




Speech By
Curtis Pitt

MEMBER FOR MULGRAVE

MATTERS OF PUBLIC INTEREST

Commission of Audit

 **Mr PITT** (Mulgrave—ALP) (11.25 am): What we have from the LNP today is a political document tabled in this parliament that has been doctored by a Liberal Party political operative—a report doctored so that the government could hide the sale of key electricity assets and claim that it is not selling the farm or electricity assets. In the government response it says that they will sell some assets without a mandate—assets like the government owned mines that provide the coal for our power stations, mines like Meandu and Kogan Creek. If this is not selling the farm, I do not know what is. Not only this, but it says they will further consider selling the state's electricity generators and the retail arm of Ergon Energy. This only stands to hike up the cost of electricity in regional communities.

This has been a report from a lifetime member of the Liberal Party who during his time as a Treasurer in the Howard government oversaw the privatisation of \$72 billion worth of public assets—a lifetime Liberal with a clear financial interest in increasing 'contestability', a word being used as a euphemism for placing essential services on the chopping block for privatisation and outsourcing; a lifetime Liberal who attended two fundraisers that we know of for the LNP prior to the election; a lifetime Liberal who has presented what is a false ultimatum, an ultimatum that Queensland must either sell assets and privatise essential services or increase taxes. This ultimatum is based on a claim that a fiscal surplus of one per cent of revenue would take 50 years to repay \$25 billion in debt, a claim based on an assumption that the government's revenue will not grow for half a century.

Last week we heard the Premier tell ABC radio that this report 'paints a picture'. We all know from the first Costello report what that picture is. It is a picture of horror and of gloom and doom based on hysterical thought bubbles rather than based on facts. It is a picture designed to scare and con Queenslanders and the LNP backbench into accepting an ideological program of asset sales and privatisation of essential services that the Treasurer and Premier have planned all along. An independent analysis by Federation Fellow and Professor in Economics John Quiggin, among others, concluded in relation to the first Costello report—

The Commission has not discovered any 'black holes' or substantial mis-statements in the budget estimates of the outgoing Labor Government.

This means that the LNP knew full well the state of Queensland's finances when they made \$4 billion in unfunded election promises—more than four times the cost of commitments made by the previous government. So far the LNP's cuts to front-line services and more than 14,000 jobs have all been about funding their priorities, with gross debt still set to increase under the LNP by \$20 billion over four years. These LNP cuts have been too hard and too fast and have both slowed Queensland's economic growth and lifted unemployment.

Two independent reports by CommSec and Deloitte Access Economics have set out in the last week that the LNP government's cuts have contributed to higher unemployment and a slowing

economy. Deloitte Access Economics have nearly halved their forecast for Queensland's growth this financial year from four per cent to 2.3 per cent, which is slower than the nation and well below the decade average. CommSec's report has set out that the trend jobless rate in Queensland is 14.2 per cent above the decade average.

The LNP's draconian austerity is now contributing to lower payroll tax, transfer duty and royalties through decreased economic activity which is actually increasing the deficit next financial year and debt. In fact, debt would likely be higher under the LNP had it not been for a program of asset sales without a mandate and undertaken largely by stealth totalling more than \$3.3 billion, asset sales that include the fire sale of seven office buildings in the city for \$562 million—less than the cost of the Premier's new tower of power at \$650 million.

The opposition has a responsible plan to pay down debt and return a AAA rating without crippling economic growth over the short term which only serves to increase debt through lowering revenue. We have a plan to utilise economic growth over coming years to return the budget to surplus as soon as is practical and to pay down debt without selling our assets and long-term future or undermining our tax competitiveness. This economic growth is forecast by both Treasury and Deloitte Access Economics from projects initiated under the former state government that will continue despite the LNP government—certainly not because of it.