




Speech By
Hon. Tim Nicholls

MEMBER FOR CLAYFIELD

APPROPRIATION BILL (NO. 2)

Message from Governor

 **Hon. TJ NICHOLLS** (Clayfield—LNP) (Treasurer and Minister for Trade) (12.02 pm): I present a message from Her Excellency the Governor.

The Deputy Speaker read the following message—

MESSAGE

APPROPRIATION BILL (No. 2) 2013

Constitution of Queensland 2001, section 68

I, PENELOPE ANNE WENSLEY AC, Governor, recommend to the Legislative Assembly a Bill intituled—

A Bill for an Act authorising the Treasurer to pay an amount from the consolidated fund for Queensland Treasury and Trade for the financial year starting 1 July 2012.

(sgd)

GOVERNOR

Date: 9 SEP 2013

Tabled paper: Message, dated 9 September 2013, from Her Excellency the Governor, recommending the Appropriation Bill (No. 2) 2013 [[3433](#)].

Introduction

Hon. TJ NICHOLLS (Clayfield—LNP) (Treasurer and Minister for Trade) (12.03 pm): I present a bill for an act authorising the Treasurer to pay an amount from the Consolidated Fund for Queensland Treasury and Trade for the financial year starting 1 July 2012. I table the bill and the explanatory notes. I nominate the Finance and Administration Committee to consider the bill.

Tabled paper: Appropriation Bill (No. 2) 2013 [[3434](#)].

Tabled paper: Appropriation Bill (No. 2) 2013, explanatory notes [[3435](#)].

I present a bill for an act authorising the payment of the amount, as I have stated. The Appropriation Bill (No. 2) 2013 provides supplementary appropriation for unforeseen expenditure in 2012-13. Unforeseen expenditure is expenditure from the Consolidated Fund above the amount approved by annual appropriation—that is, by the budget.

This is the first time since 2007 that a separate appropriation bill has been introduced for supplementary appropriation. From 2008 the previous government decided to combine supplementary appropriation with the annual appropriation bills introduced on budget day. This practice results in lengthy and unnecessary delay between when the expenditure is incurred and when it is approved by parliament. For example, when I presented the Newman government's first budget in September last year, the appropriation bills had to include supplementary appropriation for 2010-11—seeking approval for expenditure almost a full year after the financial year in which it was spent, by a different government and from a different parliament. If this approach were to continue,

the bill I am introducing today, seeking approval for unforeseen expenditure in 2012-13, would not be presented to parliament until the introduction of the budget in June 2014.

The final report of the Independent Commission of Audit raised concerns around this extended delay. In fact, I raised concerns about this and referred the matter to the parliamentary privileges committee when I was in opposition. Obvious changes had been made by the former Labor government to reduce accountability. The concerns around the extended delay are between when the expenditure is incurred and when the parliamentary approval is sought for it. Specifically, the commission stated that the process 'detracts from proper transparency and accountability, especially the need to provide a reasonable and timely explanation to parliament as to why additional appropriation is required'.

This government is committed to improving transparency and accountability. By introducing a separate bill for supplementary appropriation, this year and in future years, I am demonstrating this commitment. We are bringing forward the timing of when parliamentary approval is sought to as soon as possible after the end of the financial year in which that expenditure is incurred. In this way, the introduction of the bill can also be aligned to the tabling of the *Consolidated Fund financial report*, the CFFR, which I tabled a few moments ago.

The CFFR, prepared in accordance with the Financial Accountability Act 2009, outlines appropriation from the Consolidated Fund for the previous financial year and provides explanations by agency for variations from the amount approved by annual appropriation. Aligning the introduction of the bill for supplementary appropriation with the tabling of the CFFR provides additional information to enhance parliamentary scrutiny of unforeseen expenditure, further reinforcing our commitment to financial rigour and accountability.

The supplementary appropriation for 2010-11 that I had to include with last year's annual appropriation bills not only sought parliamentary approval for expenditure almost a full year after it was incurred but sought it for the amount of over \$9 billion. In stark contrast, supplementary appropriation sought for 2012-13, that I am introducing today, is just \$63.445 million and required by a single department. To put that in perspective, that is 0.0014 per cent of the entire appropriation of almost \$45 billion for the Queensland government's fund. That is how much we were out in terms of our appropriation. Compare that to the last full year of Labor incompetence—\$9 billion of unforeseen expenditure.

Is it any wonder that the books of account for the Queensland government were in such a shabby state? Is it any wonder that under Labor Queensland lost its AAA credit rating? Is it any wonder that debt under Labor was heading towards \$100 billion? Is it any wonder that expenses were increasing at twice the rate of revenue? Is it any wonder that Labor left Queensland in such a parlous state when they had such feeble control over their expenditure?

Ms Trad interjected.

Ms Palaszczuk interjected.

Mr DEPUTY SPEAKER: Order! Those on my left will cease interjecting.

