




Speech By
Hon. Tim Nicholls

MEMBER FOR CLAYFIELD

MINISTERIAL STATEMENT

State Finances

 **Hon. TJ NICHOLLS** (Clayfield—LNP) (Treasurer and Minister for Trade) (9.39 am): The Newman government has always been open and honest with the people of Queensland about the challenges that this state faces. The fiscal challenges facing the state are well known and are accepted by a range of sources, including Queensland Treasury, the independent Commission of Audit and, of course, the Queensland Auditor-General. Significant fiscal repair efforts have been required to reduce Labor's projected debt from \$85.4 billion to \$80.1 billion in 2014-15, and that hard work continues.

We will always welcome open and honest debate about our positive plans for the future, knowing, as we do, that the state opposition has no plans for Queensland. The same, however, cannot be said of the Rudd Labor government. They have a plan, and it is simply a plan to tax, tax, tax. While the federal coalition is committed to scrapping the carbon tax and the mineral resources rent tax, the federal Labor government has introduced or increased 43 new taxes since taking office. While the coalition is promising to deliver a company tax cut of 1.5 per cent, in the last month alone Labor has introduced: a \$5.3 billion increase in tobacco excise; a \$733 million levy on Australian bank accounts; a \$533 million increase to visa application charges; a raid on Australian superannuation; and a \$1.8 billion hit on the car industry through the abolition of the car statutory rate for fringe benefits tax. All of this is from a party whose leader continues to claim—somewhat unrealistically—to be a fiscal conservative. He is not even up-front with his tax hikes and instead presents them in his budget documents and public statements as savings. In addition to taking a meat axe to the Public Service, Kevin Rudd has taken a meat axe to the Australian taxpayers.

In keeping with our commitment to lower the cost of living, the Newman government made the tough decisions necessary to repair the state's finances primarily by getting our own house in order. We are doing the heavy lifting on the expenditure side of the ledger by putting an end to Labor's waste, not by finding 'savings'—which are really higher taxes—as Labor would have. So whilst we are honest about what is needed, Kevin Rudd and Labor continue to peddle mistruths about what the Newman government is doing here in Queensland. Federal Labor has been quick to point to the fiscal repair taking place in Queensland as proof of so-called cuts, but an analysis of the budgetary positions of both the Queensland and Commonwealth governments actually reveals that the federal Labor's planned fiscal consolidation is in fact larger than the LNP's here in Queensland.

Using their own estimates, in the four years from 2012-13 to 2015-16 federal Labor's forecast consolidation totals almost \$48 billion, or 0.7 per cent of gross domestic product—much larger than any fiscal consolidation by the Queensland government. Contrary to Labor's claims, we are continuing to spend in the right places. In 2013-14 we increased health funding by 4.5 per cent to a record \$12 billion, and we increased education spending by 6.5 per cent. Labor cut funding to health and

education late last year, and as recently as last week in their midyear budget update they cut further funding for vocational training.

Labor is attempting to hide the size of this consolidation by delaying the majority of the repair work to the out years. Put simply, federal Labor are hypocrites. Kevin Rudd is a dud! Their reckless economic management is negatively impacting on Australia's bottom line, business confidence and, subsequently, the economy. On 7 September, how can Australians trust the very same government which created the black hole to fix it? Australian deserves a grown-up government that is up front and accountable; a government which does what it says, and that is what the LNP is offering.