




Speech By
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MATTER OF PUBLIC INTEREST

Queensland Economy

 **Mr PITT** (Mulgrave—ALP) (11.32 am): Last week we saw the release of the ABS national accounts, including state final demand data as well as the July result for retail trade in Queensland. The day after the release of the national accounts data the Treasurer's media release pointed to the quarterly result for state final demand while talking about the year to July result for retail trade. Of course, if the Treasurer had talked about the month of July for retail trade he would be talking about it going backwards by 0.1 per cent, which was the second worst result in the nation. If the Treasurer had talked about the year to June quarter result for state final demand, it would have been about the contraction of 0.4 per cent in the domestic economy over this period.

By way of comparison, when the previous government left office state final demand was growing at 7.5 per cent over the year to March quarter 2012. Back then the Treasurer was calling the Queensland economy a basket case. The Treasurer's latest media release spin went so far as to say that these economic results showed that his 'economic plan is working'. In the LNP's alternative universe, a fall in business investment of 12.4 per cent, a fall in private investment of 7.5 per cent and a fall in machinery and equipment investment of 19.4 per cent over the year to June quarter is evidence that the Newman government's economic plan is working. But according to the Treasurer, evidence of a basket case economy included the growth in business investment of 31.7 per cent, the growth in private investment of 23.2 per cent and the growth in machinery and equipment investment of 7.5 per cent over the last year of the previous government. Household consumption or spending is also slower under the latest state final demand figures, at 1.9 per cent over the year to June quarter this year, down from 4.7 per cent over the year to March quarter 2012.

At last week's parliamentary sitting the Treasurer made the claim that, with an increase in unemployment from 5.5 per cent under Labor to an 11-year high of 6.8 per cent in July, Queensland has—

... gone from tail gunner to being almost at the front of the plane.

That shows just how arrogant and out of touch this government has become. I am not sure what plane the Treasurer was talking about. Maybe it is the same plane that the Premier kept raving about as being on a power-dive into the abyss. It is little wonder that people are no longer listening to this government when it comes out with statements that are so disconnected from economic reality, statements that are so disconnected from the discussions that I had with the chamber of commerce in Bundaberg last week and so disconnected from what business owners and retail workers across the state have been telling me over recent months, including during my stint with a small business at Mount Sheridan in my electorate. What is worse is that, following the contraction of 0.4 per cent over the year to June quarter, the Newman government's budget papers forecast that state final demand will contract again over this financial year by 1¼ per cent. State final demand is a key measure of the domestic economy. Even the Treasurer now acknowledges this. It reflects the level of domestic spending in our economy, which has a direct impact on businesses and families.

Although low interest rates and rising house prices in Sydney are improving conditions for the housing sector, overall, economic conditions in Queensland are worse under the Newman LNP government. We have slower economic growth and higher unemployment under the Newman government than under Labor. We have slower economic growth and higher unemployment under the Newman government than we had under Labor. No amount of crane counting or cherry picking of statistics can cover up those facts. Those facts are clearly set out in the government's own budget papers and in the official figures from the ABS.

The Treasurer's latest spin sheet concluded by saying that in coming weeks he would finalise his Strong Choices Investment Program—a program that the Treasurer said on radio was all pie in the sky, merely a set of 'maybe' commitments. We know that the LNP has already made at least \$9 billion in infrastructure commitments from its notional \$8.6 billion fund. LNP MPs have been in their local areas promising the world in a desperate attempt to bribe Queenslanders to vote for them with asset sales money they do not even have yet. All the while the Treasurer is spending tens of millions of taxpayer dollars in secret to progress a \$33.6 billion sell-off in assets anyway.

A fortnight ago, on a Friday afternoon, the Treasurer tried to bury his announcement of another 12 consultants appointed to work on his asset sales program, just as we saw the appointment of asset sales scoping study consultants, announced five days before Christmas last year. Is anyone else seeing a pattern here? This is a deliberate strategy by the Treasurer who, despite his statements at the budget estimates hearing, is using Queensland Treasury Corporation to withhold the cost of these appointments from right to information requests and the public. The previous government disclosed these costs in Treasury's annual report and the Abbott government disclosed its asset sales costs in its budget papers.

This is a significant issue of democratic accountability. The Newman government cannot claim to be seeking a mandate while spending millions of dollars to go ahead with its asset sales plans anyway. We have no idea what hidden asset sales costs it is locking a future government into, which could potentially be in the hundreds of millions of dollars. The only way to stop the Newman government's short-sighted plan for the biggest mass privatisation program in Queensland's history is to put the LNP last at the next election.

It was fortunate that I followed the member for Barron River in this debate, because I can say that, when I worked in a small business last week, it was a very different story from what we heard. They are saying that people are keeping their money in their pockets. That is largely due to what I have just spoken about. The domestic economy in our state is going through the floor.