



Speech by

Jann Stuckey

MEMBER FOR CURRUMBIN

Hansard Thursday, 18 June 2009

**APPROPRIATION (PARLIAMENT) BILL; APPROPRIATION BILL;
INFRASTRUCTURE INVESTMENT (ASSET RESTRUCTURING AND
DISPOSAL) BILL; FUEL SUBSIDY REPEAL AND REVENUE AND
OTHER LEGISLATION AMENDMENT BILL**

Mrs STUCKEY (Currumbin—LNP) (3.40 pm): I rise to contribute to the Appropriation Bill 2009. Another year and another budget, but this one will be remembered as the sale of the century. Labor urges us to move on, with claims that the only reason we are in tough times is because of the world downturn, but in reality it gives the Premier and her Treasurer a smokescreen. But as the smoke clears, like it has on the hospital budget fiasco and election charade of betrayal by this couple, the true picture is revealed. ‘You can count on me,’ said the Premier less than three months ago, with all the theatrics of Cleopatra as she clasped an asp to her bosom. The Premier was being dishonest then, so why would we trust her now?

Mr McArdle: Poor asp!

Mrs STUCKEY: There is some pity for the asp I understand. I doubt there are too many Queenslanders today who do not believe they have been cheated, that the Premier knew more than she was telling before the election but that she was prepared to betray their trust in order to feed her own thirst for power. I have said in previous budget reply speeches, much to the chagrin of members opposite, that Labor’s budgets are akin to the movie *The Truman Show*—where fiction and reality are blurred and where poor sods’ lives are a complete fabrication being fed a daily stream of untruths. Labor would have us use any distractions so we would not turn our minds to why Queensland is suffering more than it should. We do not deserve this, and the good citizens of this state should not have to play victim to Labor’s gross incompetence.

The fact we no longer have a AAA credit rating despite a boom decade in Queensland is not viewed as important by this Premier—a stance which highlights her government’s ineptitude to manage our economy and her own failure to lead this state. Labor has committed heinous crimes with its handling of the state’s purse strings over the years and should be punished. It really is criminal that Labor has squandered opportunities in boom times, and it has proven with this slash and burn budget that it cannot manage the bad times. This government has just cut and run, leaving behind the mess of its own arrogant making and has refused to accept any responsibility. Let us not forget this Premier was Treasurer only two budgets ago. History is a lesson. It serves us well to remember the mistakes so we can improve in times ahead.

I do not want my family and my constituents to think that I bowed to the appalling provisions contained in the bills before us that would impose a fuel tax that will increase the price of countless basic items, affect every household budget and see assets that belong to the taxpayers of this state sold off at bargain basement prices because this government failed to plan wisely in the past. That is why those of us on this side of the House—the LNP—will be opposing the scrapping of the fuel subsidy. The far-reaching ramifications will savage family budgets, budgets that will be king-hit twice by this new tax—once at the petrol bowser and again for basic food and sundry items.

The government is forecasting a debt of \$85 billion for 2011-12 based on, at best, optimistic forecasts of growth of 4½ per cent in 2012-13 and the hope that these latter years' growth rates are achieved—and I actually do hope that they are achieved—but, in the most charitable assessment, they should be viewed as optimistic. A reduction to 3½ per cent or four per cent growth rates would still reflect a reasonable level of growth but would have a significant adverse impact on debt. Surely the Treasury has done this sensitivity analysis and I ask the government to make public the impact of such an alternative growth rate. The government's financial plan seeks to do no more than break even on cash flow, even though depreciation, which it excludes from this unusual cost approach, will now have to be funded out of borrowings and not reserves.

