




Speech By
Curtis Pitt

MEMBER FOR MULGRAVE

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MOTION

Newman LNP Government, Economic Performance

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

That this House:

- notes that recently released data shows that the Newman government's four pillars—agriculture, tourism, resources and construction—are underperforming;
- notes that as at September 2014, there were 8,400 fewer full-time jobs in Queensland on a trend basis than when the Newman government was elected in March 2013; and
- acknowledges that the dysfunctional LNP government has failed Queensland with its poor economic policies and broken promises.

Before the last election the Treasurer and the LNP were talking down the Queensland economy. The LNP arrogantly set about trying to trash confidence in the economy, with the Treasurer describing our economy growing at four per cent and state final demand tracking at 7.5 per cent over the year to March quarter 2012 as a basket case. Despite growth slowing to three per cent and state final demand contracting by 0.4 per cent over the year to June quarter this year, members have never heard me call the Queensland economy a basket case. This negative result in state final demand is significant. Although the Treasurer has selectively dismissed state final demand figures, he used to consider them a significant measure and referenced state final demand results last year to claim that the Queensland economy was a powerhouse.

Under Labor, over the year to March quarter 2012, state final demand was tracking at 7.5 per cent, private investment was growing by 23.2 per cent, business investment was growing by 31.7 per cent and household spending was growing by 4.7 per cent. Over the year to June 2014, we have state final demand contracting by 0.4 per cent, weaker household spending at 1.9 per cent, business investment falling by 12.4 per cent, private investment falling by 7.5 per cent and machinery and equipment investment plummeting by 19.4 per cent. These are not indications of an economy that is back on track, as the Premier and this LNP government deceptively claim. This certainly is not the year that it all comes together, as the Premier said in February. The Premier has now changed his tone on the economy to 'watch this space'.

According to the Treasurer's own budget papers, gross state product is expected to be three per cent this financial year, down from four per cent under Labor. This headline growth result is propped up by a three percentage point contribution to gross state product from net overseas exports. Headline growth is being propped up by overseas exports, including the commencement of the LNG export industry, facilitated by previous Labor governments. The budget papers project that spending in the domestic economy, or state final demand, will contract again by 1¼ per cent over this financial year. This contraction follows the contraction in state final demand of 0.4 per cent over the year to June 2014. Business investment, which has already fallen by 12.4 per cent, is forecast in the budget to fall again this financial year by a staggering 20 per cent.

The Westpac Coast to Coast report for September stated in response to recent ABS data that growth was on the slide in Queensland, that consumer confidence is weak and that business investment is now in decline. Westpac stated—

... growth will increasingly need to come from other sources: Key here is activity in the services sector (tourism and education) and household demand.

However, retail trade—a key measure of household demand—fell in August by 0.1 per cent trend. Queensland was the only mainland state to record a trend contraction in retail trade. In seasonally adjusted terms the contraction in retail trade was even worse, leading the country with a 0.6 per cent fall. These are not results to be proud of. No wonder the Premier has resorted to counting cranes in the search for positive news.

The Premier certainly could not find much in the way of good economic news from the ABS, in his budget papers or any reputable source. Queensland's economy is weaker under the LNP than it was under Labor and unemployment is higher than it was under Labor. The trend unemployment rate has increased from 5.5 per cent at the election to 6.4 per cent in September. This is the second highest unemployment rate in mainland Australia behind Victoria. It is the highest unemployment rate on a trend basis in Queensland in more than 11 years—higher than the unemployment rate ever reached during the global financial crisis under Labor.

When it comes to its four pillars, this government has failed to deliver. Between the May quarter 2012 and the August quarter 2014, the four pillars have lost 5,620 jobs. During this period the pillar of agriculture, defined by the ABS as agriculture, forestry and fishing, had a net loss of 30,680 jobs. On a net basis, the mining sector lost another 2,040 jobs. Although there was some growth in construction and accommodation and food services, they did not offset those job losses across the four pillars. According to the Treasurer's own Queensland Treasury Corporation investor booklet, the LNP's four pillars make up just 22 per cent of employment and 27 per cent of the economy. After more than 2½ years, this Newman government is yet to come up with a plan for the other 73 per cent of the economy: the key sectors such as manufacturing, international education, financial services, medical science and biotechnology. Of course, we are still waiting on an infrastructure plan from the Deputy Premier.

