




Speech By
Hon. Tim Nicholls

MEMBER FOR CLAYFIELD

MINISTERIAL STATEMENT

Fiscal Responsibility

 **Hon. TJ NICHOLLS** (Clayfield—LNP) (Treasurer and Minister for Trade) (9.54 am): Governments can support families best by living within their means. Every day the Newman government is working to support Queensland families. We are doing this through our extensive cost-of-living relief measures, our focus on driving efficiencies in service delivery to deliver more with less and our commitment to living within our means so we can keep taxes and charges as low as they need to be.

Honourable members interjected.

Madam SPEAKER: I am sorry to interrupt you, Treasurer. I warn members on my left and my right to please cease the interjections across the chamber. Give courtesy to the person with the call. I call the Treasurer.

Mr NICHOLLS: Thank you, Madam Speaker. When we came to office the situation was diabolical. Spending had been left unchecked, deficits were structural and debt had ballooned. Fees, taxes and charges continued to rise. This great state had gone from a position of financial strength to paying more for its debt than Tasmania. Those opposite will not admit it, but the state was heading towards \$100 billion of debt if things had remained unchanged. The Newman government has redressed the trajectory of debt and it is estimated that debt will be \$4.8 billion lower in 2014-15 than Labor had projected in their figures, with the corresponding reduction in interest payments saving \$1.3 billion over the forward estimates.

Madam Speaker, I am not standing here today saying that the problem is fixed. We still have a long, tough road ahead. As the independent Commission of Audit's executive summary states—

... if the Government were to achieve a consistent fiscal surplus of 1% of revenue year after year, it would take 50 years to reduce debt by \$25 billion (ignoring growth in the base and inflation impacts for simplicity).

You have to say 'simplicity' when you are talking to those opposite. Madam Speaker, we would all do well to remember that debt is just deferred tax. Sooner or later someone has to pay, and if it is not us it will be our children and if it is not them it will be their children. Labor always wants someone to pay.

I ask the House: how can any government that is serious about the future not live within its means today? This government is standing up for Queenslanders whilst federal Labor continues to rack up over a quarter of a trillion dollars' worth of debt on the nation's credit card. Labor has squandered the good financial management of the Howard coalition government that actually paid off debt, left Australia with assets in the bank and got our AAA credit rating back. Yet do we see any fiscally responsible actions from federal Labor? We do not. As the stock of debt heads towards the debt ceiling of \$300 billion, we do not see Wayne Swan applying the brakes. Instead, we see federal

Labor hit the debt accelerator with more big spending promises. None of these promises have been developed with any real consultation with the states or with any substantive detail. They just ride the media cycle with promise after promise unfunded and ongoing. Throwing more money at a problem is not necessarily the answer and it is certainly not reform.

This year Commonwealth Labor will have a net interest bill of over \$8 billion—roughly the cost of fully funding the Gonski education reforms or the Commonwealth's contribution to a National Disability Insurance Scheme. And still federal Labor continues to try to distract us all with rhetoric about planning for the nation's future. All the time the mountain of debt which the nation's taxpayers and the children of these taxpayers will have to pay back continues to climb.

To prove my point, since 2007 federal Labor has introduced 29 new tax grabs from the alcopops tax, the carbon tax and the minerals resource rent tax to the announcement on Saturday about the cap on self-education expense deductions of \$2,000, continuing to rob Peter to pay Paul. Federal Labor's insatiable appetite for spending can only be satisfied, as it was in Queensland, by higher taxes both today and tomorrow.

Queenslanders must live within their means to ensure tomorrow is just as bright as today. Our side of politics understands our fundamental commitment to live within our means. However, it seems that deficit and debt are still locked in Labor's DNA.