The \$85 billion debt is a real burden for every Queenslander and it precludes Commonwealth grants, also funded from debt for which we Queenslanders are responsible. Every man, woman and child in Currumbin will be responsible for a Queensland overnight debt of \$85 billion for which the government has no payment plan. More than half of the projected debt of \$85 billion was incurred prior to the global financial crisis and was clearly a major problem, notwithstanding the growing revenue that came from royalties and GST. Labor still demonstrates the same incompetence and indifference to the public good that characterised its previous financial management. In successive replies to Labor budgets, I warned of a scenario where Labor would plunge us into severe debt and that opportunities were being wasted, and look at us now—drowning in a sea of debt with nothing in the piggy bank to show for the boom times and the credit card charged to the hilt.

The LNP does support the pull-ahead of major infrastructure programs during a period of reduced utilisation of existing plant and equipment and staff. If properly managed, it will impact favourably on employment and be competitive in cost. However, if all government investment stopped in 2013-14, the state would still owe \$85 billion with no greater capacity to realise the debt than it has today unless it were to take action on taxes, administrative costs and the sale of assets.

In dealing with the sale of government assets, it is important that three major conditions should be met. The first is that the asset should only be sold if it can be subject to competitive conditions. Private monopolies are no more attractive than public monopolies. The second point is that the cost and productive capacity of the asset to be sold must be in sound condition. Thirdly, the buyer must be able to demonstrate the ability to maintain price levels at the price offered for the assets.

Selling assets such as motorways, rail, forestry and coal haulage are indeed desperate measures. These assets all carry substantial debt, having been stripped of value by this reckless Labor government and therefore fail the above criteria. Unless the Treasurer can produce a business case for the sale of these assets—which I remind honourable members belong to all Queenslanders—the figures that the government claims are rubbery and its argument lame. At a glance, the privatisation of the Brisbane port fails to meet the first condition and should not proceed.

Turning to taxes and charges, the only sound principle is to ensure that the burden of new taxes is shared fairly throughout the community. The removal of the petrol subsidy falls most heavily on rural and regional Queensland while the residents of metropolitan Brisbane reap the benefit from the heavily subsidised public transport system. However, they, too, will be hard-hit, with price rises incurred on other items as a result of this new tax. As for costs in administration, the government has done nothing and costs have risen by \$2.6 billion or 7.4 per cent in 2009-10 of which salary and superannuation expenses account for \$1.5 billion and interest for \$350 million. For the rest of Queensland, their fate is 7¼ per cent unemployment and massive downwards pressure on incomes. The government has a major opportunity to be proactive in reforming public sector administration, but it seems so beholden to the trade union movement, particularly those in the public sector, that it has actually increased costs.

In this budget the annual cost of employment, including superannuation, has now reached \$100,000 per person per annum based on an even figure of 180,000 public servants at \$18 billion of costs. While about 12,000 of these public servants retire or leave each year, if the government replaced only half, it would produce cumulative savings of hundreds of millions of dollars per annum to say nothing of reduced rental, utility and vehicle costs. Of course, this would have an adverse impact on public sector trade union subscription income and its ability to fund Labor, so that is immediately ruled out.

Let me turn to the Department of Public Works which is, of late, kept busy largely dispensing billions of dollars worth of Commonwealth funds. Goodness knows what this Labor government would do without its federal mates. They hand it out as stimulus packages and Queensland Labor grabs it and gobbles it up into the big black debt hole. Almost every part of the ministerial statement on this department is a major cause of concern and in many respects it is little more than a microcosm of the whole of the Labor administration.

It operates a wide range of commercial services of the sort that are readily accessible in the private sector but which have mandated monopolies over government business. Common practice is to balance the books in such a manner that income and expenditure balance each other. For example, the budget for the Department of Public Works, which appears in the SDS at page 2-241, has a figure of \$612,357 million

for income and exactly the same figure for expenses. That indicates no competition and no idea of whether the well-established private sector could offer lower prices and higher quality.

QFleet and Goprint are in a similar category, with the latter requiring a subsidy of \$3.6 million, which is 20 per cent of costs, to break even. Other divisions exist solely to provide administrative support to government entities that are too small to support financial and human resource activities. If these were incorporated into larger departments with related roles, these services could be supplied by the existing departments. Quite simply, the system the government is using is bad.

