



Speech by
Curtis Pitt

MEMBER FOR MULGRAVE

Hansard Wednesday, 31 October 2012

APPROPRIATION (PARLIAMENT) BILL AND APPROPRIATION BILL: FINANCE AND ADMINISTRATION COMMITTEE

 **Mr PITT** (Mulgrave—ALP) (3.52 pm): From the outset I pass on my thanks to the chair of the committee, the member for Coomera, for his very balanced approach to allowing questioning by the non-government members of this particular committee. I make that statement as the deputy chair of the committee. I will make the following statements as the shadow minister for Treasury and trade.

The estimates committee hearing of the Finance and Administration Committee confirmed that the LNP budget is based on ideology rather than evidence, with cuts to services and the removal of 14,000 government positions funding the LNP's election promises. In the hearing, the Under Treasurer confirmed that the LNP's jobs and services cuts are contributing to Treasury's forecasts for unemployment averaging above global financial crisis levels this financial year. So far we have seen the seasonally adjusted unemployment rate climb from 5.5 per cent in March to 6.3 per cent in September, with over 20,800 jobs lost in the month of an LNP budget the Premier called 'fun'. Over half of those jobs lost were full-time jobs. There is simply no escaping the fact that Queensland's unemployment rate is being pushed upwards by an LNP government that is attacking jobs and services.

The budget papers further set out that the LNP's cuts and royalty and tax hikes are having a direct impact on Queensland's economic growth as well, which is forecast by Treasury to slow next financial year. Labor left Queensland's economy growing at four per cent, well ahead of the national average and the second fastest in the nation. It was Labor that also oversaw the largest fall in the unemployment rate from 9.8 per cent when the LNP was last in government to 5.5 per cent in March. At the estimates hearing, the opposition questioned the Treasurer and Under Treasurer over the justifications that have been made for these cuts.

At the hearing, it was conceded by the Treasurer and Under Treasurer that the government had never been advised that it was directly borrowing to pay the wages of 20,000 government workers, as has been repeated endlessly by the Premier. At the conclusion of the hearing, the Treasurer admitted this was all based on a hypothetical scenario of the potential savings that could have been made if the government had not hired more workers since the year 2000. The Premier has jumped on this hypothetical scenario to say that 20,000 government workers needed to be sacked and that they are paid from borrowings. This is not true and no evidence has ever been produced to substantiate the claim.

This raises questions as to why the LNP government made up claims of a need to sack government workers. For this reason, I questioned the Treasurer in relation to his answer to an earlier question on notice, which stated that the LNP's funding source for election commitments is to be found in the table of redundancies of 14,000 government workers. Just 48 hours before the election, the Treasurer said that all the LNP's promises would be funded through an 'employee expense cap', which would be met through natural attrition and no forced redundancies. When asked if he stood by his answer that the employee expense cap to fund election promises is met by the forced redundancies of 14,000 government workers, the Treasurer confirmed this position.

The Treasurer was also unable to deny that the LNP budget involves \$6.5 billion in new spending and cuts to revenue, while increasing debt by more than \$20 billion. This means that cuts to services and jobs are simply about the LNP's ideology and priorities. The Treasurer refused to even defend an increase in his own personal staff of four positions while overseeing one fewer portfolio in State Development than his predecessor. There was no answer from the Treasurer about state taxes per person increasing by \$76 in the budget, despite earlier that morning the Premier saying taxes had not been increased.

It is clear that the LNP budget has been framed on politics rather than good policy. It is a budget that extensively references a document by a political operative, Peter Costello, to justify its decisions while the government refuses to allow scrutiny of Mr Costello's findings. Independent Federation Fellow and Professor in Economics John Quiggin has debunked those findings, concluding that the Costello audit did not find—

'... any "black holes" or substantial mis-statements in the budget estimates of the outgoing Labor government'.

As much as they try to duck and hide, ultimately the LNP is responsible for the decisions it has made in this budget; decisions based on ideology and politics, not on what is in the best interests of Queenslanders.