




Speech By
Curtis Pitt

MEMBER FOR MULGRAVE

MOTION: COMMISSION OF AUDIT

 **Mr PITT** (Mulgrave—ALP) (5.30 pm): I move—

That this House:

- notes it is now 47 days since the secret Costello audit report was presented to the government;
- notes the Premier committed to finally reading the secret report at Easter; and
- calls on the Premier to outline to the House the report's 155 secret recommendations and the impact they will have on jobs and services.

It has been 305 days since the government released the interim Costello report and 137 days since the government received the second instalment of the final Costello report in November last year. That is 137 days now that this government has sat on the interim report—interim recommendations that were devised before the full report was completed, according to this government. It is not often that recommendations predate a report being written. It is like reaching a conclusion before you have undertaken a thorough analysis. The words 'made to order' certainly do spring to mind. However, it is not surprising coming from Peter Costello, whose lobbying firm was representing companies interested in finding government outsourcing work. It is also not surprising how little interest has been shown by members of this government in reading the final report, because they already know what is in it.

It also helps to explain the clear bias in the interim Costello report towards privatisation and outsourcing, a report that stated that the only way to lower debt—as promised by the LNP before the election—was to privatise \$25 billion to \$30 billion worth of assets. Before the election the LNP promised that this Commission of Audit would find ways to pay down debt, but did not mention asset sales.

It has now been 47 days since the final Costello report has been provided to the government and yet it still refuses to share it with Queenslanders. Instead, we have had a media managed process with the release of an executive summary. I have heard of oppositions being accused of playing 'small target', but for a government this really is bordering on the absurd.

The Premier came out pretending to be opposed to asset sales and privatisation, attempting to play the good cop while the Treasurer plays the pro-privatisation bad cop. This comes from the same Premier who when in opposition told the *Weekend Australian* in March 2011, 'Just because you own the power grid doesn't mean that you can't have a private sector firm maintaining the power grid for you.' What else did the Premier say? The Premier said, 'And there is no need for a government port authority to own a coal terminal.' I will be watching closely for recommendations on the privatisation of Gladstone Ports Corporation. This was an interview where we saw some rare honesty from this Premier. In the same interview the Premier said he planned to cut the Public Service. It is a pity that this flash of honesty was then later retracted by the Premier. As Queenslanders went to the polls in March the following year he was promising no forced redundancies and no asset sales—promises that the LNP never intended to keep. The Premier is so sure of the findings of the final Costello report that he has failed to read it, even on his own undertakings. He set himself until 11 March to read the report and then told us just prior to Easter that he would sit down and read it over the break. The

Premier has been procrastinating because he already knows the predetermined conclusions for privatisation, asset sales and outsourcing.

While the LNP could not make the effort to be honest about their intentions prior to the election, they were busy scheming up an explanation to be given after the election as to why they misled Queenslanders. In November 2011 the Treasurer held an LNP fundraising event with none other than Peter Costello, one of several LNP fundraising events with the former federal Treasurer prior to the election in both Melbourne in November 2011 and again in Brisbane in March 2012. The event in Brisbane was even reported in the *Courier-Mail* on 3 March 2012. I suppose that once again the Premier's defence will be to attack the media, just as he did in defence of the member for Redcliffe, in his attempt to deny any responsibility for his actions. Then, surprise, surprise, just four days after the March 2012 election, the Treasurer appointed his fundraising mate to head up his so-called 'independent' Commission of Audit—a Liberal Party activist with a track record on asset sales, having overseen the privatisation of \$72 billion in assets under the Howard government. How independent! Imagine the reaction from those opposite if the Labor Party in Queensland had appointed Paul Keating to a similar task. We would never hear the end of it. But apparently that is okay when you are the LNP.

