




Speech By  
**Curtis Pitt**

**MEMBER FOR MULGRAVE**

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Record of Proceedings, 15 October 2014

**APPROPRIATION (PARLIAMENT) BILL (NO. 2); APPROPRIATION BILL (NO. 2)**

 **Mr PITT** (Mulgrave—ALP) (3.45 pm): At the outset, once again I congratulate the Treasurer for meeting his legal responsibilities under the Financial Accountability Act 2009 to table the Consolidated Fund Financial Report within 14 days of receipt from the Auditor-General. Well done, Treasurer, for once again meeting your minimum legislative requirements. The Treasurer's introductory speech on this bill was another performance of dishonest political spin, similar to what we saw last week when he tried to disavow his former self—

**Mr NICHOLLS:** Mr Deputy Speaker, I take offence at those remarks and I request that they be withdrawn.

**Mr DEPUTY SPEAKER** (Mr Krause): Manager of Opposition Business, could you please withdraw those remarks.

**Mr PITT:** I withdraw. Last week the Treasurer appeared on numerous live TV crosses, barely able to keep a straight face as he fibbed himself senseless trying to claim that a lease is not a sale.

**Mr NICHOLLS:** Mr Deputy Speaker, I take offence at those remarks and I ask that they be withdrawn.

**Mr DEPUTY SPEAKER:** Manager of Opposition Business, could you please withdraw those remarks.

**Mr PITT:** I withdraw. This is going to be a long afternoon if the Treasurer wishes to take umbrage at any—

**Mr DEPUTY SPEAKER:** Manager of Opposition Business, you have the call. Please continue.

**Mr PITT:** Thank you, Mr Deputy Speaker. We also saw the Premier on ABC News with what can only be described as a truth tick, saying 'asset sale' and then quickly correcting himself to say 'lease'. After all those years of telling porky pies, it appears that it is all becoming a bit too much for the Premier.

**Mr NICHOLLS:** Mr Deputy Speaker, I ask for your ruling on the use of the phrase 'porky pies'. Obviously it is meant to signify the word 'lies', which is unparliamentary. I ask for your ruling.

**Mr DEPUTY SPEAKER:** Manager of Opposition Business, that term has been considered as unparliamentary under previous rulings. I ask that you please withdraw the comment and refrain from using that term again.

**Mr PITT:** Thank you, Mr Deputy Speaker. So—

**Mr DEPUTY SPEAKER:** Manager of Opposition Business, please withdraw the comment.

**Mr PITT:** I apologise, Mr Deputy Speaker: I do withdraw those comments. After all those years of telling untruths, it appears that it is all becoming a bit too much for the Premier. Those overpaid fly-in fly-out spin doctors at Crosby Textor must have come to the Treasurer and said, 'Have we got a good idea for you. Why not just tell Queenslanders a furphy?' Using the Treasurer's own words—

**Mr NICHOLLS:** Again, Mr Deputy Speaker, I take offence at the words used by the member for Mulgrave and I ask that they be withdrawn.

**Mr DEPUTY SPEAKER:** Manager of Opposition Business, the Treasurer has taken personal offence at your comments and I ask that you withdraw them.

**Mr PITT:** Thank you very much, Mr Deputy Speaker. We are off to a flyer in this debate.

**Mr DEPUTY SPEAKER:** Manager of Opposition Business, do you withdraw those comments?

**Mr PITT:** I withdraw, Mr Deputy Speaker.

**Mr DEPUTY SPEAKER:** Thank you. Continue, please.

**Mr PITT:** In the Treasurer's own words, previously he has called these things a furphy. I will quote him on that. If he wishes to object to that, we are going to have to rewrite the parliamentary standing orders.

**Mr NICHOLLS:** Mr Deputy Speaker, I object to the words that the honourable member has just used and I ask that he withdraw.

**Mr DEPUTY SPEAKER:** Manager of Opposition Business, the Treasurer has asked that you withdraw those words as they are personally offensive.

**Mr PITT:** I withdraw, Mr Deputy Speaker.

**Mr DEPUTY SPEAKER:** Thank you.

**Mr PITT:** As the Treasurer said back in 2010, why not 'perpetuate a con on the people of Queensland'? That is how the Treasurer previously described his current position on asset leasing: 'another attempt to perpetuate a con on the people of Queensland'. In his own words, the Treasurer is trying to con Queenslanders through his Strong Choices propaganda.

