want to send that clear message. The Queensland taxpayer dollar is precious and we made the sound decision not to invest further in equity or grant contributions in that regard, and we have paused BPIC.

It is convenient for us to talk about productivity tonight because the Deputy Premier went through this. The first referral to the Productivity Commission, which was re-established in Queensland only 30 minutes ago, will be a review into the building and construction industry because we know that there would be a \$17 billion cost over the next five years to the Queensland budget which would increase rents by seven per cent.