Mr NICHOLLS: Unlike those opposite who sought to hide the supplementary appropriation of \$9 billion in subsequent years and not provide an explanation—and, in fact, as they always did, change the system to hide, to obfuscate, to disguise their failure—I am happy to provide an explanation of the \$63 million, the 0.0014 per cent of total expenditure. I am happy to provide the information about the last full term of the Labor government—

Ms Palaszczuk interjected.

Mr NICHOLLS:—which the Leader of the Opposition and the Deputy Leader of the Opposition never provided. I am happy to provide the information within three months of the end of the financial year in which it was spent. Instead of waiting up to 18 months for those bills to go through, we are doing it within three months of the end of the financial year. The only supplementary appropriation—

Ms Trad: You're not doing anything except building a tower for yourself.

Mr DEPUTY SPEAKER (Dr Robinson): Order! Those on my left.

Mr NICHOLLS: I hear the whine of incompetency coming across the chamber at me from those opposite as they seek to defend the indefensible—their total and utter incompetence. I highlight for those members who are in the House and paying attention yet again what that financial incompetence was. Let's remember what it was. I will say it again—I have said it once already: they lost the AAA credit rating. Then what did they do? They changed their own Q2 plan—the ultralight plan that they stole from New South Wales. Mike Kaiser stole that plan and brought it up here with him—that doyen

of responsible government and parliamentary accountability. I think he might have been a member here once, wasn't he?

Mr Stevens: Yes.

Mr NICHOLLS: Yes. I think he might have had to leave once, didn't he? I remember a former Premier—I think it was the former would-be 'lord of Forde'—who said, 'There is no place in the party I lead for someone who is a vote rorter.' What did the member for South Brisbane's mentor do? She brought him back and increased his pay by \$100,000! That is what the Labor Party did. Not only did they not bail him out but they brought him back—

Opposition members interjected.

Mr DEPUTY SPEAKER: Order! There are too many interjections in the chamber.

Mr NICHOLLS: I thought this was going to be dull! What they do is first they turf him out for vote rorting. How many people were living in that house? I cannot remember. How many were there at a house in Seventh Avenue, Coorparoo? I think there were 19 at a house in Seventh Avenue, Coorparoo. So they turf him out. Then they say, 'He'll never work for us again.' Then they bring him back in New South Wales. Then they bring him back up here to Queensland and they pay him \$100,000 more. And then he knocks off the plan from Labor in New South Wales and brings it up here and he says, 'What's one of our fundamental aims? We will retain the AAA credit rating.' Then they lose the AAA credit rating and what do they do? They change the plan. 'We could not reach our own standard'—maybe it was not theirs. Maybe they did not read that part of the plan accurately when they knocked it off from New South Wales.

Mr Bleijie: Then promoted Kaiser to the NBN.

Mr NICHOLLS: And then put him in a \$400,000-a-year job on the NBN so he could go and blame Telstra for the asbestos in the pits! The history of incompetence is beyond almost belief. You would not read a fictitious story better than that one, Mr Deputy Speaker. Let me go back to the appropriation bill—the serious business.

Ms Palaszczuk: Are you going to tell us the make-up of the money now?

Mr NICHOLLS: And I heard the Leader of the Opposition—she wants more! She said, 'Are you going to tell us the make-up of the money?' Leader of the Opposition, you better believe it I am going to tell you the make-up of the money. You just wait until these figures come out—these will rock your socks off. I am actually pleased that I am getting a question from the Leader of the Opposition even if it is only via interjection.

The only supplementary appropriation required for 2012-13 is for Queensland Treasury and Trade—that is my department—under the administered items heading, and relates to Treasury's whole-of-government financial management role. In particular, the amount of \$63.445 million is required mainly due to higher than expected superannuation beneficiary and long service leave payments for public sector employees. That is what it was for. We are actually paying out \$63 million in long service leave and superannuation entitlements to those beneficiaries, and that is it. So, out of a \$45 billion budget, we had long service leave and superannuation—both of which are beyond our control because we cannot tell when people will leave, so we have no say over that—

Ms Trad: You sacked them.

Mr DEPUTY SPEAKER: Order! The member for South Brisbane will cease interjecting.

Mr NICHOLLS:—and we were out by \$63 million. Mr Deputy Speaker, let me also point this out to the House: this is the lowest level of unforeseen expenditure in over 15 years, once again demonstrating this government's commitment to fiscal discipline—something that those opposite never had the gumption or the will to be able to impose. All they had was their union mates getting on the other end of the phone, as the Minister for Police said yesterday, ringing up and saying, 'No. We don't like this. Pay us a bit more money. We don't like this. We need a bit more of sinecure. We need more money being spent. We don't really want more services being delivered. We don't want people actually getting in ambulances and going to our hospitals and getting in the door. We don't want emergency services attending and putting out fires. We don't want our police and our emergency services personnel'—

Mr Dempsey interjected.