**Mr NICHOLLS:** I rise to a point of order. Again, Mr Deputy Speaker, I find the member's words offensive and I ask the member to withdraw.

**Mr DEPUTY SPEAKER** (Mr Krause): Manager of Opposition Business, could you please withdraw the comments.

**Mr PITT:** I withdraw. I think it will be a long afternoon if the Treasurer continues to have a glass jaw.

**Mr NICHOLLS:** I rise to a point of order. Mr Deputy Speaker, the rules of the parliament are quite clear. I find the member's comments offensive and I ask that the member for Mulgrave withdraw.

**Mr DEPUTY SPEAKER:** Manager of Opposition Business, could you please withdraw.

**Mr PITT:** Mr Deputy Speaker, I withdrew and I made another statement. It appears that the Treasurer has found those comments unsatisfactory as well. If he continues to do that, I will heed the standing orders.

**Mr DEPUTY SPEAKER:** Manager of Opposition Business, could you withdraw those comments, please.

**Mr PITT:** I already have, Mr Deputy Speaker.

**Mr DEPUTY SPEAKER:** Thank you.

**Mr PITT:** How did the Premier describe the lease of Abbot Point Coal Terminal? The Premier said—

I think it is a mistake selling off the silverware ... I will ensure the port itself will continue to be owned by the people of Queensland.

What did the Deputy Premier say back in 2010? He said that the lease of Forestry Plantations Queensland was—

A major step in the sell-off of the plantations part of Queensland's state forests. It is the first in the line-up of assets that this government is proposing to sell.

The Deputy Premier then went on to criticise 99-year leases for being 'dishonest', 'sneaky' and, would you believe it, 'socialist'.

**Mr NICHOLLS:** I rise to a point of order, Mr Deputy Speaker.

**Mr DEPUTY SPEAKER:** Just a moment, Manager of Opposition Business. Treasurer, what is your point of order?

**Mr NICHOLLS:** I rise to a point of order. I ask you to rule on relevance. The bills we are debating are appropriation bills. I ask what relevance the honourable member's speech has.

**Mr DEPUTY SPEAKER:** Manager of Opposition Business, I would ask that you please keep your comments relevant to the appropriation of funds set out in the bills. You have the call.

**Mr PITT:** To pre-empt and to perhaps foresee in this unforeseen expenditure bill what further interjections we might get from the Treasurer, I refer members to page 17 of the Consolidated Fund Financial Report which details additional appropriations for the Newman LNP government's Strong Choices campaign.

**Mr NICHOLLS:** I rise to a point of order, Mr Deputy Speaker.

**Mr DEPUTY SPEAKER:** Manager of Opposition Business—

**Mr PITT:** I am still progressing—

**Mr NICHOLLS:** I rise to a point of order, Mr Deputy Speaker.

**Mr DEPUTY SPEAKER:** What is your point of order, Treasurer?

**Mr NICHOLLS:** We are debating two bills and not the Consolidated Fund Financial Report. We are debating two appropriation bills. Their purpose is to seek supplementary appropriations for the 2013-14 year. I would think that that is what the relevant subject of debate ought to be and I seek your guidance.

**Mr DEPUTY SPEAKER:** Treasurer, the scope of the debate in respect of the two appropriation bills for the 2013-14 financial year is quite wide. Manager of Opposition Business, I ask you to continue to keep your comments relevant to the appropriation bills for the 2013-14 financial year.

**Mr PITT:** Thank you very much, Mr Deputy Speaker. All I am doing here today is laying out the context with regard to the Strong Choices campaign which is directly related to the Consolidated Fund Financial Report which is very much a part of this bill that we are debating today.

So apparently a lease is a 'sell-off', a 'sale' and 'socialist' according to the Deputy Premier's unique perspective of the world. In 2010 the now Minister for National Parks, Recreation, Sport and Racing—

**Mr NICHOLLS:** I rise to a point of order, Mr Deputy Speaker. I ask: where does the honourable member draw a line between government policy and a report on expenditure in the Consolidated Fund? I seek your guidance on relevance.

