




Speech by
Curtis Pitt

MEMBER FOR MULGRAVE

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QUEENSLAND ECONOMY

 **Mr PITT** (Mulgrave—ALP) (3.01 pm): Yesterday we heard the Treasurer make a confession in this parliament. The Treasurer confessed that the LNP is targeting debt of \$85 billion in 2014-15—the debt projected in the midyear review under the last government. This is a confession that the Treasurer has no plan to pay down debt over the next three years. It is also the same debt in 2014-15 that the Premier told this parliament on Tuesday would lead to a mythical debt of \$100 billion in six years. That means that all their talk about a \$100 billion debt was cooked up, just like we said it was.

Now the LNP is saying that it will commit to the same level of debt while sacking public servants and slashing infrastructure projects to find savings needed to fund its election promises. The interim response has confessed on page 3 that the LNP will cut infrastructure spending in the budget, which will mean private sector job losses across Queensland. We know that for every \$1 million cut from infrastructure spending around seven construction jobs will be lost. What all this means is that the LNP's public and private sector job cuts are there only to fund the LNP's \$5.7 billion in promised savings for their election promises. The Treasurer has tried to hide this by telling us that he has asked Treasury to revise their May 2012 transfer duty forecasts to support what Peter Costello says. This is without precedent and is an outrageous attack on the independence of the Public Service.

These Treasury projections were for transfer duty to track at 14 per cent per annum compared with 25 per cent per annum prior to the GFC. The Treasurer proceeded to then attack Treasury's forecasts of wages growth of 4.5 per cent per annum, which was based on population growth of two per cent plus a wages policy of 2.5 per cent. The Premier and the Treasurer are meanwhile telling us that their promise to limit wages growth to three per cent per annum will not result in forced redundancies.

Two days before the election the Premier dreamt up that natural attrition of 10,000 jobs a year would result in reaching their target. The Treasurer then confessed that he is going to set a fiscal balance as a standard for budget reporting. No Liberal government in Australia is recording a fiscal surplus and Access Economics has described it as an inappropriate way for states to report their budget position. If this standard were applied to his Liberal counterparts in Victoria, Western Australia and New South Wales, all of those states would be in deficit. By using a fiscal balance instead of an operating balance infrastructure spending is included in the balance and it simply sets the stage and provides a justification for the Treasurer to sell assets. That means that the Treasurer is setting the goalposts so that asset sales count on the scoresheet.

The Premier and others have been saying repeatedly that the former government had been borrowing to pay 20,000 public servants. This is not substantiated anywhere and is a fraud. The fact is that Labor recorded seven budget surpluses out of the last 10 budgets with a surplus in 2009-10 just before the natural disasters hit Queensland. If what the Premier says were true, then previous Auditors-General, including Len Scanlan, who signed off on the LNP's election costings, would be guilty of fraud. This is more proof that the Costello audit was nothing more than a political exercise to justify cuts to fund election promises.