




Speech By
Hon. Curtis Pitt

MEMBER FOR MULGRAVE

Record of Proceedings, 5 September 2017

APPROPRIATION BILL (NO. 2)

Message from Governor

 **Hon. CW PITT** (Mulgrave—ALP) (Treasurer and Minister for Trade and Investment) (12.33 pm):
I present a message from His Excellency the Governor.

Mr DEPUTY SPEAKER (Mr Crawford): The message from His Excellency recommends the Appropriation Bill (No. 2). The contents of the message will be incorporated in the *Record of Proceedings*. I table the message for the information of members.

MESSAGE

APPROPRIATION BILL (NO. 2) 2017

Constitution of Queensland 2001, section 68

I, PAUL de JERSEY AC, Governor, recommend to the Legislative Assembly a Bill intituled—

A Bill for an Act authorising the Treasurer to pay amounts from the consolidated fund for particular departments for the financial year starting 1 July 2016

GOVERNOR

Date: 5 September 2017

Tabled paper: Message, dated 5 September 2017, from his Excellency the Governor recommending the Appropriation Bill (No. 2) 2017 [[1568](#)].

Introduction

Hon. CW PITT (Mulgrave—ALP) (Treasurer and Minister for Trade and Investment) (12.34 pm):
I present a bill for an act authorising the Treasurer to pay amounts from the consolidated fund for particular departments for the financial year starting 1 July 2016. I table the bill and the explanatory notes. I nominate the Finance and Administration Committee to consider the bill.

Tabled paper: Appropriation Bill (No. 2) 2017 [[1569](#)].

Tabled paper: Appropriation Bill (No. 2) 2017, explanatory notes [[1570](#)].

Today I tabled the 2016-17 Consolidated Fund Financial Report, or CFFR, which outlines, by department, total appropriation from the consolidated fund for the financial year. The CFFR includes any unforeseen expenditure and provides explanations on a department basis for variations from the approved annual appropriation amount. The introduction of the bill into parliament for supplementary appropriation on the same day as the tabling of the CFFR supports parliamentary scrutiny of unforeseen expenditure.

The Appropriation Bill (No. 2) 2017 provides for supplementary appropriation for unforeseen expenditure incurred by five departments in 2016-17 of \$2.270 billion. Unforeseen expenditure is the term used to describe payments from the consolidated fund above the amount approved by annual appropriation on an individual department basis. Although called 'expenditure', unforeseen expenditure can also relate to the additional appropriation provided to Treasury for repayment of debt. Of the total amount of \$2.270 billion, \$1.068 billion—or almost half of it—was incurred by Queensland Treasury. Treasury repaid \$1.032 billion of general government debt. While not foreseen at the time of the 2016-17 budget, this level of debt repayment was largely consistent with the estimated actual \$1.114 billion debt repayment for 2016-17 identified in the 2017-18 budget.

Unforeseen expenditure incurred by other departments related to a range of key Palaszczuk government initiatives including expenditure for the Powering Queensland Plan, the Works for Queensland program, and the Cross River Rail Delivery Authority. The Powering Queensland Plan is the government's \$1.16 billion strategy to stabilise electricity costs, deliver jobs and investment, and lead the transition to a clean energy sector. The surplus recorded in June's budget for 2016-17 was \$2.8 billion, the biggest in a decade. That surplus may have been \$770 million higher; however, to provide immediate electricity bill relief, the government has chosen to invest \$770 million to cover the cost of the Solar Bonus Scheme for the next three years.

The effect of this measure was to halve the expected QCA price rise for a typical small business from 8.2 per cent to 4.1 per cent for a saving of \$99. For a typical household, the expected price rise more than halved from 7.1 per cent to 3.3 per cent—a saving of \$56. We also put downward pressure on wholesale prices by directing Stanwell to return Swanbank E to service and alter its bidding strategies. These measures will have positive outcomes for Queenslanders.

We are also committed to investing in our regions. The Works for Queensland program is another example of how this government is prioritising the regions and encouraging economic growth in those areas. The first stage of Works for Queensland prioritises regional areas outside South-East Queensland which are experiencing higher unemployment rates. The program is supporting local governments outside SEQ to undertake job-creating maintenance and minor infrastructure works. Alongside our Back to Work initiative, this is just another way that the Palaszczuk government is creating more jobs for Queenslanders.

We are also committed to improving the health conditions for Indigenous communities in Queensland. The budget handed down an investment of \$120 million over four years to improve water, wastewater and solid waste infrastructure for Aboriginal and Torres Strait Islander people living in remote parts of Queensland. This initiative provides funding that will be tailored to each community and will help to close the gap on Indigenous disadvantage.

The Palaszczuk government is also delivering the No. 1 infrastructure project for Queensland. This government is fully committed to the delivery of Cross River Rail. We have made the long-term funding commitment necessary to ensure that this project—so long promised—can be delivered with certainty. The budget provided an additional \$1.952 billion of capital funding over the forward estimates period. With previous allocations of \$850 million in the State Infrastructure Fund and what was a \$10 million commitment from the Australian government until the announcement by the Deputy Premier today, the forward estimates contain a total of \$2.812 billion to 2020-21. Future years, budgets will provide additional funding of \$2.597 billion over 2021-22 to 2023-24 to complete construction. This funding commitment to the full \$5.4 billion capital cost ensures that the Cross River Rail Delivery Authority can move forward with certainty to begin early works and market engagement for procurement of major contractors. We have publicly released the Cross River Rail business case to facilitate awareness of the case for Cross River Rail. We are disappointed that the Australian government has not yet made a project funding commitment and that Infrastructure Australia has made errors in its assessment of the project business case.

Cross River Rail is fundamental to ensuring that the transport system in South-East Queensland can grow to accommodate projected increases in population. We also recognise the significant potential of this infrastructure to add value to commercial and residential development sites across the region. I think that is one of the key parts of this investment. Besides the capital investment itself, it will spur on other investment in our state's capital. Recognising the significant potential of this infrastructure to add value to commercial and residential development sites across the region is the very point of that other investment.

We are committed to maximising the benefits available through integrated transport and land use development. The Cross River Rail Delivery Authority has a clear commercial mandate to explore the potential to leverage development to help fund the project. Due to our government's responsible fiscal

approach, as I said earlier, we have been able to fund additional capital projects across the forward estimates. Unlike those who had a plan to sell off our state's assets, this government has focused on reducing general government debt simply through better balance sheet management. We have achieved this without selling off Queensland's income-generating assets, without increasing taxes on Queenslanders and without reducing services.

Together with the Appropriation (Parliament) Bill (No. 2) 2017, which was also introduced today, the total supplementary appropriation for the 2016-17 year is \$2.273 billion. This bill continues Labor's record of responsible fiscal management which has delivered lower debt, higher growth and more jobs. I am proud to have delivered three surplus budgets, and this bill continues our strong record of economic and fiscal management.

First Reading

Hon. CW PITT (Mulgrave—ALP) (Treasurer and Minister for Trade and Investment) (12.40 pm):
I move—

That the bill be now read a first time.

Question put—That the bill be now read a first time.

Motion agreed to.

Bill read a first time.

Referral to the Finance and Administration Committee

Mr DEPUTY SPEAKER (Mr Crawford): Order! In accordance with standing order 131, the bill is now referred to the Finance and Administration Committee.