**Mr DEPUTY SPEAKER:** Manager of Opposition Business, I have asked you to remain relevant to the supplementary spending contained in the 2013-14 appropriation bills that we are considering. I have heard what you have just said about statements in 2010. That is clearly prior to 2013-14. I ask you to remain relevant to the 2013-14 supplementary appropriations.

**Mr PITT:** Just so I am clear when I am referring to the appropriation that relates to the Strong Choices campaign, which is in the Consolidated Fund Financial Report which comes under Appropriation Bill (No. 2) which flows on from the original appropriation bill that we have debated, is your ruling that we are unable to speak about those items of expenditure or those matters relating to those items of expenditure? I ask you to rule on this. I await your ruling.

**Mr NICHOLLS:** On the point of order, Mr Deputy Speaker. I think you have made your point clear. It is up to the honourable member to make a decision as to what he wants to debate, surely.

**Mr DEPUTY SPEAKER:** Thank you, Treasurer. Manager of Opposition Business, you have the call. I ask you to continue with your second reading contribution.

**Mr PITT:** Thank you very much, Mr Deputy Speaker. What we have had is LNP members standing in this chamber, putting their hands on their hearts saying that they would not sell our assets, they would not sell our state's electricity network and saying that it is a lease not a sale and it is a divestment. They make it up as they go. They have made it up as they have gone. When things do

not go well we see the sort of acting that we have seen this afternoon from the Treasurer. He does not want to hear a dissenting point of view. He does not want to hear—

**Mr NICHOLLS:** I rise to a point of order, Mr Deputy Speaker. I find the member's comments offensive and I ask him to withdraw.

**Mr DEPUTY SPEAKER:** Manager of Opposition Business, could you please withdraw those comments.

**Mr PITT:** I withdraw. Let us have a look at this. This government has continued to talk about \$80 billion of debt in this state. Let us talk about the fact that the Treasurer's government has a projection for debt to reach \$82 billion. We did not hear any of the other things mentioned in the Treasurer's speech. He did not mention that Labor had a projection to reach the debt figure that he so loves to rattle off.

When Labor left office Queensland's total gross debt was \$62 billion, not \$80 billion. No amount of taxpayer funded political propaganda can cover up the truth. In 2012 the Premier said that debt was \$62 billion. We will never hear him say that again now that he has been coached by the member for Clayfield, who whispers sweet nothings of answers to him during question time.

**Mr NICHOLLS:** I rise to a point of order. Again, Mr Deputy Speaker, I find the member's comments offensive and I ask that the member withdraw.

**Mr DEPUTY SPEAKER:** Manager of Opposition Business, the Treasurer has asked that you withdraw those comments. I ask you to withdraw those comments.

**Mr PITT:** I withdraw. The Newman government says its asset sales plan will involve the pay down of \$25 billion in debt. What the Treasurer will not tell us is that more than two-thirds of this debt that will be paid down is LNP debt—the Treasurer's debt and the Premier's debt; the same debt that they had planned—

**Mr NICHOLLS:** I rise to a point of order, Mr Deputy Speaker. I find the member's comments offensive and I ask that he withdraw.

**Mr DEPUTY SPEAKER:** Manager of Opposition Business, I ask that you withdraw those comments.

**Mr PITT:** I withdraw. If we are to have the cut and thrust of political debate in this place, I really hope that we see some more maturity from those opposite.

**Mr STEVENS:** I rise to a point of order, Mr Deputy Speaker.

**Mr DEPUTY SPEAKER:** What is your point of order, Leader of the House?

**Mr STEVENS:** The member is clearly debating the ruling by the chair and quite clearly is disrespectful to the chair.

**Mr DEPUTY SPEAKER:** Thank you, Leader of the House. Manager of Opposition Business, I would ask that you continue with your second reading address and follow the rulings of the chair and refrain from any commentary on them.

**Mr PITT:** Thank you, Mr Deputy Speaker. If you have taken any inference there, there was none intended. In fact, there was none from me. What I have said is that it is about the maturity of those opposite and their willingness to have political debate.

