




Speech By
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MEMBER FOR MULGRAVE

MATTERS OF PUBLIC INTEREST

Commission of Audit

 **Mr PITT** (Mulgrave—ALP) (11.21 am): Last week saw the delivery of the third and final report of the Costello Commission of Audit to the LNP government. Three reports have been delivered yet the LNP refuses to show the two latest reports to the people of Queensland. Despite taxpayers paying \$2 million to have the reports prepared, the LNP government is keeping them under lock and key, kept away from Queenslanders who deserve to be presented with the truth—well, at least Peter Costello's version of it. Queenslanders are right to ask what is this government trying to hide? If this commission of audit was truly independent, why should only LNP politicians have exclusive access to the Costello report for the next six weeks?

The Costello commission was never independent. No-one in Queensland outside of the LNP caucus room believes the Costello report is independent. Unless you listen to comments from some in the LNP cabinet, then not everyone inside the LNP caucus room believes the commission of audit is independent. From the start everyone knew where the Costello audit was heading: a blatant pursuit of ideology. Last year I referred to the mythical tory playbook where a newly elected conservative government calls for an audit, throws their arms up in the air, cries poor, blames the former government, blames the federal government, then starts sacking workers, slashing services and flogging off public infrastructure. Perhaps my predictions did not go far enough. In May last year I spoke of the predictable pattern of behaviour with conservative governments when I said—

We saw it in Victoria with Kennett. Costello used the same method in Canberra when the Howard government came into power. Borbidge established the commission of audit in Queensland in 1996. We have seen it under Barry O'Farrell in New South Wales and Ted Baillieu in Victoria. They used their audits as a cloak to sack 5,000 public servants and 3,600 public servants respectively.

Of course, we know that since then the Newman government has sacked more than 14,000 workers. Jeff Kennett must be so proud. After the charade of an independent audit, paying an LNP mate \$3,300 a day, it seems I could have saved the taxpayers \$2 million and told the Newman government 12 months ago what was coming.

It is not just the opposition that has outed the Costello audit for being predictably political and ideologically driven. Federation Fellow economist Professor John Quiggin points to recent Queensland history, namely the Vince Fitzgerald audit for the Borbidge government. Quiggin points out that Fitzgerald, as a respected if conservative economist, pointed to strengths in the economy, including the state's net worth at the time of \$51 billion. Quiggin writes—

So, what's happened to our net worth over the 16 years from Fitzgerald to (interim) Costello. Readers might expect that it's fallen a lot, or even become negative. In reality, it's more than tripled, to \$171 billion.

Of course, the Costello report has switched attention from net worth to gross debt. While this makes little economic sense in ordinary terms (if you were buying a company, would you care more about its net value, or its debt level), it might be important if the ratio of debt to net worth had risen a lot. Actually, gross debt was \$24 billion in 1996, and is \$64 billion now. The ratio of gross debt to net worth has actually fallen.

To sum up, the big difference between Fitzgerald and Costello is that Fitzgerald is a serious look at the state's finances, while Costello (in common with the majority of Commission of Audit reports) is a propaganda stunt. The state's underlying position is strong, just as it was in the 1990s.

With logical, researched analysis such as this from independent economists, is it any wonder the Treasurer does not want to submit the Costello report to even basic levels of public scrutiny. We know that when it comes to privatisation, the Newman government has no intention of waiting until the next election. It has already sold hundreds of millions of dollars worth of building infrastructure. It is already privatising the hospital system like the privatisation of the Sunshine Coast University Hospital and the outsourcing of core clinical services in areas of health care across the hospital system. The Treasurer, as reported in *Brisbane Times* today, says that he wants to sell off other assets through 100-year leases before the next election.

It is remarkable that the Treasurer stands in this place, hand on heart, saying that he will not privatise Queensland before the next election, while at the same time he is selling off infrastructure and privatising core roles of the Queensland government. Again we hear that the Premier, the Deputy Premier and the Treasurer have not even read the latest Costello report. Evidently, the Treasurer is relying on Costello, architect of more than \$70 billion worth of public assets sold off when federal Treasurer, rather than basing his actions on genuine economic modelling. It seems the Treasurer is so ideologically committed to outsourcing that he is even outsourcing his own job, just like he did his first budget. I simply say this to the Treasurer and the Premier: if they cannot be bothered reading the Costello audit, then release it publicly to people who will.