



Speech By
Curtis Pitt

MEMBER FOR MULGRAVE

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MATTERS OF PUBLIC INTEREST

Sale of Public Assets

 **Mr PITT** (Mulgrave—ALP) (11.21 am): The Newman government has no regard for honesty or truth and is treating Queenslanders and its own MPs with contempt. Last week the Premier and Treasurer got the green light from their party room for the largest privatisation in Queensland's history—\$37 billion worth—while on George Street the bankers and lawyers continued preparing these assets for sale without any election mandate. The opposition estimates more than \$300 million of taxpayers' money will be spent to sell these assets. We again challenge the government to dispute this figure, because it will not release it publicly. It is a total disgrace and a disgusting misuse of taxpayers' money for this government to pay spin doctors to tell Queenslanders that a lease is not a sale.

For the benefit of those opposite, selling assets via a long-term lease to receive an upfront payment is a sale—or a transaction as the Treasurer now calls it. The Treasurer said back in 2010 'a 99-year lease is as good as giving away the farm', and 'saying "the state of Queensland will still own the underlying asset" is really a furphy.' He said that claiming that 99-year leases did not really involve selling assets was 'another attempt to perpetuate a con on the people of Queensland'. Treasurer, after 2½ years of the Newman government, we agree with you. He knows that he is being untruthful and he knows that he is trying to con Queenslanders—just like with the latest vote-buying exercise on power prices. There is not one mention of the government's failure to deliver a saving of \$120 a year promised before the last election, and now those opposite want voters to trust them again? Conservatively, \$2 billion a year in revenue will be lost forever with the LNP's record privatisation program. Over 30 years it means taxpayers will lose \$60 billion—a figure that dwarfs the one-off \$3.4 billion fund in the latest vote-buying exercise by the government. I am not sure whether or not he needs the crayons, but for the Treasurer's benefit, a 50-year lease plus a 49-year lease—with a right of renewal for the lessee—is effectively a 99-year lease.

It is not just the Treasurer who says that a lease is a sale. In relation to the lease of the Abbot Point Coal terminal, the Premier said in 2011, 'I think it is a mistake selling off the silverware.' When asked the difference between a long-term lease and an asset sale, Chair of the ACCC Rod Sims said they are one and the same. There is some irony in the Treasurer calling his dossier for the biggest privatisation in Queensland's history his final plan. Back in 2010 the Treasurer said 'Flogging off the family silver without addressing the underlying problem of a structural deficit is not a plan', and that the LNP's plan would need to 'identify the importance of growth in the Queensland economy if we are to fix the state's finances.' Before the election the government said it had a plan that did not involve asset sales. All we saw was a to-do list that mentioned a plan. Despite the Treasurer saying that a lease was as good as giving away the farm and that asset sales were not a plan, now a record sale of assets via a long-term lease is his final and only plan. This financial year the assets proposed for sale are expected to return \$2 billion. The Treasurer's dossier says that lost revenue will be partly offset by interest savings of \$1.3 billion a year. However, much of these interest costs are paid for by our

income-producing assets prior to delivering a return to the taxpayer. If we look only at general government interest costs and exclude these income-earning assets, the annual interest saving is far lower at around \$670 million. So we are looking at a net loss for the taxpayer well in excess of a billion dollars a year, even after factoring in lower interest costs.

One-off sale proceeds are not going to continually cover the cost of subsidising electricity prices in regional Queensland. In New South Wales the National Party opposed a private monopoly over the electricity network because it knew it would be a disaster in the regions. Here in Queensland regional LNP members could not wait to sell out their own constituencies. Last week the Treasurer refused to rule out that future tax increases to plug the structural hole his asset sales will tear through the budget bottom line. In the same interview he refused to rule out increases to power bills from privatisation. Those in this chamber and certainly all Queenslanders must make no mistake about it, the LNP's record privatisation program is a tax on future generations through lower revenue and higher prices. This plan is about buying a second term in office; it is not a strong plan for Queensland's future. In fact, the structural damage that it will do to the budget bottom line means that it is, in fact, fiscal sabotage, all in the name of a time-limited, vote-buying exercise. The Treasurer might still be confused about what a 99-year lease is, but the people of Queensland know very clearly that it means full-scale privatisation. The LNP really must think about delivering on the promises it has already made before making new ones. That is the most common comment I have heard from people with regard to this \$3.4 billion fund. People see through it and they see through this government.