



Speech By
Hon. Cameron Dick


MEMBER FOR WOODRIDGE

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APPROPRIATION (PARLIAMENT) BILL (NO. 2)

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Second Reading (Cognate Debate)

 **Hon. CR DICK** (Woodridge—ALP) (Treasurer and Minister for Trade and Investment) (11.56 am): I move—

That the bills be now read a second time.

Queensland has led the nation's recovery out of COVID-19. Our strong economic recovery has been built on a strong health response. That health response has allowed our economy to stay open until Queenslanders had sufficient access to vaccinations. The results speak for themselves. Last week's labour force data showed that, without Queensland jobs, Australia would have gone backwards in January. Another 17,400 Queenslanders found work in January, defying expectations of a decrease due to Omicron. Among the states, only Queensland and Western Australia recorded increases in employment in the month.

Since COVID reached Queensland, our state has created 124,300 jobs—more than any other state or territory. Nearly half of all jobs created since the start of the pandemic have been created in Queensland. Altogether, the Palaszczuk government has created 376,800 jobs since we were first elected seven years ago. That is 1,000 jobs a week, on average, even through the worst pandemic in a century. The unemployment rate fell to 4.4 per cent in January, its lowest level since December 2008. Queensland recorded the largest fall in the unemployment rate among all states and territories. At the same time, Queensland recorded the second-largest increase in participation in the country. Thanks to our pandemic response, more people have the confidence to seek and find work in Queensland.

Throughout COVID, Queensland has enjoyed the strongest population growth in Australia. We are welcoming more interstate migrants than any other jurisdiction. More than 31,000 people moved to Queensland in 2020, and 85,000 interstate migrants are expected to arrive in Queensland before June 2024. With the reopening of international borders this week, our population will only grow further. Our government is responding to that with our \$50 billion infrastructure guarantee providing Queenslanders with the hospitals, schools, police stations, fire stations, ambulance stations and community facilities that they rightly expect.

Queensland's economy is growing. Our state recorded an annual economic growth rate of 6.1 per cent, well above Australia's 3.9 per cent GDP growth. All the engines of Queensland's economy are firing. Consumers have the confidence to spend. The latest Westpac-Melbourne Institute Consumer Sentiment Survey puts our confidence above that of any other state. Queenslanders are acting on this confidence by supporting our retailers. Retail spending is now 17 per cent higher than it was before COVID. Altogether, household consumption in Queensland grew by nearly three per cent over the past 12 months, 1.5 times faster than the rest of Australia.

Businesses are bouncing back, too. The authoritative NAB business survey shows that business conditions in January were higher in Queensland than in any other state except Western Australia. Businesses have the confidence to build and to buy new machinery and equipment. Business investment in the latest quarter increased by 4.9 per cent, six times faster than the rest of Australia.

While Australia's borders have just been reopened to the movement of people, Queensland's borders have been progressively reopened to the movement of trade throughout 2021. Our exporters recorded a bumper year, with the value of exports increasing by a whopping \$16.5 billion last year. The value of Queensland's exports rose across the board—from beef to beans, from coal to copper. Our export success has been built on our government's hard work in opening new markets and bringing Queensland to the rest of the world. We look forward to continuing to support the private sector in this important role.

Our government has provided a record level of support to all parts of Queensland's economy throughout COVID-19. Our \$14.5 billion commitment has included: \$2 billion for the Queensland Renewable Energy and Hydrogen Jobs Fund to support industry and drive job creation; \$1.2 billion for the initial Queensland Health response to expand fever clinics, emergency department capacity, acute care services and regional aeromedical services for remote communities; a \$1 billion industry support package to support large businesses to scale back up when economic activity improves; a \$1 billion business support package, including payroll tax relief, relief for businesses renting government premises, waivers of liquor licensing fees, and \$500 electricity bill rebates for eligible sole traders and small businesses; a \$1 billion jobs support loan facility, with loans of up to \$250,000 to support businesses to keep Queenslanders in work; \$861 million for an additional COVID-19 health response, including mandatory quarantine; a \$500 million worker assistance package; \$320 million for the Skilling Queenslanders for Work program; and \$200 million to extend the Works for Queensland program from 2024-25, bringing the total program funding to \$1 billion.

We made JobKeeper payroll tax free, unlike the federal government which continued to apply income tax. We took responsibility for the delivery of federal initiatives like HomeBuilder, alongside our own \$5,000 regional home building boost and the ongoing \$15,000 First Home Owners' Grant. These initiatives not only supported construction jobs but also helped Queensland's household lending, dwelling approvals and dwelling starts to grow faster than the national average.

In the second half of 2021, our government, jointly with the Australian government, announced our \$600 million COVID-19 Business Support Grants program, supporting more than 40,000 Queensland businesses. Within this, \$80 million in tourism and hospitality sector hardship grants have supported more than 3,000 businesses. We have also committed \$2.1 billion over the forward estimates to support our response to COVID-19. These commitments ensure the budget has the prudent buffers required to protect and grow our state's economy.