The fact that there are fewer full-time jobs in Queensland with over 170,000 additional people living here is a shocking indictment on the Newman government's economic and financial mismanagement. We should be calling it economic and fiscal mismanagement. On a trend basis, in September 2014 in Queensland there are 8,400 fewer full-time jobs than there were in March 2012. On the currently troubled seasonally adjusted series—people would be aware of the ABS problems—there are 24,000 fewer full-time jobs. Whichever way we look at it, this government has failed to deliver any net growth in full-time jobs—not a single additional full-time job. Not one!

In opposition, the Treasurer used to harp on about any job that was not full time or was classified as part time—it could be for just one hour a week—was not a breadwinner job. Now, the Treasurer cherry picks time periods for growth in part-time jobs to claim that he is delivering. How times change. Since the election, 26,600 Queenslanders have been added to the unemployment queue. That is not even counting the additional 34,800 Queenslanders who, under this government, have given up looking for work and who are no longer counted in the unemployment statistics. Those people are no longer counted because they have left the search for work. They have given up, because this government gives them no reason to hope. In September, the trend participation rate, or the percentage of people looking for work, has fallen from 66.8 per cent at the election to 65.9 per cent. That is masking just how weak employment conditions are in the state of Queensland. If those people were still counted as unemployed, or if the same percentage of Queenslanders who were looking for work were counted as they were under Labor, the unemployment rate would now be significantly higher at 7.6 per cent trend. So that is 26,600 Queenslanders added to the unemployment queue and 34,800 Queenslanders who have left the search for work. That is over 61,000 Queenslanders out of work under the Newman government. That follows the Treasurer's claims last year that he expected that 'the worst is now behind us' when it came to the labour market.

Back then the Treasurer was dismissing concerns from the opposition about the axing of employment support programs at the worst possible time for Queenslanders. Those axings are having real impacts on people. Employment programs such as Skilling Queenslanders for Work were more than paying for themselves through increased economic activity. It should not be forgotten that in the 2012-13 financial year Queensland recorded its worst result for jobs growth in more than two decades. This is set out in black and white on the Queensland Government Statistician's website. The last time jobs growth was as weak as that was in 1990-91 when the national economy was last in recession.

I get the sense that members in this chamber are not very interested in hearing the facts, but they should listen because this is what the people in their communities are saying to us. The opposition is listening. Clearly, government members are not, including in this chamber.

This jobs growth was worse than the jobs growth recorded at the height of the global financial crisis. The Newman LNP government has directly contributed to this result through its mass sacking of government workers, including front-line nurses. As Deloitte Access Economics stated at the start of this year—

Queensland is still weighed down by a coal crisis and by State Government cutbacks.

Deloitte said that. But it was not only Deloitte that stated that the Newman government's cuts weakened our economy. This assessment was backed up by the Commonwealth Bank and Commsec as well. The LNP's mass sackings were completely unnecessary—other than to pay for the LNP's \$4 billion in unfunded election promises.

Under the Newman government, combined fiscal deficits are \$884 million larger in 2011-12 to 2014-15 than they were projected to be under Labor. The LNP has not delivered lower debt from smaller deficits, as it tries to spin to Queenslanders. It has increased debt and delivered larger deficits on its own preferred measure. In April last year the Treasurer insisted that the transition from the resources construction to production boom would all level itself out. The Treasurer said—

... any concern about a slowdown in investment in the mining sector was largely unwarranted.

Since then we have seen hundreds more jobs lost in the mining sector, with more than 8,000 mining jobs axed over the last few years. If it were not for the construction phase of the LNG industry, the net loss in mining jobs would be far worse. Now, the Treasurer says that we have to engage in a record privatisation program to supposedly create jobs. Before the election the LNP claimed to have a plan to lower unemployment to four per cent without asset sales. Now, after increasing unemployment from 5.5 per cent to 6.4 per cent, the LNP says that asset sales are its only plan for jobs. When it comes to asset sales, we all know of the statements that have been made by the Treasurer and the Premier. They are being completely duplicitous. We need a real economic strategy to support growth in new industries to manage our domestic economy out of this malaise. Making up claims that the largest program of asset privatisation in Queensland's history will create jobs is not an answer either. Labor has a plan for jobs. The LNP does not.