




Speech By
Hon. Tim Nicholls

MEMBER FOR CLAYFIELD

Record of Proceedings, 8 May 2014

MINISTERIAL STATEMENT

Strong Choices Campaign

 **Hon. TJ NICHOLLS** (Clayfield—LNP) (Treasurer and Minister for Trade) (9.47 am): The Strong Choices website is all about providing Queenslanders with the full facts about the accumulated Labor debt of the last decade and the impact that this is having on the state's finances. The 'people's budget tool' aims to give all Queenslanders fulsome information about the strong choices that are available to government as we look to reduce our \$80 billion worth of debt and the \$4 billion yearly interest bill. Those choices are: to significantly increase fees, taxes and charges; to reduce services; or to consider the sale or lease of some assets.

As this Strong Choices campaign is all about presenting Queenslanders with the facts, it is also important to correct some of the inaccuracies that have been promoted regarding it. On various occasions the member for Mulgrave, both in the House and in the media, has made assertions about a so-called \$28 billion black hole on the website. The member claims that getting private sector investment into Ergon, Energex and Powerlink will not affect the reduction in debt on the state's balance sheet. Under the option put forward on the Strong Choices website, the state retains 100 per cent ownership. Private sector participation occurs through a hybrid security interest called a non-share equity interest. This option not only removes debt from the state's balance sheet, but also sees the private sector provide funding for capital expenditure requirements, therefore providing cash injections into those businesses. So by taking debt off the government's books and by providing cash injections into these businesses, the total government debt is reduced.

Mr Stevens interjected.

Mr NICHOLLS: I am trying my very hardest, thank you, Leader of the House, to explain it slowly for the member for Mulgrave.

Mr Pitt: Patronising, as usual.

Mr NICHOLLS: Madam Speaker, I understand that if I could use crayons and a chalkboard, it would make it a lot easier for them. But nonetheless we are relying on communication in the English language, so that is a start.

I would like to again reinforce the government's confidence in the figures as they have been presented on the Strong Choices website. They are figures which were compiled by the independent offices of the Queensland Treasury Corporation together with Treasury department staff and verified by the former Queensland Auditor-General Glenn Poole, who was appointed by the former Labor government to that position.

Both the member for Mulgrave and the member for Gaven have called into question the suitability of the \$80 billion debt figure and made statements about net debt being the most appropriate measure to use. It is important that the public understands that whenever a politician

refers to net debt they are implying that public servants' superannuation assets can be used to net off the debt the Labor Party racked up in the general government sector. That is what they are saying. They are prepared to raid the public servants' superannuation fund in order to pay off the debt. Not satisfied with racking up the debt of \$80 billion, the member for Gaven now wants to raid Public Service superannuation funds in order to pay it down. These funds are the employer superannuation contributions held to meet future superannuation obligations against the defined benefit fund. To suggest that these funds can be used to pay down debt, as I say, would effectively amount to a raid on superannuation entitlements.

It is also important to look at gross debt, because that is the debt you pay interest on and the interest is \$4 billion every year. Is it the contention of the member for Gaven and the member for Mulgrave that the interest would only be charged on net debt? Try that with your bank: 'Hang on a second! I'll only pay interest on my net debt thanks very much, Mr Bank Manager.' See how far you get with that! That is the voodoo economics of the member for Mulgrave and the voodoo economics of the member for Gaven. They think that we should only pay interest on net debt. The reality is that interest is paid on the full \$80 billion worth of debt. This government, as the Premier has said, has big plans for this state. We have a vision to grow this state, but we are being held back by the \$80 billion of debt. It is imperative that we act to reduce that debt so that we can invest in the roads, the schools, the hospitals that we know this growing state needs. Statements by those opposite and the member for Gaven show that they simply do not get it and they do not understand basic government finances. This government wants to have a mature conversation with Queenslanders about the strong choices we all face as we look to secure a stronger future. We will continue to have that debate the length and breadth of this state.