The government would like to pretend that it has made the tough decisions when the only decisions it has made that are tough are decisions such as scrapping the petrol subsidy, which is better described as a new tax, which impacts most adversely on rural and regional Queensland, as I have said. The remainder of the budget protects trade unions at the expense of the rest of Queensland.

It is ironic that Labor has not a skerrick of concern about its failure to honour promises that it made less than three months ago on prices, charges and subsidies, recognising that the economic circumstances have changed, yet it feels obliged to honour enterprise bargaining agreements and other services growth and environments that see employee expenses increase by 5.3 per cent in 2009-10.

But where does that leave my constituents? Their share of the \$85 billion debt is about \$21,000 for every man, woman and child, or \$78,000 for every family, each of whom will pay about \$1,000 per year in interest. This budget is a coward's budget. It places the state on a credit card economy with ever-increasing interest costs, pushes tax and charge increases on to the people, makes no effort to reduce administrative costs through quite feasible public sector reforms and makes extraordinary concessions to the financiers, the public sector unions.

I move now to my electorate of Currumbin, which is a truly magnificent place in which to live and raise a family. We recognise that times are tough. However, we expect our fair share of services—nothing fancy, just our fair share. Job losses will affect the Currumbin electorate hard, as it has a high number of small businesses, light industry and tourism. 'Jobs, jobs, jobs' is the mantra of the Premier. Already, thousands upon thousands of jobs have been lost in Queensland, with unemployment scheduled to rise. We are going backwards, yet the Premier promises 100,000 new jobs. This government's debt will cost us dearly in nurses, teachers, police officers and doctors. Labor simply cannot stick to its budget or deliver large projects on time. It is in its DNA.

Let us look at the cost blow-outs on both the desalination plant and the bypass in Tugun. How many hard-hat media opportunities did the Premier and her entourage milk from these construction sites? Now we learn that the desalination plant will cost \$95.5 million—almost \$100 million—to repair and run during the 2009-10 period. This week on Gold Coast ABC Radio the Treasurer said that the money—\$100 million—was for repairs and running the plant at capacity. The last I heard, the plant was still being repaired and trialling a run at around 30 per cent capacity. How can the Treasurer say that when the plant is not running at 100 per cent capacity and water from it is not required as we are no longer in drought? The Treasurer is either embarrassed about this billion dollar water experiment or does not have a clue about good financial management.

Misleading statements in the Department of Infrastructure and Planning section of SDS 2 claim an achievement of 2008-09 was—

Completed construction and commissioning of SEQ Water Grid Projects including ... Gold Coast Desalination.

That is clearly not true. It is not commissioned. The government has made an art form of telling untruths. As I said, it is in its DNA. The patient people of Tugun and the surrounding suburbs have been through enough. As I said, the plant is running at only one-third of its supposed capacity and when it was turned on full bore last October, pressure valves burst and a street in Tugun opened up with the force of the water. Excuse after excuse has spilled from the lips of the Premier, the Deputy Premier and successive ministers. People are still waiting for their homes to be restored to preconstruction condition. The Tugun footy club is left sinking.

Steep increases in power and water bills are on the horizon, too. After all that these good folk have been through, they should get rebates, and significant ones at that. We waited 20 years for the construction of the Tugun bypass and then got Australia's most expensive road at around \$100 million per kilometre. Rumours of signs of corrosion in the metal framework of the tunnel after barely one year do not offer much confidence to the residents of Tugun. One environmental scientist claims that the tunnel will require serious attention within two years, yet it was built to last 100 years. New South Wales is due to take over the maintenance of the tunnel in 2018, but will it want to take on a project that may end up costing it plenty? Will these claims of corrosion blow-out Queensland's debt with substantial costs for repairs? What of the ongoing vandalism of glass panels for Tugun? If the material is not changed then we are set for more unnecessary ongoing expense. There is still no sign of funding for the M1 extension for the people in my electorate. However, I note the mention of funding for planning for the section to Stewart Road in Currumbin Waters. You would have thought that would be well and truly done by now.

