




Speech By
Curtis Pitt

MEMBER FOR MULGRAVE

MATTERS OF PUBLIC INTEREST

Commonwealth Grants Commission, GST Revenue; Unemployment

 **Mr PITT** (Mulgrave—ALP) (11.45 am): Today, I want to issue a challenge to the Treasurer. I challenge him to reveal to the people of Queensland why he has refused to use a GST bonus of almost \$700 million to reinstate some of the jobs and services that have been cut so savagely by the LNP to fund its \$4 billion in unfunded promises. I am referring, of course, to the announcement late last week by the Commonwealth Grants Commission that Queensland will receive an extra \$696 million in GST revenue in 2013-14 from an improved share. This increase does not include the expected growth in the GST pool, with the total funding increase to Queensland expected to be \$1.35 billion.

I also suggest that the Treasurer read the Grants Commission's reasons for increasing Queensland's revenue from the GST. Right there in the executive summary—and I know the LNP government is very familiar with executive summaries—the Grants Commission states that Queensland's fiscal capacity has fallen, mainly due to a fall in our revenue-raising capacity. What has contributed to this situation? Two main reasons, says the Grants Commission: lower values of production in the export coal industry due to the global financial crisis and a significant fall in stamp duty.

Most Treasurers would get excited when they find out that they have an extra \$700 million to spend, but our Treasurer was surprisingly subdued. In fact, his response was positively casual. To me, the explanation is clear: by openly acknowledging the GST windfall the Treasurer would be forced to acknowledge the reasons behind it. We know that there are still plenty on the Treasury benches who continue to deny that the GFC took place.

The reality is that the Newman government has been handed a fiscal bonus by the Grants Commission. Here is the perfect opportunity for the LNP and the Treasurer to put the bad polls and the public opprobrium behind them by spending this money wisely. This money could be used to reinstate some of the front-line health and education services that have been cut so viciously by the LNP. The government could stop sacking nurses and rehire some who have been laid off. The government could stop closing surgical wards and reschedule elective surgeries that have been cancelled. The government could stop short-changing schools by revising their approach to calculating staff numbers and properly resource our classrooms. Heaven forbid a fraction of this windfall would be able to fund a Queensland trial of the National Disability Insurance Scheme here.

Yet despite having all these worthwhile options available to him, the Treasurer has dismissed this GST bonus, even going so far as claiming it was already accounted for in the budget. I find this hard to believe, given that the Queensland budget was handed down in September 2012 and the Grants Commission determination was handed down just last week. So I ask the Treasurer: where in the Queensland budget papers is this exact increase in the 2013-14 relativity and \$700 million windfall explicitly detailed? The Treasurer has talked about a prediction that the relativity may be higher, but in no way does this mean that it has been factored in. It clearly does not state that.

The Treasurer is asking us to trust him on his word. This is the same Treasurer who did not tell Queenslanders of his plan to sack more than 14,000 government workers in our state. Where is this \$700 million windfall explicitly detailed in the Queensland budget papers? He will not be able to point to it, because it is not there. If the Treasurer stands by his 2012-13 budget papers and the LNP has exacted only the 'minimum amount of pain required' on Queenslanders, then the Treasurer can now decide to use this nearly \$700 million to ease that pain.

When it comes to the economic management of this state, this is yet another example of the LNP trying to rewrite history. This same approach was used last week when the labour force figures were released. Queensland's trend unemployment rate was 5.8 per cent in February, with 8,500 more unemployed Queenslanders since the election, and in an environment where our economic growth is slowing. How was this release greeted by the Treasurer? He claimed that Queensland was 'heading in the right direction'.

Compare this to January 2012 when the trend unemployment rate was at 5.5 per cent under Labor with the economy growing faster at four per cent. What was the member for Clayfield's assessment then? The then shadow Treasurer declared that Queensland was an 'economic basket case'. Things have got worse in Queensland since then, thanks to the LNP's vicious cuts to jobs and services, but the Treasurer has changed his tune. The LNP denied the global financial crisis and now it denies that its misplaced and misguided policies are slowing Queensland down. After almost 12 months in office the Premier, the Treasurer and all in the LNP must take responsibility for these outcomes.