Mr NICHOLLS: I take the interjection from the Minister for Police—'having a secure digital wireless network that allows them to talk amongst themselves. Heaven forbid we should have a system that allows the police to talk to the ambulance officers, that allows them to talk to the fire

brigade officers, that allows them to talk to the emergency services officers. Heaven forbid under Labor we should have that. That makes too much sense.' It was too hard for them. We have done it within 18 months of coming to government. I congratulate the police minister for his efforts and that of Commissioner Ian Stewart for the work that they have put in to making sure that happens. I also acknowledge the work of Projects Queensland in my part of government for making sure that we actually do have a secure digital wireless network.

I also want to acknowledge the work done by the Treasury officials and all ministers and their departments in bringing about this result because this is not the achievement of any one person. This is the achievement of a whole government working together with a common aim to deliver better services for Queenslanders. I said that this is the lowest level of unforeseen expenditure in over 15 years. I thought I might table a document that sets out the figures for those 15 years. I table that document and I will read it into the record.

Tabled paper: Document titled 'Unforeseen Expenditure by Year—1999-2000 to 2012-13' [3437].

By financial year, unforeseen expenditure sought in prior years was: \$2.970 billion in 1997-98; \$2.24 billion in 1998-99; \$327 million in 1999-2000; \$295.9 million in 2000-01; \$375.9 million in 2001-02; \$1.5 billion in 2002-03; \$2.3 billion in 2003-04; \$77.538 million in 2004-05—I think this must have been Terry Mackenroth's last year, and that would have been a good year because I think the returns from the stock market were good that year—\$1.874 billion in 2005-06, and this is when the rot set in. You can see the rot set in from about 2006. Can anyone remember who became Treasurer in 2006? I think it was the mentor of the member for South Brisbane who became Treasurer in 2006. What was the unforeseen expenditure in 2005-06? \$1.8 billion.

Then we get to 2006-07, and we remember the Commission of Audit report and we can see where the rot really set in. This is where we saw the big divergence—revenue was still going up, rivers of gold were flowing in, but expenses—whoa! Did they see the former member for South Brisbane coming! Give her the chequebook every day—\$3.99 billion in 2006-07. It was \$2.152 billion in 2007-08—and this is before the GFC. This is while the rivers of gold were flowing in—coal prices, world record; transfer revenues, world record; land tax went over \$1 billion. I remember those years. And they still could not get the figures right. They had not had disasters. I think we had Cyclone Larry—that was about \$560 million, if I recall correctly from the budget papers.

So it was \$3.99 billion in 2006-07; \$2.152 billion in 2007-08; \$2.957 billion in 2008-09—and that was the year that it was starting to get a bit much even for the then Treasurer, Andrew Fraser, who thought, 'No. I don't want to have to explain this, so what I will do is put everything back by a year so no-one will find out until two years after I have actually spent it that I have done so and I will slip it through as an unforeseen expenditure.' So it was \$2.957 billion in 2008-09. Then it was \$1.054 billion in 2009-10; and, listen to this one, \$9.3 billion in 2010-11—\$9.3 billion out of a \$40 billion budget, a 25 per cent variance over what they budgeted for in that year.

Is it any wonder that the people of Queensland when it came to making a decision on 24 March 2012 said, 'We have had enough of this mob.' Not only could they not add up; they could not actually keep a budget. They could not do what every household knows they need to do: maintain their expenditure with their revenues. They kept spending and spending and spending and they incurred more and more debt. As I have said many times, a debt is just a tax on future generations because it always has to be paid. Someone has to pay the piper.

In the Labor world they think that can go on forever. As we all know, the problem with socialism is that eventually one day you run out of other people's money, and that is what happened under the Labor Party. They have not learnt a thing from it. In 2011-12, following the \$9 billion blow-out in 2010-11, it was \$2.826 billion. As I have demonstrated today, those budget blow-outs will not continue under this government. We are determined to respect the taxpayers' dollar. We know how hard businesses, large and small, in Queensland work to make a dollar. We know how difficult things can be when you are working seven days a week, when your family is doing the hard yards, when you do not get a guaranteed four weeks off every year and when you have to have salespeople on the floor making sure you are getting product out there. We know how important it is to the businesses of Queensland that their money is husbanded and spent wisely. We are determined to respect the taxpayers' dollars, properly plan for the future of this great state and ensure that the opportunities abound. With those words, I move that the bill be now read a first time.

First Reading

Hon. TJ NICHOLLS (Clayfield—LNP) (Treasurer and Minister for Trade) (12.21 pm): I move—

That the bill be now read a first time.

Question put—That the bill be now read a first time.

Motion agreed to.

Bill read a first time.

Referral to the Finance and Administration Committee

Mr DEPUTY SPEAKER (Dr Robinson): Order! In accordance with standing order 131, the bill is now referred to the Finance and Administration Committee.

Portfolio Committee, Reporting Date

Hon. TJ NICHOLLS (Clayfield—LNP) (Treasurer and Minister for Trade) (12.21 pm), by leave, without notice: I move—

That under the provisions of standing order 136 the Finance and Administration Committee report to the House on the Appropriation Bill (No. 2) by 22 October 2013.

Question put—That the motion be agreed to.

Motion agreed to.