




Speech By
Curtis Pitt

MEMBER FOR MULGRAVE

Record of Proceedings, 20 May 2014

MOTION: UNEMPLOYMENT

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

That this House:

- notes that unemployment is rising in Queensland and has now hit 6.3 per cent—high than during the Global Financial Crisis;
- notes that youth unemployment has dramatically risen across the state, particularly in regional areas like far north Queensland and Ipswich; and
- condemns the Abbott government's decision that will force unemployed people under the age of 30 to wait six months before they will receive income support.

This morning the Premier once again called the opposition 'kids' and tried to present himself as a 'grown-up'. Well, Premier, a grown-up takes responsibility for their actions. A grown-up accepts reality and does not try to run from the truth. This Premier has been consistent in trying to convince people that unemployment has somehow improved under his watch, describing Queensland as the 'engine room' for jobs creation. At the election the LNP said that it had all of the answers and that it would lower unemployment to four per cent. Since the election, the unemployment rate has increased from 5.5 per cent in March 2012 to 6.3 per cent in April this year. This is the second highest unemployment rate of any state in mainland Australia. It is the highest unemployment rate Queensland has seen since June last year and before that since October 2003. Queensland's unemployment rate is now higher than at any point during the GFC. Queenslanders are now suffering under the Abbott and Newman government jobs crisis. There was a staggering 11,000 fewer full-time jobs in Queensland in April this year than there were in March 2012 when the Newman government was elected—11,000 fewer full-time jobs seasonally adjusted with more than 140,000 additional people living here.

When will this government deliver any net gain in full-time jobs on either a seasonally adjusted or a trend basis, or maybe even just one extra full-time job? For the Premier to claim that these results reflect a state that is the 'engine room' of jobs creation is fundamentally dishonest. His misleading rhetoric is all about covering up his broken election promise to deliver lower unemployment, not bring about decade-high levels of unemployment. Exhibit A: the Premier's promise before the election that government workers had 'nothing to fear'—before he sacked around 20,000 people, including front-line staff and workers in government owned businesses. Last financial year Queensland Treasury figures confirm that the Newman government recorded Queensland's worst result for jobs growth since 1990-91, when the economy was last in recession. There was no mention before the 2012 election that a Newman government would deliver a decade-high level of unemployment, a net loss in full-time jobs and the weakest jobs growth in two decades.

The Treasurer described Queensland's above-GFC level of unemployment of 6.3 per cent as 'encouraging' and blamed the rising unemployment rate on a rising participation rate. There was no mention of course from the Treasurer that the percentage of Queenslanders looking for work or the

participation rate is still lower than at the March 2012 election. There are still 14,600 Queenslanders who have given up looking for work since the election—people who are not counted in the unemployment statistics. In fact, if the same percentage of Queenslanders were looking for work as at the election—if these job seekers were still counted in the official statistics—the unemployment rate would be 6.9 per cent in April, not 6.3 per cent. The lower participation rate has been masking just how bad unemployment is in Queensland under the Newman government. People I speak to around this state know how bad it is and they are insulted by this Newman LNP government's dishonesty on unemployment. They do not like being told porky pies. They know that the jobs market in many parts of Queensland is the worst they have seen in a decade.

Of particular concern to me is that the Newman and Abbott government jobs crisis is hitting young Queenslanders the hardest. The unemployment rate for Queenslanders aged 15 to 24 has increased from 11.9 per cent at the election to 13.4 per cent in April 2014 in year-ending terms. This rise of 1.5 per cent in the youth unemployment rate since the election is nearly double the 0.8 per cent increase in the overall unemployment rate. In my local region of Cairns, the youth unemployment rate has nearly doubled since the election from 11 per cent in March 2012 to 21.8 per cent in April 2014. This is a staggering and shocking rise in youth unemployment in Far North Queensland. Youth unemployment in Cairns is currently amongst the highest in the country, yet we will hear nothing from this Newman LNP government but denials. The member for Cairns has been saying that the region is the 'shining light' on unemployment as he continues to keep his head in the sand.

In Ipswich the youth unemployment rate has increased from 12 per cent in March 2012 to 18.4 per cent in April 2014. Meanwhile, the headline unemployment rate in Ipswich has also increased from 5.3 per cent at the election to 8.9 per cent in year-ending terms. There are 6,300 more unemployed people in Ipswich than at the election, yet we hear nothing from LNP MPs in the Ipswich region. We never hear them demanding the Premier to act on this shocking rise in unemployment. In the Moreton Bay North statistical area, which takes in the electorate of Redcliffe, the unemployment rate has increased from 5.7 per cent at the election to 8.7 per cent. There are now an additional 3,600 Queenslanders out of work in this region. The people of Redcliffe now finally have a strong voice who has been speaking out on the issue of higher unemployment on behalf of the local community. We heard nothing from her discredited former LNP predecessor.

