



Speech By  
**Curtis Pitt**


**MEMBER FOR MULGRAVE**

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**MATTERS OF PUBLIC INTEREST**

**Sale of Public Assets**

 **Mr PITT** (Mulgrave—ALP) (11.31 am): Last week had been labelled ‘Treasury Week’—supposedly the big ‘economic’ week for the Newman government. However, we saw remarkably little of the Treasurer, even less talk of the economy and still no plan for rising youth unemployment. There was no admission last week, as there was from the Premier in December 2012, that his government’s cuts had contributed to a slowing of the economy. And the Treasurer’s major appearance of the week came right at the end as he refused to rule out the sale of the Royal Children’s Hospital site to the private sector—not that dissimilar to when the Treasurer at last month’s estimates hearings refused to rule out providing the private sector with a controlling management stake over the electricity network. Last month the Treasurer made the absurd claim that it would have been a ‘mammoth task’ to tell voters that it was not just a private funding model being contemplated, that it was in fact a full-blown privatisation of the electricity board and management as well.

It is fundamentally dishonest for this government to spend \$6 million of taxpayers’ money to ask for their opinion on ‘private funding’ for the electricity network and then claim afterwards that this means that Queenslanders support a different model for the privatisation of management, debt and future profits of the electricity network. It is even worse to then spend up to \$20 million of taxpayers’ money on Strong Choices to spread blatant mistruths and propaganda about state debt including false information and absurd counterfactual scenarios and hypotheticals about what the state could do without any debt—without any consideration of what the state would look like without both the income-earning government businesses and infrastructure funded from this debt.

And the Premier’s April 2013 pledge that he would not seek a mandate for the ‘divestment’ of the electricity network in this term or the next has well and truly been broken. You only need refer to page 15 of Budget Paper No. 2 which describes the electricity network privatisation model as ‘a divestment’. Last week the Premier launched the Queensland Plan, which did not include any mention of asset sales, privatisation, outsourcing or contestability—a plan said to be from the people, a plan that stands though in stark contrast to the plans the Premier and Treasurer have for this state. Their plan is for the largest program of asset sales in our state’s history—a plan that the Treasurer claims is his ‘smartest choice’ and a plan that does not have the support of Queenslanders, as the overwhelming message of the 19.1 per cent swing in Stafford demonstrated. It is the only plan the LNP had for debt repayment all along after telling Queenslanders before the election that it had a plan for a plan.

Under the Newman government, combined fiscal deficits have worsened by \$884 million between 2011-12 and 2014-15, our economy has slowed from growth of four per cent to three per cent, and unemployment has risen from 5.5 per cent to 6.3 per cent. All the while the Newman LNP government is claiming that it has got this state ‘back on track’, with a slower economy, higher

unemployment and higher deficits on the Treasurer's own preferred measure of a fiscal balance that is not used by any other state or territory.

It is for good reason that people are opposing the Newman government's 'plan for a plan' on debt. The assets proposed for sale are expected to deliver a return to the taxpayer of \$2 billion this financial year, which is equivalent to what the state will receive from coal royalties. This is a return to the state after these assets have serviced the debt that they hold. They are assets that deliver a greater return to the taxpayer than gambling taxes and levies, or land tax, or motor vehicle registration.

The Treasurer's so-called 'smartest choice' dossier makes the claim that these assets only contribute a small percentage of overall revenue by including GST and Commonwealth grants into their calculation. However, the Treasurer knows all too well that coal royalties are crucial to the budget bottom line—just ask the Queensland Resources Council. And the Treasurer knows that the returns from the businesses he has proposed for divestment are also significant. It is expected that the return from these assets will grow to more than \$2.6 billion a year by 2017-18. This revenue stream will be lost to future generations forever if these income-producing assets are sold.

The sale of essential monopoly infrastructure as proposed by the Newman government has also been brought into question by independent experts. The Chair of the ACCC, Rod Sims, in June said—

Privatising in ways that limit competition in order to maximise the one-off sale proceeds is the wrong way. Such an approach increases the sale proceeds by effectively taxing future generations and Australia's future competitiveness.

The sale of control over monopoly infrastructure proposed by the LNP, such as the potential sale of a controlling management stake over our electricity network, will do just that. Similar comments have been made by Professor in Economics Stephen King, who said—

... privatisation without competition is like a hidden tax. The government gets more today because we will all be paying more tomorrow.

I could not agree more. The Newman government's plan for a record \$33.6 billion sale of assets will only place a hidden tax on Queenslanders into the future. The Newman government will have more money to spend on promises for the next election, but we will all be paying more tomorrow.

Queenslanders sent a message to both political parties at the last election. They want their public assets to stay in public hands for the benefit of future generations. The 'smartest choice' for Queenslanders will be at the next election. The LNP will sell your assets; Labor will not. While we are talking about the Stafford by-election, let us think about what the Premier has said. He said he is listening but he just does not care what you have to say.

*(Time expired)*