



Speech by

# Hon. Campbell Newman


MEMBER FOR ASHGROVE

Hansard Tuesday, 31 July 2012

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## MINISTERIAL STATEMENT

### Queensland Economy

 **Hon. CKT NEWMAN** (Ashgrove—LNP) (Premier) (9.47 am): Every Queensland family knows how hard it is to balance their household budget. They have to keep a close eye on what they spend, they have to pay all their bills—their loan payments, the accounts from the utility companies—and they have to make sure that they get a good price on everything they buy to make ends meet. They have to make sure that more money comes in than goes out. Otherwise—surprise, surprise—they will go broke. It is the same principle with government budgets. We have to make sure that the expenditure does not exceed income over the long term.

Under the previous Labor government, there was a complete failure in budget management. Under Labor, the state began living beyond its means, with expenses growth far outstripping revenue while debt soared to \$65 billion at the start of this financial year. In only 2009, what was the figure? Around \$44 billion. Since my government was elected on 24 March, we have been working hard to make savings, but Queensland still faces an operating budget deficit of over \$4 billion this financial year and, indeed, the fiscal deficit is even higher. I make the point that, if we were to raise taxes on Queensland families to plug this year's budget black hole—the one we have inherited from the Australian Labor Party—this is what it would mean in terms of extra tax: \$1,000 per man, woman and child. So those who say that we should just simply raise taxes, we should not make these savings, it is \$1,000 per—

**An opposition member** interjected.

**Mr NEWMAN:** I take that interjection. Yes, it was about \$600 or \$700 to plug last year's budget deficit. This year it is \$1,000. It is the budget deficit that they have provided as the, if you like, aircraft Queensland plunges down towards the ground in that power dive that we are trying to pull out of—\$1,000 extra tax to actually balance the books.

**Opposition members** interjected.

**Mr NEWMAN:** They can interject and carry on—and they are even laughing. I do not think it is funny. I do not think it is funny at all. Queenslanders do not think it is funny at all. Queenslanders are not amused any more by the Australian Labor Party. It is \$1,000. These people will say anything, they will do anything to cover up the fact that they put us in this position.

**Opposition members** interjected.

**Mr NEWMAN:** I hear other interjections which I might well deal with later on. The interjections were, 'Who was proposing a new tax last week?' I will deal with that one later on. I would be delighted to. But what did this poor and reckless financial management cost Queensland? It cost us the AAA credit rating. What does that mean? It means that our borrowing costs relative to other large Australian states are more expensive. In fact, the Commission of Audit says that it is \$100 million more expensive in 2012-13. That is the extra interest because we do not have a AAA credit rating. I am also informed that if one did a

comparison with New South Wales it would be around \$200 million this year. What could you do with \$200 million? I can tell members now that you could go a long way to doing better in terms of funding support of people with disabilities in Queensland. That is what you could do with \$200 million this year.

**Ms Palaszczuk** interjected.

**Mr NEWMAN:** They interject and they hoot and toot, but the poor and reckless financial management that lost us the AAA credit rating is hurting Queenslanders in so many ways every day. This government is going to turn us around. This government is determined to fix the financial foundations of Queensland and to get the state back on track. We have a plan and we pledge to Queenslanders that we will sort it out. We are going to cut Labor's waste and we will lower the cost of living for Queensland families. We will manage the budget properly. We will deliver the front-line services that everybody in Queensland deserves.

While the state's finances are in bad shape there are indeed positive stories emerging in the broader Queensland economy. I note sadly though that the Labor opposition cannot distinguish between the state government's finances and the broader economy. We are very confident and optimistic about the future of the economy, particularly with the great things that we have already been doing as a government to get the economy back on track. We have made headway already in ensuring major resource projects can move forward quickly. More airline services are coming to this state via China Eastern Airlines and Scoot and Qantas is consolidating its heavy maintenance facilities in Queensland. Caltex, while downsizing in other states and shutting the Kurnell refinery, is going to stay and it is going to invest in Queensland. The latest Deloitte Access Economics business outlook report forecast 4.8 per cent growth in 2011-12 and the potential for Queensland to become the nation's fastest growing economy.

Queensland's economy has great potential and with a government sector that is reformed, efficient and provides cost-effective services and infrastructure and a determination to fix the financial problems we have inherited from the mob opposite, we will restore this state's future and get Queensland back on track.