



Speech By  
**Hon. Tim Nicholls**


**MEMBER FOR CLAYFIELD**

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Record of Proceedings, 27 November 2014

## MINISTERIAL STATEMENTS

### State Finances

 **Hon. TJ NICHOLLS** (Clayfield—LNP) (Treasurer and Minister for Trade) (9.39 am): Today I can inform the House of the final outcomes for the state's finances for the 2013-14 year. While there is some good news, there is also a clear message that much more needs to be done. I table a copy of the report on state finances for 2013-14.

*Tabled paper:* 2013-14 Report on State Finances of the Queensland Government—30 June 2014 [\[6605\]](#).

When we came to office in March 2012 we found Queensland's finances in a sorry state. Years of governments spending more than they were earning had taken their toll. Queensland had lost its AAA credit rating and was on a trajectory to be carrying \$85 billion debt if nothing was done. A litany of poor decisions left us with a Health payroll system that did not function, orders placed for trains without seats and a desalination plant rusting out before it was even used.

During the election campaign in 2012 the now Premier, as leader of our party, set out what our most important budgetary management objectives would be. He was also unequivocal in committing the government to better front-line services and he said—

We'll make sure that we revitalise frontline services like nurses and doctors and fire fighters, police on the beat.

Then, as now, Queenslanders overwhelmingly told us that they wanted Labor's mess cleared up. This government took up the challenge, knowing that the road ahead would be difficult but that getting our finances under control was important for our future. We acted immediately, putting in place the independent Commission of Audit to chart a course for fiscal repair and making some hard decisions to rein in spending.

In 2013-14 those decisions are showing results. Government expenses fell by 0.4 per cent, meaning that average expenses growth over the last two years of this government has been just 0.1 per cent. I table for the information of the House a chart showing a comparison.

*Tabled paper:* Graph, titled 'Expenditure is under control, Annual expenses growth, 2002-03 to 2013-14' [\[6620\]](#).

Expenses in 2013-14 were \$198 million lower than in 2012-13 and only \$87 million more than they had been two years earlier, in 2011-12, out of a \$50 billion budget.

For the first time in five years we have recorded a general government net operating surplus of \$619 million. The government has achieved this result while increasing the vital front-line services that Queenslanders deserve and expect. There are 800 more police on the beat than when we came to office, there are more than 760 extra teachers and teacher aides in our schools, our surgery waiting times have improved drastically and our long dental waitlist, that had 62,000 patients on it, has disappeared. We have cut the waste that had been allowed to creep into government so we have been able to improve these services even in the light of significant write-downs in revenue and the inevitable natural disasters that will always affect our state.

Through our careful financial management we have also seen an improvement in our fiscal deficit position. The fiscal deficit for 2013-14 was \$2.58 billion—the lowest level since 2006-07. Again, I table a chart for the information of the House.

*Tabled paper:* Graph, titled 'Improving the fiscal position, Fiscal balance, 2005-06 to 2013-14' [[6621](#)].

But our deficit is still the highest of any state. We are still borrowing to pay for Labor's reckless spending. The significant work we have done to control our finances is just the beginning of what we need to do. While we have been able to hold down the growth in debt, the state's current \$73 billion of debt is also the highest of any state and is still heading towards \$80 billion.

We must continue the difficult task we have started. We can restore Queensland to its rightful position as a place of confidence and opportunity, but it will take resolve and hard work. The irresponsible spending of the past is now behind us, as the tabling of today's report shows. We have a plan to achieve our goals, and it is a plan we have developed in consultation with Queenslanders. The strong choices we are asking Queenslanders to make are not easy choices, but they are necessary if we are going to have a future where there are enough schools for our children to get a quality education, where our elderly relatives can get treated quickly in hospital and where the trip to work by road or rail is safe, comfortable and quick.

Our determination to deliver the future that Queenslanders have told us they want has not wavered. In 2015 we will be asking voters for a mandate to implement our plan to lease some assets, to pay down debt and to fund job-creating infrastructure for the future.

The report on state finances highlights that, even when we do our very best to control spending, we are making only a small dent in the mountain of Labor debt that is in our way. Our Strong Choices plan gives Queensland a way to deal with the problem of Labor's debt so that we are no longer held back in our desire to build a brighter future.

To date we have seen no alternative plan. The choice facing Queenslanders seems to be a clearly outlined plan for the future on which they have been consulted every step of the way or no plan at all—indeed, as we found out yesterday, no strategy.

The results that I reported are not the work of any one person, and I want to thank all of my colleagues and all of those in the Queensland Public Service for their hard work in achieving these fantastic results.

For our part, this government remains determined to continue with our hard work to ensure all Queenslanders can share in a future that is both prosperous and secure—a strong team with a strong plan for a stronger Queensland.