




Speech By
Hon. Tim Nicholls

MEMBER FOR CLAYFIELD

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MINISTERIAL STATEMENT

State Finances

 **Hon. TJ NICHOLLS** (Clayfield—LNP) (Treasurer and Minister for Trade) (9.47 am): 2013 has been a year of action—a year of can-do action. The list of achievements is long but, importantly, they are all part of the well thought out and calmly implemented plan to get Queensland back on track. In many respects, getting Queensland back on track is not an overnight job. I have said on many occasions that you cannot turn the *Queen Mary* around on a dime and repairing the mess left by Labor will take time.

The summer of natural disasters we experienced this year set many Queenslanders back, but the resounding spirit and perseverance of our fellow Queenslanders was remarkable. From a Treasury perspective, we have had to stay the course and continue the fiscal repair task to deal with the legacy of debt and deficit left to us by those opposite. We have done this by following a clear plan—a plan set out during the last election and carried out through our state budgets ever since.

This can-do government does not shy away from hard challenges. We rise to them in a planned and considered way, and our achievements this year are a testament to that. Expenses growth under the previous government was out of control—at an average of 8.9 per cent per annum. We have been successful in restraining expenses growth. Actual expenses for 2012-13 came in just 0.2 per cent higher than the previous year, even lower than the 1.1 per cent we estimated in this year's budget. This is the lowest level of state government expenditure growth in Australia. Next year we are forecast to deliver a budget with a \$2 billion operating surplus—the first operating surplus since 2008-09. No longer will government need to borrow to keep the lights on, pay public servants or put fuel into ambulances.

A fiscal surplus is also forecast in 2015-16. This will be the first fiscal surplus delivered in Queensland in a decade. We went to the last election with a clear plan and we are implementing that plan, which was embraced overwhelmingly by the great majority of Queenslanders. We did promise to build a four-pillar economy. Our economy is forecast to be the fastest growing state economy by 2014-15, which shows that our plan to grow that four-pillar economy is having an impact. Already in 2012-13, the first full financial year of this government, the report on state finances has shown that state growth exceeded expectations and grew by four per cent. To put that in perspective, the Queensland economy is now \$11 billion larger than it was just one year ago.

More than a quarter of all Australian business investment happened in Queensland last year. Real business investment in Queensland rose by almost another 10 per cent in 2012-13 to be almost \$60 billion, well above that in New South Wales and Victoria. In the year to March 2013 Queensland's population growth was two per cent stronger than the rest of the country. Retail turnover in Queensland rose 3.7 per cent in 2012-13, more than double that of the rest of the nation. The Queensland consumer sentiment index of November 2013 was at its highest level since October 2010

in three-month average terms. The September NAB business survey shows that business confidence in Queensland increased strongly over the September quarter. Trend dwelling approvals were 14.2 per cent higher over the year, with the \$15,000 Great Start Grant having been given out to over 3,000 Queenslanders, and the outlook for further growth is strong.

We promised to lower the cost of living for families and we are delivering on our promises. This year I published a concession statement as part of the budget documents and that statement outlines the \$5.2 billion of assistance that the Newman government will provide Queenslanders in 2013-14 to help lower the cost of living. Recognising that not every Queenslander receives every available concession, the value of concessions to taxpayers is almost \$1,460 each. This demonstrates that the government's commitment to lower the cost of living is resolute.

We promised to deliver better infrastructure and better planning. After the natural disasters earlier this year, the government was true to its promise to the people of Queensland. We are determined to deliver better infrastructure and better planning, and nowhere is this more apparent than in the betterment funds we set aside to rebuild and increase resilience.

The Toowoomba second range crossing business case, a project that is vital to the regions of Queensland is ready to go to market. It is a solution which is practicable and affordable and, most importantly, it can be delivered in a cooperative fashion between the Commonwealth and the state government.

We promised to revitalise front-line services. This year we received and responded to a document which represents the most significant reform of service delivery in this state, the final report of the independent Commission of Audit. The commission makes the case very clearly that business as usual is simply not an option. The commission presented a range of reasons for this, including the fact that under Labor Queensland's productivity had declined to the point that the cost of delivering many front-line services was higher in Queensland than in any other mainland Australian state. In essence, Queenslanders were paying more but receiving less.

The implementation of the Commission of Audit is ongoing. It represents the most significant transformation of the public sector in Queensland in four decades. But we are determined to deliver on our promise to deliver more and better services for Queensland and to make sure services are delivered in the most effective and efficient way, regardless of who delivers that service.

We are also living up to our promise of improving front-line services. In 2013-14 the budget included increases to both the Health and Education budgets of around half a billion dollars and provided \$868 million in funding for DisabilityCare Australia. While we are undertaking this reform, we are also delivering—can-do action at work. As the Deputy Premier has just spoken about, 1 William Street is underway. We delivered the government wireless network, a project the other side dreamed about but we are delivering. It will provide secure communications for our hardworking emergency services personnel starting with the Queensland Police Service for the G20. We are delivering the next generation rolling stock through an innovative funding model which has achieved exceptional value for the scarce taxpayer dollar. Shortly, we will deliver the successful procurement of 10 new private-public partnership schools; we will reform the government banking services; and we are in the process of developing the underground bus and train project in Brisbane. None of these projects would have been possible without the hard decisions we took when we first came to government.

We are restoring accountability in government. We introduced the supplementary appropriation bill as soon as practicable after the end of the financial year to ensure parliamentary scrutiny could occur, unlike those opposite, who waited over 12 months to introduce a supplementary bill. There can be no doubt that the previous Labor government's decision in 2008 to combine supplementary appropriation with the annual appropriation bills was purely political. It was an attempt to avoid scrutiny of the budget blow-outs that were a hallmark of the former Labor government. Labor blow-outs covered up in supplementary appropriation bills were \$2.2 billion in 2007-08, \$3 billion in 2008-09, \$1 billion in 2009-10, \$9.3 billion in 2010-11 and \$2.8 billion in 2011-12. There remains more work to be done. I look forward to continuing to get Queensland back on track in 2014 so that we are once again a great state with great opportunity. The only way this will happen is through can-do action.