The Newman LNP government has no plan to respond to rising unemployment. Instead, it slashed a successful program—Skilling Queenslanders for Work—that assisted 57,000 Queenslanders back into work. The slashing of the funding for Skilling Queenslanders for Work made no economic or financial sense. It was made purely for ideological reasons by this Newman LNP government—just like the ideological cuts we see in Tony Abbott's budget of broken promises. Skilling Queenslanders for Work was independently assessed by Deloitte Access Economics as generating a return of nearly \$8 for every dollar invested. Deloitte estimated that this program would generate \$1.2 billion in state tax receipts for Queensland to 2020. This ideological Newman LNP government fundamentally fails to understand that an investment in our greatest asset—our people—delivers economic prosperity and growth for the state and that in order to grow the economy we need to support our young people into work to lift productivity and improve our international competitiveness.

Unlike this Newman LNP government, which has a Minister for Employment while simultaneously claiming that employment is a federal responsibility, the Labor opposition has a policy and a plan to lower unemployment. We have already launched our Ready for Work policy to ensure that young job seekers have the skills to enter the jobs market. Under Labor, young people would have the help they need to find a job, with the program to be delivered in conjunction with P&Cs and other community groups in partnership with the state government. We have also committed to reinstate Skilling Queenslanders for Work—a program, as I have outlined, that was generating more in tax receipts from increased economic activity than it actually cost the government. We in the Labor Party have a plan to grow the economy and support job creation and we will be releasing more planks of our policy ahead of the next state election. The LNP in contrast has no plan to support jobs. The Newman LNP government's only policy on jobs and unemployment is to deny that unemployment has worsened under its watch, under its government. It is a do-nothing policy of denial—just like the LNP's denial that it is increasing state debt by \$14.6 billion over two years or \$830,000 an hour.

Government members interjected.

Mr PITT: Those opposite still deny it. If this government was grown up, as the Premier claims, it would take responsibility for increasing unemployment and increasing debt. If the unemployment situation in Queensland was not bad enough following the Newman government's reckless program of cutting, slashing and selling, now Tony Abbott wants to kick the unemployed while they are down.

While the LNP thinks it is okay to pay multimillionaires \$50,000 under its paid parental leave scheme, it is slashing Newstart to leave unemployed workers with no hope and no chance of breaking the dependency cycle. The only thing I can assume is that the LNP simply does not care about the unemployed and the poor. If it did, it would speak out against Tony Abbott's heartless and cruel cuts—not just play a game of mock outrage in concert with the very people that it rails against. It would rather see people stuck in an endless cycle of poverty—of children in this country being born with no chance to succeed—than sacrifice its taxpayer funded handouts to millionaires. For people under the age of 30 to look for work for six months with no income is ridiculous. Federal opposition leader Bill Shorten said it is a 'victim-blaming policy' that 'will create a forgotten generation of Australians shut out of the workforce'. This morning I referred to research by the Crawford School of Public Policy at ANU which I will expand on. It is important to look at this research to understand the impact of Tony Abbott's cuts to unemployment benefits for young people. Taking into account only the changes in income tax, including the Medicare levy and cash benefits, an unemployed 23 year old will lose \$47 per week or 18 per cent of their disposable income under the Abbott government.

This is the cut before Tony Abbott's fuel tax hikes, before his new tax for getting sick and before increased costs to education are factored in. I ask members to compare that situation with someone paying Tony Abbot's new deficit tax. With an income of close to \$250,000, what will they pay in comparison? They will pay \$24 or less than one per cent of their disposable income. So under Tony Abbott's rich person's Australia, an unemployed person will lose 18 per cent of their income while someone on close to \$250,000 will lose one per cent and couples earning up to \$360,000 will pay nothing. That is what the LNP means when it talks about the heavy lifting. It is talking about crushing the poor and protecting its wealthy mates.

I remember a time when there were good Liberals and Nationals in this House who stood up for the principles of a fair go. Sadly, we will not see that. Instead all we hear are denials and criticism of the previous Labor government. We hear the parroting and cherry-picking of figures and denials of huge losses in full-time jobs under this government. The only party that will fight for lower unemployment to strengthen our economy and to fight against Tony Abbott's unfair cuts is the Labor Party. We have a plan to lower unemployment and the LNP does not.

(Time expired)