



Speech by
Curtis Pitt

MEMBER FOR MULGRAVE

Hansard Thursday, 14 February 2013

QUEENSLAND ECONOMY

Mr PITT (Mulgrave—ALP) (3.18 pm): Last Friday, the Reserve Bank released its Statement on Monetary Policy. The statement details that wages growth in Queensland is weaker, with anaemic employment growth and an elevated unemployment rate. It is an unemployment rate that is still at a trend rate of 5.9 per cent in January. These are levels not seen since the global financial crisis. This is a trend unemployment rate that has increased by nearly half a per cent under an LNP government. When the unemployment rate was at a trend rate of 5.5 per cent in January last year—with the economy growing at four per cent—the member for Clayfield, as the shadow Treasurer, declared Queensland to be an ‘economic basket case’. When you look at the state’s seasonally adjusted jobless rate in January of 5.5 per cent, you see it as the same as the rate just before the March 2012 election. In other words, this government has not moved one inch towards its four per cent unemployment promise.

Despite all of the Premier’s and Treasurer’s wild finger-pointing and bluster, the unemployment rate is not expected to improve, with Treasury projecting it to average 6¼ per cent this financial year and stay at six per cent next financial year. This unemployment rate is directly linked to government worker job cuts of up to 20,000 people. Independent Professor in Economics John Quiggin has said this as has the Commonwealth Bank’s economics team. Anyone who asserts otherwise is telling an obvious and blatant mistruth. With an economy that was forecast prior to recent flooding to be growing slower at 3¾ per cent—and to slow further to 3½ per cent next financial year, the Treasurer tells us that it is ‘great’, that we are ‘back on track’. He also tells us that with higher unemployment, slower economic growth and closures to TAFEs that Queenslanders will have ‘great opportunities’.

It gets worse. In December the Premier said the job cuts were over. But by late January he was telling the *Australian Financial Review* that he would consider further government worker job cuts in an economy that has weakened. It is absurd logic to cut jobs and leave people with no other job to go to in order to supposedly create jobs, which led to unemployment nearing 10 per cent in Queensland under the LNP’s last regime, the calamitous Borbidge-Sheldon government. It is the same absurd logic and twisted priorities that we see in the Newman government scrapping the Skilling Queenslanders for Work program—cutting the jobs of people who help others into jobs. It is no wonder that the RBA statement also confirms figures from the ABS and the protections of Queensland Treasury of very weak employment growth this financial year at around 1¼ per cent. That means we are facing a combination of a higher unemployment rate with fewer jobs being created in the economy. This has had an impact not only on jobs in the private sector but also on wages and, subsequently, the cost of living for Queensland families.

The RBA statement further detailed that the Treasurer’s rhetoric about his first home owners construction grant is just hot air. The statement details large falls in housing loan approvals for first home buyers in Queensland following the removal of the grant for existing homes. However, we see the greatest creativity from the Treasurer when he talks about debt. The RBA’s statement outlines that Queensland’s credit rating ‘did not have a material impact on the state’s ability to access wholesale debt markets, nor the prices at which such debt is issued’. That is a long way from the ridiculous LNP claims of a ‘power dive into the abyss’ or debt crises that were repeated ad nauseum last year by the Premier and the Treasurer. Even now this government does not understand the fact that if you cannot meet the cost of living because you have no job because the government has sacked you along with—

(Time expired)