Just as this government is refusing to release the final Costello report, it also refuses to release the list of donors who attended those fundraising events. This is a genuine issue of openness and accountability which this government has failed with a capital F. How can Queenslanders have any confidence in the recommendations of the final Costello report when they have no knowledge of who attended LNP fundraisers with Mr Costello prior to the election? Thanks to the Australian government register of lobbyists, we have at least been made aware of the names of companies being represented by Peter Costello's lobbying firm. It is worth noting here that the claims by Mr Costello's firm that they had not represented these companies since November 2012 placed them under the attention of staff overseeing the register of lobbyists for not having updated their register accordingly. Let me make it clear for the Treasurer about the findings of the CMC in relation to Mr Costello: a matter falling outside an organisation's jurisdiction does not mean that no conflict of interest exists or that no wrongdoing has occurred. The clear bias towards asset sales and privatisation in the final Costello report is already evident in the wording of the executive summary that has been released so far. The summary makes the alarmist claim that a one per cent fiscal surplus would take 50 years to repay \$25 billion of debt. This calculation is made by making the assumption that there will be no growth in revenue or inflation and that Queensland's economy and population will not grow over the next 50 years. While we have seen state final demand contract by 0.8 per cent from the June to December quarter last year under the LNP, I hope that it is not LNP policy to have flatlining economic growth. This is a key assumption used to justify the claim that debt can only be paid down through asset sales.

The report goes on to make the claim that there has been a disturbing decline in Queensland's and Australia's multifactor productivity since 2007-08 and that this will contribute to lower per capita economic growth over the next 40 years. What the report selectively fails to mention—and it is outlined in Queensland Treasury's *Queensland productivity update: 2011-12*—is that this fall in multifactor productivity reflects a period of strong infrastructure investment in the water grid, in the electricity grid and also in mining as resources became more challenging to extract. That is investment that coincided with the onset of the worst global financial crisis since the Great Depression—investment that assisted to keep Queensland's unemployment rate under six per cent, not at levels of six per cent and over as seen under this LNP government, investment that will lift Queensland's multifactor productivity over the next decade.

The selective inclusion of information and the assumptions used in the executive summary indicate a continuation of the inherent bias from the interim report which dreamed up fictional debt scenarios. Another concerning aspect of the executive summary is the claims that the government should not impose any policy requirements on government owned corporations. Policy requirements currently include the uniform tariff policy, which ensures that regional electricity users do not pay more and lowers costs for the public transport network. The executive summary of the Costello report discusses privatising and outsourcing social services, including our healthcare and education systems, which will disadvantage those who cannot afford to pay. These proposals are contrary to our core Labor values of fairness and equality of opportunity. Nobody voted for privatising health and education services and nobody voted for a Costello document aimed at selling off our way of life and driving up our cost of living. Just as nobody voted to sack more than 14,000 government workers in

this state because—ding, ding, ding—the Premier said before the election that public servants had ‘nothing to fear’ from the LNP.

Ms Palaszczuk interjected.

Mr PITT: I will say that again for the benefit of the Leader of the Opposition. Nobody voted to sack more than 14,000 government workers in this state before the election. The Premier did not say that before the election. He did say that public servants had ‘nothing to fear’ under the LNP. This was the first of many times that the LNP has breached the trust of Queenslanders and I do not believe it is going to be the last.

The motion today is all about making sure that this government does what it should do, and that is release the final Costello report for all to read, to be undertaking some independent analysis to ensure that people have a really clear view. It is time that they were honest with Queenslanders and released the report in full so that Queenslanders can look through all 155 recommendations, line by line, to see what it may mean for them. It is time that Queenslanders see this report for what it truly is: a made-to-order, taxpayer funded ‘set them up, knock them down’ diversion straight from the tory play book.

It is interesting to note that the Premier is not participating in this debate. I hope that he does make an appearance, because this motion is aimed fairly and squarely at him. The decisions that he made before the election and the promises that he made to Queenslanders before the election are at the heart of this debate and so it is disappointing to see that he may not be speaking in this debate.