




Speech By
Hon. Tim Nicholls

MEMBER FOR CLAYFIELD

MINISTERIAL STATEMENT

Commission of Audit

 **Hon. TJ NICHOLLS** (Clayfield—LNP) (Treasurer and Minister for Trade) (9.37 am): It gives me great pleasure to provide the House with a further overview of the findings of the independent Commission of Audit and the government's response which is a plan to provide better services for Queenslanders. Part of providing better services is to increase efficiencies so we can drive hard-earned taxpayers' dollars further to achieve those better outcomes. The commission has identified a serious decline in the standards of financial management and accountability in this state under the previous Labor government—no surprises there! This decline is most clearly exhibited in the substantial fiscal deficits delivered by Labor from 2006-07 onwards and projected to continue over the forward estimates period to 2015-16—virtually a decade of deficits under Labor. We can never forget that under Labor debt skyrocketed, reducing the capacity of the government today to provide services to Queenslanders. The Queensland Auditor-General noted in a recent report on the state's finances that—

... borrowings by the General Government Sector have grown by 338.5% between 2008 and 2012. The increase in borrowings over this time has increased risks to the long-term financial sustainability of the State.

We are absolutely committed to ensure that the rapid accumulation of debt never occurs again. The independent commission has made a number of wide-ranging and much needed recommendations to restore Queensland to the highest standards of financial management which were once the hallmark of Queensland.

The government has accepted in full, in part or in principle all of the commission's recommendations on financial management and planning. We will introduce a charter of budget accountability to set sound fiscal principles in legislation, specify minimum content requirements for improved financial reporting in the budget and related documents and impose a requirement for the publication of a pre-election budget update. The charter will include a requirement for the Treasurer to periodically prepare an intergenerational report to inform parliament and the public of the longer term demographic, social and fiscal challenges facing the state. Unless we identify the challenges ahead, how can we possibly plan for the future? The intergenerational report will look at the changing size and composition of Queensland's population. Future population trends will have significant implications for the state's health, education, housing and transport services and our infrastructure program. Our infrastructure spend will be subject to rigorous analysis in accordance with improved investment frameworks.

Under Labor, the Queensland Audit Office found that there was a lack of clarity over the roles and responsibilities of agencies involved at the business case/investment decision phase. The report also found that for some projects insufficient analysis of and comparison with delivery options was provided and that in some cases the delivery method appeared to have been decided prior to the business case being prepared. They knew what they were going to do and did not care whether it made sense or not.

One of the clearest examples of poor investment analysis that led to massive cost blow-outs was both the Queensland Children's Hospital and the Sunshine Coast University Hospital. The latest cost estimates are more than double the original published estimates, and when you are talking about hospitals that is billions of dollars. But for Labor, it just treated it like monopoly money. The Labor way is for someone else to pick up the tab and unfortunately the only people who do that are taxpayers.

Unlike Labor, the Newman government is committed to open and accountable government. The acceptance of the independent commission's recommendations on the financial management and planning systems further demonstrates this. We are also delivering today but planning for tomorrow, and the delivery of regular intergenerational reports will ensure that government services keep pace with the needs of Queenslanders. All of our actions every day are about ensuring that Queensland is a great state with great opportunity.