

Pages 1 through 4 redacted for the following reasons:

Exempt - Sch.3, s.2(1)(c)

RTI RELEASE



Media release

The Honourable Tim Nicholls MP Treasurer and Minister for Trade

DRAFT

Revenue collapse drives budget measures

The Newman government will implement a number of measures in the coming State Budget to try to counter the effects of falling government revenue and to ensure it has the funds to rebuild after the January 2013 natural disasters and to fund core services.

The Treasurer Tim Nicholls says the Government has experienced revenue falls of \$4.5 billion since coming to office and general taxation in the 2013-14 budget will be written down a further \$1.2 billion with GST receipts down \$531 million over the forward years.

Mr Nicholls said there are really only three choices available to Government, increase taxes, lower services or higher debt which results in increasing interest payments.

“In that climate, if we’re going to maintain the key government services that Queenslanders want, we have to take measures to stem the loss of government income,” Mr Nicholls said.

“We are operating in tough economic circumstances where areas including land tax and gaming revenue receipts are falling.”

Mr Nicholls said the Government had settled on a number of Budget measures which include:

- Changing the fire levy to an emergency management, fire and rescue levy which will be applied to all rateable properties. The levy will increase by 6.5 per cent from 1 January, 2014 amounting to an additional \$11.20 for a metropolitan household.
- Increasing the insurance duty on general insurance products from 7 to 9 per cent to assist the state in funding the NDIS (Disability Care Australia). On a policy for a \$300,000 home with \$75,000 contents the increase will be \$25 per year.
- Deferring for two years the planned increases in the payroll tax threshold. This will save the government \$235 million.
- Not introducing a flood levy
- Not providing households or businesses with a rebate for increased electricity prices outside the increases in the existing concessions.

“The Government has looked at a range of options,” he said.

“It didn’t make much sense to introduce a flood levy and then pay a rebate for electricity, effectively taking with one hand and giving with the other.

“The Government will still spend around \$136 million in 2013-14 to assist Queensland pensioner and concession card holders, Senior’s card and Repatriation card holders with their electricity bills.



Media release

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“The Budget will also include an increase in the home energy emergency assistance scheme for low income households which will double to \$10 million

“We’ll also ensure the community service obligation to keep rural and regional power prices the same as in the city will be funded at a cost of \$615 million.

Mr Nicholls said all Queenslanders benefit from the work of Emergency Management Queensland, and to ensure a sustainable funding base for Emergency Management Queensland, the levy will be extended to all rateable properties.

“The additional revenue will be used to help offset the cost of emergency management but it will not fully recoup the cost of running these services.

“Since the fire levy was first introduced almost two decades ago, the equipment needed and the expertise involved in delivering emergency services has grown substantially.

“In just the last few years thousands of Queenslanders have experienced firsthand the benefits of having well-resourced emergency services.”

Mr Nicholls said he understood that the insurance duty measures would have an impact on policy holders across the board but the Government had tried to keep the impact to a minimum.

“These are difficult decisions but we have tried to take a measured approach that limits the impacts while still allowing the Government to deliver the services Queenslanders want.

“Businesses which had been anticipating the increase in the payroll tax threshold will also bear some of the burden.

“The government is very conscious of the effects on households and businesses.

“We have tried to limit those effects while tackling the rebuilding task after the January natural disasters while at the same time funding the NDIS and education reform.”

Mr Nicholls said the Budget to be brought down next week would strike the right balance and continue the fiscal repair task aimed at bringing Government debt under control while growing the State’s economy.

[ENDS] 27 May 2013

Media contact: Maree Lacey 0409 947 957

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