The Minister for Community Services rips into the Queensland public about helping out, while her mates in the federal government set a target to halve homelessness by 2020 with a 25 per cent reduction by 2013. For the Gold Coast, money is broadly allocated for community services but none is allocated for the Blair Athol crisis accommodation service at Bilinga. Prime Minister Rudd's promise to halve homelessness is not looking too promising for the dedicated staff at Blair Athol. This year, approximately 6,000 individuals will be turned away from that accommodation due to no vacancies. Last year's figure was 6,262. Blair Athol has been providing accommodation in the form of a range of support services and outreach to families, single adults and young people for over 30 years. In more than 20 years, Blair Athol's accommodation and support services have operated without any increase in funding apart from indexation, particularly for human resources, while the demand for services has grown phenomenally and the complexity of need for people who are homeless or who are at risk of homelessness has increased dramatically.

Blair Athol's evaluation of its existing service delivery and its recommendation for increased specialist staff means that an extra three to four full-time positions are required to provide homeless services to their nine family units. Blair Athol urgently requires a review of staff funding ratios to enable it to continue to provide quality services to people who are experiencing or who are at risk of homelessness.

From the way members opposite are talking, it appears they really do not care about the homeless people in my Currumbin electorate—the 6,000 people a year who are turned away—or about Blair Athol's plight in providing this service. Then, of course, there is the funding cuts to Mirikai—one of the very few places that provides mental health services and drug and rehabilitation services on the Gold Coast. It beggars belief that the government would cut that funding.

In Currumbin, the government owns 500 public dwellings and there are around 800 households on the combined waiting list for social housing. We can expect this list to grow as people feel the pinch due to Labor's broken promises. There will be a heavier reliance on volunteers, yet retirees are also feeling the pinch, with petrol and electricity prices going up.

Once again, the Currumbin electorate has been short-changed with police. The new station that is opening at Reedy Creek will deplete the Currumbin area as staff will be relocated there from the Palm Beach and Mudgeeraba stations. The LNP's promise of a 24/7 station at Palm Beach will not be able to be delivered. But the good news is that a police beat opened at The Pines Shopping Centre last week as a result of 1,200 petitioners who are disturbed by unruly youth behaviour. That shows what can be achieved with community consultation, cooperation with police and shopping centre management—and no interference from the government.

The Currumbin electorate was promised funding in relation to the Tweed River sand bypass project at Kirra and underground powerlines. Since the sand bypass project commenced eight years ago, our beaches have been oversupplied with sand and we have lost our famous Kirra surf break, among others. The government has done nothing. During the election campaign the government got wind that the LNP was committed to addressing the issue and quickly pledged \$1.5 million for beach excavation works. That amount will not offer a long-term solution, which is why I have been calling for the contract between New South Wales and Queensland to be made public. My request has been denied and I am awaiting the decision of the independent review.

I am pleased to see that \$1.5 million has been included to undertake beach sand excavation, but I am puzzled by the regional budget statement for the south coast area, which shows an amount of \$1 million to continue restoring Kirra Beach. Does that mean that we are getting \$2.5 million for Kirra Beach? A long-term strategy for the whole area that is affected by this Tweed River sand bypass project is required. I understand our mayor will be undertaking community consultation, which is more than I can say for the minister.

The underground powerlines are an issue that enraged residents into a prolonged protest over Energex's proposal to install 110kV powerlines through Palm Beach and Currumbin via a route between Mudgeeraba and Tugun. The STOP protest group are to be congratulated for their efforts. Following the LNP's announcement during the campaign to underground powerlines, Labor promised to do the same, offering \$28 million. To date no progress has been made. I have had a good look in the budget statements but I cannot see this funding anywhere. It is an absolute disgrace.

There is good news for the community in relation to what our surf-lifesavers have provided, no thanks to the government. The new department of transport customer service centre has handled 28,000 transactions in the last year.

(Time expired)