



Speech By  
**Hon. Tim Nicholls**


**MEMBER FOR CLAYFIELD**

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Record of Proceedings, 15 October 2014

## MINISTERIAL STATEMENTS

### Lease of Public Assets

 **Hon. TJ NICHOLLS** (Clayfield—LNP) (Treasurer and Minister for Trade) (2.12 pm): The LNP government has a strong plan for Queensland. We are making the strongest and smartest choice to lease a small number of government owned businesses so we can pay down debt, fund infrastructure and provide cost-of-living relief. Unlike those opposite, we will ask the people of Queensland for a mandate to implement our plan. When they go to the polls, Queenslanders will know exactly what we are proposing. We are not in the Labor mould where they tell voters one thing before the election and do exactly the opposite after.

The assets we are proposing to lease represent in value just over 11 per cent of the assets held by the state. It is true that the state would give up income if these assets were leased, but this would be offset by reduced interest payments. The assets we are proposing to lease returned revenue of \$1.08 billion to government in 2012-13, the last year for which final figures are available. That represents 2.6 per cent of government revenue.

It is also the case that not all businesses under consideration for lease return a profit to government. CS Energy has not turned a profit since 2008-09 and required a \$300 million capital injection from taxpayers in 2011-12 to keep it solvent.

By leasing the assets the government would be able to pay down our \$80 billion of inherited debt racked up by those opposite with their reckless spending. Reducing debt by \$25 billion to a more manageable level, as recommended by the Commission of Audit, would have the effect of reducing our interest payments by \$1.3 billion per year.

As members can see, the income lost is roughly equivalent to the interest we would save—in fact, slightly less. Importantly, however, we know that the income from these businesses goes up and down but the interest payment on Labor's \$80 billion worth of debt at \$450,000 an hour is constant. Even when these businesses make little or no return to government we still have to pay our interest bill. Any homebuyer knows that the bank will want their mortgage payments regardless of whether the household income goes up or down.

Our Strong Choices plan is a methodical and disciplined plan to continue the work this government has already done to get Queensland's finances back on track and back in the black. If Queenslanders accept our plan they will be backing a plan that will deliver funding certainty into the future for the vital services our growing state is going to need. Only the LNP has a strong plan to deliver a brighter future for Queensland.