




Speech By
Hon. Tim Nicholls

MEMBER FOR CLAYFIELD

MINISTERIAL STATEMENT

Federal Budget

 **Hon. TJ NICHOLLS** (Clayfield—LNP) (Treasurer and Minister for Trade) (9.43 am): Last Tuesday night federal Treasurer Wayne Swan handed down his sixth, and hopefully last, budget—a budget that has wide-ranging implications, not all of them good, for the state of Queensland. It saddens me to inform the House that this budget had little in it for Queensland or for Queensland families. It is a budget built on broken promises and a budget that is built on smoke and mirrors. It is a budget that does nothing to restore confidence among Queensland families and businesses. Mr Swan had previously promised more than 500 times to deliver a surplus, saying—

... meandering back to surplus—would compound the pressures in our economy and push up the cost of living for pensioners and working people.

Last Tuesday night, he confirmed an \$18 billion deficit for 2012-13 and another three years of deficits—deficit after deficit. Putting aside Mr Swan's broken promises, this is a budget that also delivers some harsh cuts to Queensland—cuts that will reverberate around our economy and the community. The federal budget included a cut in health funding of almost \$500 million over the forward estimates, equivalent to funding for 5,000 nurses. In this year alone, we will see cuts of around \$244 million to areas such as health, education, general public services, transport and communications. What is even worse is that \$91 million of these cuts are made at the last minute, given they were disclosed only last Tuesday, leaving this government with only 41 days until the end of the financial year to find savings to deal with these savage cuts to the delivery of services. Specific purpose payments to the state will also be over \$1 billion lower in 2013-14 than they were in 2012-13. Let me be clear: these cuts have an impact on Queenslanders. Unfortunately, they come at a time when the Newman government is boosting front-line services by doing things like substantially increasing the Health budget by more than \$800 million in our first year in office, putting an extra \$835 million into education and boosting funds to disability services by \$868 million.

The federal budget also includes a significant write-down in GST payments to Queensland of \$670 million over the forward estimates. While cuts in GST receipts are not directly attributable to the federal Labor government, they go to the wider problem that the Labor government has caused across the nation and that is the lack of confidence. How can people have confidence in a government that breaks its word almost every day—a government that uses smoke and mirrors to talk up investment in Queensland projects when the funding committed to these projects is far less than what is needed to get them off the ground? Labor governments across Australia have illustrated time and again that they are either unwilling or unable to exercise fiscal restraint. This has been demonstrated again by the Commonwealth budget. The Commonwealth is estimating that it will borrow \$120.3 billion from 2012-13 to 2016-17. Borrowings are expected to be 22 per cent greater by 2015-16 than previously forecast and estimated to reach a massive \$382 billion by 2016-17.

This side of the House understands that debt today is deferred taxation, because debt is something that will have to be paid off by future generations. That is exactly why the LNP government

is acting now to build a brighter future for our children. We do not want to saddle the next generation of Queenslanders with an ever-increasing volume of debt like our Labor predecessors thought was right. We want to make sure they have the great opportunities that were provided to us when we were growing up in Queensland. Last week's federal budget again shows that Labor cannot be trusted with the public's money. The Newman government is working hard to provide more and better services to Queensland. We will maintain our resolve to ensure that Queensland is a great state with great opportunity.