




Speech by  
**Curtis Pitt**

**MEMBER FOR MULGRAVE**

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## QUEENSLAND ECONOMY

 **Mr PITT** (Mulgrave—ALP) (11.22 am): Last week we had the Premier of this state declare that Queensland was like Spain and bankrupt. Meanwhile, overseas the Treasurer was spinning a tale of two states, telling investors that Queensland has a stable credit rating. Back here the Premier, as usual, was just playing politics. As the *Courier-Mail's* editorial on Thursday summed it up—

On no measure—be it economic growth, debt, unemployment, investment, credit ratings or even business confidence—is it possible to realistically compare Spain to Queensland.

But for the Premier's benefit, here are some comparisons in case he needs further convincing as to how ridiculous his comments in relation to Spain were. Spain is undergoing a banking crisis as reported by *The Economist* and the Reserve Bank of Australia. Is the Premier implying Suncorp is bankrupt? Spain has a credit rating of BBB. Queensland has a rating of AA+ stable. The Reserve Bank's board minutes from last month mention Spain's debt crisis as a factor for interest rate cuts but not Queensland. Spain has an unemployment rate of 24 per cent—Queensland's is 5.5 per cent. Labor left Queensland with a debt to GSP ratio of 12 per cent for the general government sector. The equivalent ratio as measured by the IMF for Spain is 79 per cent.

There is no comparison, just the running of a lot of bull by the Premier who perhaps has been spending too much time in Brisbane looking at the posters for the Portrait of Spain art exhibition. The Premier might do well to stop reading posters, rise from his siesta and start reading the QTC Investor Blue Book that the Treasurer has been showcasing overseas. Here at home, the Premier has been saying that Queensland is 'on a power dive into the abyss'. The Treasurer has been saying that Queensland is in a debt crisis and that the government coffers are empty. Meanwhile, the Treasurer has been saying to overseas investors in his booklet that Queensland has a far lower level of general government net debt, relative to operating revenue, compared to other similar international semi-sovereign issuers, and that the last government had 'excellent financial management on very positive liquidity'. The Premier has sought to deny this tale of two states by saying that Labor does not understand the difference between the economy and the budget position and that we are somehow confused. Let me be clear. There is no confusion. We are simply pointing out this government's duplicity on both the economy and budget position. In fact, we in the Labor party understand much better the relationship between the state's budget position and the economy. We understand that cuts to the public sector flow on to jobs in the private sector. We will never hear the Premier or Treasurer thank Labor for leaving Queensland's economy in a position of strength.

In January this year the Treasurer said that Queensland had become an economic basket case. The Treasurer, over two lunches in just one day in the last fortnight, was telling investors that strong investment and growth in recent years have accelerated Queensland's economic activity relative to the rest of Australia. The duplicitous tale does not end here. The Premier has been repeating to Queenslanders ad nauseam that Labor was paying 20,000 public servants by borrowing, by incurring debt. Meanwhile, overseas the Treasurer has been reporting that based on the previous government's midyear review an operating surplus is expected to be achieved in 2014-15. And as detailed in the corresponding graph, Labor recorded a surplus in seven of the last 11 years including in the two years prior to the summer of natural disasters. Deficit years coincided with the 9/11 terrorist attacks, the GFC and natural disasters.

I am not sure where the LNP learned how things work, but by definition the government cannot be borrowing to pay employee wages when in a surplus as revenue exceeds operating expenses. It is incredulous to claim that increased expenditure for natural disasters from 2010-11 onwards is proof of borrowing to pay the wages of 20,000 public servants. The government has not substantiated these statements anywhere. This government is telling this duplicitous tale to hide that cuts to services and staff are to fund election promises, not to pay down debt. The Treasurer has now set out in his interim response to the Costello Audit that the LNP plans to increase debt by \$21 billion to 2014-15. This approach was what the Treasurer last month said was Labor's plan. He said it was a debt binge and was putting further pressure on the state's credit rating. This tale of two states must come to an end. As evidenced by public commentary last week, people are finally cottoning on to the double-dealing nature of this Newman LNP government.