




Speech By
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MEMBER FOR MULGRAVE

MATTERS OF PUBLIC INTEREST

Budget

 **Mr PITT** (Mulgrave—ALP) (11.35 am): Later today the Treasurer will hand down a budget that breaches the LNP's now infamous Contract with Queensland signed by the Premier and every single one of his MPs. Last year the Treasurer said that the 2013-14 budget would not contain new taxes, yet it will include the most tax increases and price rises in living memory. It is a budget that will lock in rises in household bills of \$500 on average and new tax hikes of more than \$100. It is a budget that sees the average cost of living increase in total more than \$600 per year. The costs for regional Queenslanders are even higher, with average increases of \$690 per year. The increases are potentially even greater for people in cyclone and flood impacted areas, with increases ranging between \$610 to more than \$785 per year. This was after the LNP promised at the election to save each household \$330 per year.

It is a budget that will lock in an historic rise in electricity prices of 22.6 per cent on average, or \$268. For elderly people living alone this increase is even worse, averaging 27.9 per cent. This increase follows a rise of 11 per cent, or more than \$140 on average, this financial year—nearly double the increase last financial year. The Treasurer yesterday described this budget as easier than the last. I do not think Queenslanders agree with him.

The impacts of the LNP's new tax hikes in this budget are particularly concerning for regional Queenslanders. The increase in the rate on insurance duty is nothing short of a tax on hardship and misfortune. Insurance premiums have increased by up to 1,000 per cent in parts of North Queensland since Cyclone Yasi hit in 2011. Nearly a third of insurers are failing to provide quotes in North Queensland. These tax hikes are hitting hardest those Queenslanders who can least afford it. In Roma, where the average premium is now over \$3,400 according to Suncorp, the LNP's insurance tax slug will be more than \$50 on home and contents insurance. The average flood insurance premium from Allianz insurance is reported to be \$8,200 per year in Queensland and can reach as high as \$19,000. The LNP's insurance tax slug here would equate to another \$123 to \$285 per year. This is in addition to a new fire tax for regional Queenslanders of at least \$90 per year. This may well be to pay for the Ted Malone review, but the Premier is on his Pat Malone if he thinks Queenslanders will be happy about it. There will be increases in insurance premiums on a motor vehicle of \$28 per year. These calculations do not include other LNP tax hikes, including on mortgage duty, life insurance riders and professional indemnity insurance.

These broken promises on cost of living come just weeks after the Treasurer assured that he would not tax Queenslanders into their graves. It also follows a \$2 million taxpayer funded commission led by lifetime Liberal Party member Peter Costello, a commission that recommended in its final report that assets should be sold as an alternative to increasing taxes. Now this LNP government is doing both without seeking any permission from Queenslanders. In the last sitting I tabled an interim response to the final Costello report that exposed the dire assumptions being used by this government to abandon its election promises. The Treasurer in his response to this report did

not take issue with any of its content. The Treasurer tried to claim that a budget black hole was found in the interim Costello report despite this being refuted by numerous independent sources. Not only this, but his criticisms were of updates of the budget position performed by Queensland Treasury under his own government. His only riposte was to continue selectively quoting from sources, including Queensland Treasury Corporation, about debt, while disregarding the assets the state owns.

You will not hear the Treasurer quote from the Queensland Treasury Corporation investor booklet he handed to investors last year when overseas that stated that—

Queensland's ratio of financial assets to total liabilities indicates its relative financial strength compared with other Australian states.

Or that—

The amount of money spent by Queensland on interest payments, when expressed as a share of revenue, is also low relative to its international peers ...

Or that—

Queensland has a far lower level of General Government net debt, relative to operating revenue—
compared with international peers.

In this very same investor booklet, the Queensland Treasury Corporation confirmed that there was no budget black hole, with a graph showing a return to surplus in 2014-15 without mass sackings and privatisation. It was a return to surplus without mass cuts and selloffs because it did not involve the \$4 billion in unfunded election promises from this Premier and this Treasurer. Those are unaffordable promises that they continue to break day in, day out since they were elected. They are promises that they never intended keeping. Queenslanders deserve a fact based economic debate, not one based on a politically motivated sham that is being used as a platform to sell off assets and sack Queensland workers.