Our government's timely and precise health response not only saved lives but also spared Queensland from the worst impacts of prolonged lockdowns seen in other states and around the world. Likewise, our government's timely, targeted and proportionate fiscal response has helped our state to avoid a recession. The first COVID-19 budget forecast a budget year deficit of \$8.6 billion—the largest deficit in recent history. By the second COVID-19 budget, that estimated deficit had fallen to \$3.8 billion, as our economic support took effect and Queensland's economy was cushioned from COVID-19. Last December, at the budget update, I was pleased to report that the final outcome for the 2020-21 financial year was a deficit of \$937 million—barely more than one-tenth of Treasury's original forecast.

Facing the worst pandemic in a century, our government provided the largest support package in Queensland's postwar history. Our economy avoided a recession and our budget is now forecasting a surplus within the next four years. Because our economic support was timely and targeted, our budget has emerged in a stronger position than almost anywhere else in Australia, or indeed the world. It is the efficiency and acquittal of this spending that is the subject of the bills before the House today.

I thank the Economics and Governance Committee for its report tabled on 1 November 2021 regarding the Appropriation (Parliament) Bill (No. 2) 2021 and the Appropriation Bill (No. 2) 2021. I acknowledge the presence in the House of the chair, the member for Logan, and thank him for his important work on this bill.

Mr Stevens: And the deputy chair.

Mr DICK: I again thank the chair for his important work. I acknowledge all members of the committee, including, on some occasions, the deputy chair. I also thank those who appeared as witnesses as part of the committee's inquiry. I note that the committee made two recommendations to parliament—that both bills be passed.

The purpose of the bills is to provide for supplementary appropriation for unforeseen expenditure that occurred in the 2020-21 financial year. Unforeseen expenditure is the term used to describe payments from the Consolidated Fund to a department which are above the amounts approved in prior

appropriation acts. For example, a department may need additional appropriation to respond to emergent issues or implement government policy, or there may be a change in the timing of Commonwealth payments or project delivery. Therefore, unforeseen expenditure is not necessarily the same as a departmental overspend. Furthermore, the bills are only concerned with unforeseen expenditure for 2020-21. Some agencies may have underspends, which are not considered in this process.

Section 35 of the Financial Accountability Act 2009 provides that should expenditure from the Consolidated Fund exceed the amount approved by annual appropriation, the Governor in Council, on the recommendation of the Treasurer, may authorise the expenditure. This amount comprises unforeseen expenditure and must be approved by the Governor in Council within four weeks of the end of the financial year.

I am pleased to report that this year's unforeseen expenditure is less than half the amount of unforeseen expenditure incurred in the 2019-20 financial year; is just 0.74 per cent of total appropriations, which is less than half the average of the past decade; and is less than the peak of unforeseen expenditure under the LNP of 0.94 per cent of appropriations, reached in 2013-14. On 15 July 2021, the Governor in Council authorised unforeseen expenditure incurred during the 2020-21 financial year of \$449,251,000.

The Consolidated Fund Financial Report contains explanations of all unforeseen expenditure incurred by departments and this informs parliament's understanding and debate of the bills. Pursuant to sections 23 and 24 of the Financial Accountability Act, the Consolidated Fund Financial Report must be audited by the Auditor-General by 30 September and tabled in parliament within two weeks of this date. The Consolidated Fund Financial Report was certified by the Auditor-General on 27 August 2021 and tabled on the same day.

The payment of this unforeseen expenditure is also to be formally authorised under an act of parliament in accordance with section 66 of the Constitution of Queensland 2001. Parliamentary approval for the unforeseen expenditure is now being sought, which comprises \$1,795,000 for the Legislative Assembly and \$447,456,000 incurred by six other departments.

Firstly, the Appropriation (Parliament) Bill (No. 2) 2021 seeks parliamentary approval of supplementary appropriation for unforeseen expenditure in the 2020-21 financial year of \$1,795,000. The unforeseen expenditure incurred by the Legislative Assembly and Parliamentary Service was primarily due to additional funding of departmental services for costs associated with the 2020 state election and additional funding to support service delivery pressures.

The Appropriation Bill (No. 2) 2021 will provide supplementary appropriation for unforeseen expenditure incurred by six departments in the 2020-21 financial year of \$447,456,000. The majority, 87.8 per cent, of the unforeseen expenditure arises from three departments. The Department of Children, Youth Justice and Multicultural Affairs had unforeseen expenditure of \$114,247,000. This was primarily due to additional funding for the increased demand for out-of-home care services in the child protection system and timing adjustments to the proceeds of sale relating to the Children's Court building. The Department of Justice and Attorney-General had unforeseen expenditure of \$188,940,000, primarily related to additional funding to meet the state's share of the Queensland flood class action settlement in 2020-21. Queensland Fire and Emergency Services had unforeseen expenditure of \$91,179,000. This was primarily for the COVID-19 response for quarantine accommodation costs, logistics and border control activities, additional firefighters and aerial firefighting costs.

The unforeseen expenditure of \$449,251,000 represents 0.74 per cent of the 2020-21 budgeted appropriation. This proportion of unforeseen expenditure in 2020-21 is lower than the proportion of unforeseen expenditure in 2019-20 which was 1.92 per cent. After netting the unforeseen expenditure and lapsed appropriations, total appropriation in 2020-21 was \$983,551,000 less than previously budgeted. These bills continue to demonstrate this government's diligent approach to the state budget, alongside a range of initiatives to support economic growth, businesses and jobs.

I reiterate my thanks to the committee members and secretariat for their hard work in considering this bill. I commend the bills to the House.