




Speech By
Hon. Tim Nicholls

MEMBER FOR CLAYFIELD

Record of Proceedings, 4 March 2014

MINISTERIAL STATEMENT

Queensland Economy

 **Hon. TJ NICHOLLS** (Clayfield—LNP) (Treasurer and Minister for Trade) (9.48 am): It gives me no pleasure to report to the House that Labor's debt of \$80 billion has seen our interest payments continue to rise. In the 19 days since we last sat in this place the interest bill on Labor's \$80 billion of debt has accumulated another \$205.2 million in interest payments. If it were not for this government's sound financial management, that figure would be even higher.

Mr Pitt: You're the one who's added \$14 million of debt.

Mr NICHOLLS: Madam Speaker, I hear the member for Mulgrave. My leg might be sore but my hearing has not gone anywhere! I heard the member for Mulgrave on ABC Radio this morning. I wondered how long I would get through my ministerial statement before he would respond. I do not think I got more than two lines in. Here he is, the honourable member for Mulgrave, on ABC Radio. He said, 'So Labor's going to be providing a fulsome debt repayment plan to the people of Queensland before the next election.' That is what he said. Steve Austin said, 'I need to understand very clearly. Your position is to increase debt repayments. How would you do that?' The member for Mulgrave replied, 'Well, Steve, we will be having a plan that looks at returning the state to surplus and then, of course, paying down debt.' Steve Austin said, 'So in other words you don't have a plan yet but you plan to have a plan.'

Two years in the job and all the most well-resourced opposition in Australia has worked out is a plan to have a plan. No wonder we are holding \$80 billion of Labor debt and no wonder in just 19 days another \$205.2 million of interest has been added to the bill that the taxpayers of Queensland have to pay—\$205.2 million. If it were not for the work this government has done—the sound financial management we have put in place—the situation would be even worse.

Our sound financial management is also paying other dividends for the people of Queensland. The state accounts compiled by Queensland Treasury and released last week show that Queensland is the outstanding state economy in the nation. As the Premier said, in the year to the September quarter, our economy grew at 4.1 per cent in trend terms compared to the rest of Australia at just 1.9 per cent. In the September quarter alone—just the three months of that quarter—Queensland experienced growth in gross state product of one per cent, double the average growth of the other states.

In line with the forecasts in the budget, the growth in our economy is being driven by increases in household consumption. Consumers have confidence to buy, to spend and to enjoy the benefits of what we are doing in the economy. Household consumption was up 0.9 per cent for the quarter compared to 0.4 per cent for the rest of Australia and up 2.8 per cent for the year.

Increasing consumption reflects the fact that Queenslanders are confident in where the economy is headed. Private investment also increased 1.8 per cent for the year and contributed half

a per cent to overall growth. Business investment was also up, increasing 2.7 per cent over the year, underpinned by non-dwelling investment which increased 4.8 per cent.

Our exporters are also making a significant contribution to the state's economic growth, with net exports of goods and services increasing by 3.1 per cent over the year to the September quarter. This reinforces the work we have done in reinvigorating Trade and Investment Queensland, as you have recently experienced, Madam Speaker, reinforcing the need for trips such as the Premier's as we open new offices in new markets in North America.

Since we have come to office we have seen Queensland move from being the state with the highest unemployment rate on mainland Australia to the state with the third lowest in trend terms. There are now 20,000 more Queenslanders in a job than there were 12 months ago. In fact—

Mr Pitt interjected.

Mr NICHOLLS: Madam Speaker, he interjects again. 'Underemployment', he says, completely ignoring in his press release last week the fact that the ABS—the organisation whose numbers he is relying on—said you cannot rely on annual ABS underemployment numbers; you should rely on the quarterly numbers. Not only has he had two years to come up with a plan for a plan; when he gets ABS figures he cannot even use them properly. He says, 'I am the member for Mulgrave. I have been in the tropics cooking away up there. The sun has been doing funny things to me. I know; I don't need to listen to what the ABS says. I will just report those figures without any hindrance or without even paying any attention to them.' The member for Mulgrave truly is an asset to the people of North Queensland.

Mr Cripps interjected.

Mr NICHOLLS: The member for Hinchinbrook disagrees. The level of growth we are experiencing is not enough to sustain us into the future while we are weighed down by the \$80 billion debt those opposite left Queensland as their legacy. A growing economy will inevitably lead to some increases in state revenue, but it will not be enough to lead to a reduction of our \$450,000 a year Labor interest bill. It will not be enough to get back the AAA credit rating that Labor squandered. It will not be enough to build the roads, hospitals and schools that Queensland needs as our population grows to seven million by 2036. We will only be able to deliver the infrastructure of the future if we can pay down the Labor debt of the past and reduce our interest payments. All Queenslanders need to consider the choices we face so that we can inject funds into job-creating infrastructure projects and secure Queensland's financial future.