




Speech By  
**Hon. Tim Nicholls**

**MEMBER FOR CLAYFIELD**

---

**MINISTERIAL STATEMENT**

**Education Reform**

 **Hon. TJ NICHOLLS** (Clayfield—LNP) (Treasurer and Minister for Trade) (9.43 am): In less than two months the Newman government will deliver its second state budget, and it is shaping up to be a tough budget. As I have said many times before, governments must live within their means, otherwise deficits accumulate into debt and future taxpayers are burdened by the poor decisions made by previous governments. Unfortunately, the Gillard government continues to impose poorly defined, large spending proposals on the state governments. Make no mistake: we all want to do more, but doing more does not always mean spending more.

The request for the state governments to fund Gonski, on top of the existing funding pressures on states, is an enormous ask. The Newman government has already committed \$535 million towards the Great Teachers = Great Results action plan, which will identify and encourage high-performing teachers and give schools more autonomy. The Great Teachers = Great Results initiative is on top of the additional \$300 million—another \$300 million—to address the maintenance backlog that accumulated under the mismanagement of the former government.

Queensland is at its fiscal limit. To fund Gonski, Queensland would need to find an additional \$1.3 billion for school funding, and inevitably this will require a trade-off with other services or infrastructure projects. In this context, \$1.3 billion represents 1,300 beds in hospitals; or 16,250 teachers; or 13,000 nurses; or 26 brand-new, top-shelf primary schools; or all capital spending on housing and community safety infrastructure for the next four years; or nearly the entire budget for the disability services department in 2012-13 of \$1.37 billion.

The Independent Commission of Audit's interim report released in June last year made it very clear. Queensland cannot be a high-spending and low-taxing state. It needs to choose between two alternatives: high taxing and high spending or lower taxing and lower spending. Queensland has unashamedly chosen a highly competitive tax regime. It must therefore moderate its expenditure. For too long now past Labor governments have lived beyond their means and grown so sloppy with expenditure that productivity has plummeted. The Newman government is working hard to correct this but, Madam Speaker, you cannot turn the *Queen Mary* on a dime.

Instead of supporting the states, the Gillard government continues to give with one hand whilst taking with the other. We currently have 27 separate funding arrangements which are under serious threat. These agreements, which will expire during the next two years, are estimated to be worth a total of about \$2.5 billion to Queensland alone. Despite numerous attempts by me and other state Treasurers to secure agreement on these specific purpose payments and national partnership agreements, the federal government has continually refused to provide any certainty about the payments that we are due.

These agreements are not just numbers in our budget; they are real services for Queenslanders, services like universal access to early childhood education and care or homelessness programs. The Commonwealth starts these programs and the community rightly expects that they will continue, but then the Commonwealth only commits for a few years and when the commitment expires it leaves the states holding the baby and forced to spend the money. The Newman government stands up for Queenslanders and we will be taking a long, hard look at any proposals from the Gillard government that may injure our fragile financial state.