



Speech by

# Hon. Andrew Fraser

MEMBER FOR MOUNT COOT-THA

Hansard Tuesday, 12 February 2008

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## MINISTERIAL STATEMENT

### Queensland Economy

**Hon. AP FRASER** (Mount Coot-tha—ALP) (Treasurer) (10.21 am): At the outset of 2008 the global outlook for 2008 and beyond is anything but certain. I warned last year it was our view that the music had not yet stopped on the US subprime mortgage fallout. Volatility on the share market has in fact worsened, with the market sitting 13 per cent below its opening for the year. With the Reserve Bank again forced to take punitive action on interest rates as it attempts to slay the dragon of inflation, governments around Australia need to adopt a strict discipline in their budgets. Despite this, we remain confident in Queensland that we have the ability, on the back of strong underlying fundamentals, to absorb and ride out the storm gathering globally. Inflation is not only the enemy of sustainable future growth within the national economy but also the enemy of working families across the state.

As Queenslanders sat around their kitchen tables during the last week to once again rejig their family finances, the government is also undertaking a concerted program of efficiency gains. We are targeting savings of \$200 million over the next two budgets to ensure that every single dollar of taxpayers' money is being spent where it should be. We were not happy to find the results from our forensic audit of the Ambulance Service last year which identified \$12 million that could be redirected towards the front line—towards purchasing ambulances and employing paramedics—but we are determined to root out soft padding wherever it resides. This will be achieved through efforts led by the Treasury and will apply across-the-board. If there are 'nice to haves' or excess capacity identified, we will act to free up that money and redeploy it to the front line. This will be achieved in accordance with relevant industrial agreements and there will not be any need for forced redundancies.

While we need to be cautious, we can be optimistic. If you take the pulse of the Queensland economy, all the vital signs remain robustly strong. The alarm bells are sounding in other quarters, but we should be confident of our position and of our fiscal strategy. The upcoming state budget will be one of the most challenging the government has delivered and we stand ready to take the decisions to keep Queensland growing.