




Speech By
Peter Russo

MEMBER FOR SUNNYBANK

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APPROPRIATION BILL (NO. 2)

 **Mr RUSSO** (Sunnybank—ALP) (2.30 pm): I rise in this House this afternoon to support the Appropriation Bill (No. 2) 2016 and recommend its passing. This bill seeks parliamentary approval of supplementary appropriation for unforeseen expenditure incurred by the departments during the 2015-16 financial year.

The total amount of supplementary appropriation for 2015-16 is \$390.126 million. This amount is largely consistent with the unforeseen expenditure incurred over the previous three years. The level of unforeseen expenditure required each year can be influenced by a range of factors including in the past significant one-off factors like natural disasters. However, over time agencies are constantly improving their scrutiny and monitoring of their expenditure to improve value for money and to efficiently deliver those services to the people of Queensland.

Recent analysis of the state economy points to solid growth for Queensland. Two ratings agencies—Moody's and S&P Global—recently affirmed their ratings for Queensland. The Deloitte Access Economics Business Outlook for the September quarter highlighted the underlying strength of our economy and forecast Queensland to record the strongest economic growth in the nation over the next decade.

Successive National Australia Bank business surveys show Queensland at the top or equal top of the rankings for business confidence. Westpac-Melbourne Institute surveys show strong consumer confidence. The Deloitte Access Economics Investment Monitor for the June quarter 2016 shows \$183.5 billion worth of current and planned major projects in Queensland—ahead of both New South Wales and Victoria.

ABS data show employment in Queensland rose by 40,400 persons in the 20 months from January 2015 to September 2016, comprising a 3,300 person rise in full-time employment and a 37,100 person rise in part-time employment. The Queensland government has created about 160 full-time jobs a month, compared with 300 lost every month when the LNP leader, Tim Nicholls, was treasurer. Our statewide trend unemployment rate dropped in September to 6.1 per cent from 6.2 per cent in August. Labor took office at a time when Tim Nicholls had left trend unemployment at 6.6 per cent after taking it to a high of 6.7 per cent—far from the four per cent rate that was promised.

I will now deal with some of the unforeseen expenditure, which is the term used to describe payments from the Consolidated Fund above the amount approved by the annual appropriation on an individual department basis. Although called expenditure, it can also relate to additional repayments of debt. The unforeseen expenditure incurred by the eight departments was primarily in relation to Queensland Treasury and the repayment of debt under the enhanced Queensland government's Debt Action Plan of \$296.985 million.

The \$296.985 million additional debt repayment was primarily facilitated by the early payment of dividends by government owned corporations—a timing issue that was not envisaged at the time of the 2015-16 budget. Given the cash was received into the Consolidated Fund, the additional appropriation to Queensland Treasury is merely the administrative mechanism for withdrawing from the Consolidated Fund to enable the repayment of borrowings.

I would also like to take the opportunity to speak about some of the unforeseen expenditure incurred by the departments which includes the following: \$40.476 million for the Department of Communities, Child Safety and Disability Services which primarily relates to finalisation of the cross-billing arrangements with the Australian government under the National Partnership Agreement on Transition Responsibilities for Aged Care and Disability Services and costs associated with enterprise bargaining agreement outcomes; \$39.509 million for the Department of Energy and Water Supply which primarily relates to the Ergon Energy community service obligation under the uniform tariff policy; \$8.895 million for the Public Safety Business Agency which primarily relates to the work undertaken on behalf of the Queensland Police Service, the flood focused road safety campaign, enterprise bargaining agreement outcomes and Queensland Government Air rotary wing aircraft maintenance; \$4.121 million for the Electoral Commission Queensland which mainly relates to the 2016 referendum on four-year fixed parliamentary terms; and the remaining balance of \$0.14 million was incurred by the following three departments: Office of the Governor, Office of the Inspector-General of Emergency Management and the Queensland Audit Office.

Queensland's economic plan is working: debt is lower, unemployment is lower and growth is higher. Most people judge the economy by whether they have a job or not and by whether their children will have secure jobs into the future. One of our election commitments was to work with the private sector to create these jobs, and that has been actively occurring in Queensland.

As we know, we are in a transitioning economy and the forecast growth from Deloitte Access Economics Investment Monitor for the September quarter is 3.7 per cent for 2016-17 and 3.9 per cent for 2017-18, which is broadly consistent with state budget forecasts of four per cent and 3.5 per cent and is in line with other private forecasts. Queensland should record nation-leading growth from 2016-17 through to the end of Deloitte Access Economics estimated forecast period in 2025-26.

Transitioning from the highs of the mining boom and periods of massive up-front investment in construction of resource projects, the resource sector is moving from construction to production while also boosting exports such as LNG. Some regions and sectors are not making the change as well as others. However, the post boom economy will include the services economy, tourism, human services—that is to do with the NDIS, health and aged care—new frontiers, the untapped potential of Northern Australia and the need to ensure all participants will benefit including Indigenous Queenslanders.

I would now like to talk about some of the diversity within Queensland's economic strengths. One of Queensland's economic strengths is that no sector has more than 11 per cent of the total GSP. One sector may be in a downturn but others then perform well, resulting in strong overall growth. Deloitte Access Economics says that is one of Queensland's sweet fundamentals. The state government's economic plan has three clear job-creating goals: encouraging innovation, attracting investment and building infrastructure. I commend the bill to the House.