




Speech By
Hon. Tim Nicholls

MEMBER FOR CLAYFIELD

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MINISTERIAL STATEMENT

Queensland Economy

 **Hon. TJ NICHOLLS** (Clayfield—LNP) (Treasurer and Minister for Trade) (9.39 am): I can only echo the comments made by the Deputy Premier—and they are never backward in telling us about it, either. In 2014 Queenslanders are faced with serious choices about how they want their government to fund future infrastructure and services. These choices have been forced on us as a result of years of Labor governments spending more than the state was earning. The legacy of that spending is still with us. That spending resulted in deficits of \$36.7 billion between 2006-07 and 2012-13. This government has reined in spending and cut around \$5 billion from the Labor debt, but we are still dogged by that \$80 billion of Labor debt that we are heading towards.

Mr Pitt interjected.

Mr NICHOLLS: I hear the member for Mulgrave talking about the money we added. Let us have a look just to clear up the record, because there are a few furrphies being peddled by members over there. According to the state budget of 2011-12 and the midyear economic and fiscal review produced by that doyen of budgeting, former member Andrew Fraser, there was \$36 billion worth of deficit. This was his last midyear economic update.

Opposition members interjected.

Madam SPEAKER: Order!

Mr NICHOLLS: They can give, but they cannot take—except when it comes to taxpayers' dollars. Let us look at the borrowings. According to table 16 on page 34, under Labor and their last budget, where were they heading? What does the number actually say? This is what they produced.

Mr Pitt: What was it when we left?

Mr NICHOLLS: Where was it when they left? When they left, it was at \$68 billion and every year it was going up. It then went up to \$69 billion, \$74 billion, \$81 billion and \$85 billion. In every year of their forecast they were spending more and borrowing more and going further and further into debt. In every year of this government what have we done? Reduced the debt! Where were they going to end up? They were going to end up at \$86 billion. Every year under Labor, according to their own document—they have been condemned by the words coming out of their own mouths—debt was going to be higher.

Mr Pitt interjected.

Opposition members interjected.

Madam SPEAKER: Order!

Mr NICHOLLS: I think the member's colleagues think he has added enough to the debate. Every year under Labor the debt was going to be higher than it has been under the LNP government and in 2014-15 it was going to be \$6 billion more than we have been able to achieve. The Labor

government set Queensland on the path to debt and deficit, and their own documents condemn them for that debt profile.

In order to deliver our vision for Queensland, we need to be able to pay down more of that debt and free up funds to invest in road and rail infrastructure together with health and education services. Those opposite seem to forget that in the last 24 hours alone another \$10.8 million in Labor interest has gone out the door. At \$450,000 an hour, another \$10.8 million in Labor interest has gone out the door. If it were not for the work that we have done over the last 24 months, as the Premier has mentioned, it would be \$530,000 an hour that is going out the door—almost another \$100,000 an hour more.

Opposition members interjected.

Madam SPEAKER: Sorry, Treasurer. Interjections are not being taken and I warn members on my left.

Mr NICHOLLS: We cannot make the contribution we should be able to make to build our four-pillar economy if we are prevented by a lack of funds from delivering job-creating infrastructure projects. We cannot revitalise front-line services in the way we want when \$450,000 an hour in Labor interest is going out the door. If our debt blows out to \$121 billion, as the Treasury projections I released earlier this week predict, then we will not be able to maintain our low-tax status that currently attracts investment to Queensland. That is why Queenslanders are being consulted now about the choices they want the government to make to deal with the debt.

Last week I held a number of consultations with community leaders in Cairns, the Gold Coast and the Sunshine Coast. To be honest, some of the people I have talked to have been shocked when confronted by the sheer size of Labor's \$80 billion worth of debt and how it is holding Queensland back. When I explain to them that the government is paying out that \$450,000 an hour, or around \$1 million while we hold our consultation meetings, the impact of that debt hits home.

Next week I will be holding further discussions with community leaders. I will be going to Townsville, Bundaberg and Gladstone to again explain to people the magnitude of that debt. In coming weeks I will also be visiting Longreach, Emerald, Mackay and Toowoomba as well as holding meetings here in Brisbane and, of course, consulting with the unions. In all of these forums I am putting before community leaders the choices we face to massively increase taxes and charges, to cut services or to consider the sale or lease of some government owned businesses. We are listening to what Queenslanders are saying about these choices. We will use their input to form a plan for tackling Labor's debt and charting a course back to a sustainable financial position that will allow government to invest in the future to make sure Queensland remains a great state with great opportunity.