At the last election the LNP said they had a plan for a plan. That is all they released before the last election—a plan for a plan; it was a to-do list. The LNP ministers and MPs cut the ribbons on infrastructure funded from this debt. They raised the debt, they take credit for what the debt paid for, but somehow the Treasurer insists that this is Labor's debt.

I wonder if the Treasurer were to win the next election would he still be blaming Labor for this debt six years after coming to office? He most likely would because he has been described as being very, very lazy. These are not my words. That is the description of him by a current LNP senator.

**Mr NICHOLLS:** Mr Deputy Speaker, I rise to a point of order. I take offence at the comments and I ask that they be withdrawn.

**Mr DEPUTY SPEAKER (Mr Krause):** Order! Manager of Opposition Business, the Treasurer has found your comments personally offensive and I ask that you withdraw them.

**Mr PITT:** I withdraw. The change in the debt projection under the Newman government from \$85 billion to \$82 billion is almost entirely attributable to a \$2.9 billion sell-down in Aurizon shares, formerly known as QR National, and a lowering in the infrastructure spend by \$630 million from 2011-12 to 2014-15 compared with Labor. The arguments from the Newman LNP government on debt are dishonest. They are a disservice to this state and a disservice to a proper discussion with Queenslanders. The LNP have been in government now for nearly an entire term and yet they still take 'zero responsibility' when it comes to financial management.

At estimates the Treasurer was unaware that fiscal deficits had blown out by \$884 million, compared with the projections under Labor from 2011-12 to 2014-15.

**Mr NICHOLLS:** Mr Deputy Speaker, I rise to a point of order. Again I take offence and I ask that he withdraw.

**Mr DEPUTY SPEAKER:** Manager of Opposition Business, the Treasurer has taken offence and I ask that you withdraw.

**Mr PITT:** I withdraw. Those are larger deficits than projected under Labor. When confronted with these figures the Treasurer sent Treasury officials off to check them. They came back and confirmed that, yes, fiscal deficits from 2011-12 to 2014-15 are \$884 million larger than projected under Labor. The mass sacking of 20,000 workers was always about paying for the LNP's unfunded election promises, not about lowering debt—just as we have consistently said. The lower debt trajectory is due to asset sales undertaken so far, without an election mandate and lower infrastructure spending—not smaller fiscal deficits.

Since the election the LNP have committed to more than \$13 billion in new spending and revenue reductions, despite decrying a debt crisis. If the LNP government are the 'grown-up government' they claim to be, then they need to start acting like adults and take responsibility for their decisions, and they need to stop playing mindless and puerile blame games. Quite frankly, I speak for most people when I say I have had a gutful of it and certainly of the Premier's arrogance.

Government decision making is all about priorities, and this arrogant Newman LNP government has prioritised projects like a new office tower for the Premier and his ministers at 1 William Street over preventative health and new front-line health services to name one example. And the Premier's suggestion that the previous government was borrowing to pay the wages of public servants has been shown to be complete rubbish. If anyone has borrowed to pay wages with larger deficits—on their own measure, mind you—it is the Newman LNP government.

When asked about his larger fiscal deficits the Treasurer said it was falling revenue. But you will never hear him acknowledge that the previous Labor government was hit with a \$9.2 billion revenue write-down from the global financial crisis and unprecedented natural disasters. This Treasurer is so deluded with spin that I am surprised that he does not try to blame Labor for falling revenues under his watch.

According to this Treasurer, falling revenue is an acceptable excuse for larger fiscal deficits under the Newman LNP government than projected under Labor, even though the slowing of the Queensland economy has been attributed by numerous independent economists at the CBA, Deloitte Access Economics and Commsec to the reckless and short-sighted cuts of the Newman government. It is laughable for the Treasurer to claim in his introductory speech that this bill is about increasing financial transparency and accountability. If the Treasurer was truly committed to financial accountability, he would tell Queenslanders how many millions of their taxpayer dollars he is spending on the 17 asset sales consultant appointments so far without any election mandate.

There has been a procession of bankers and lawyers coming in and out of the Executive Building, as LNP members supposedly 'voted' for their record privatisation program. If the Treasurer cared about financial accountability, he would reveal how much he is spending on embedding spin doctors in Treasury to politicise the Public Service, including as a special guest at his media conferences now. If the Treasurer did care about financial accountability, he would reveal how much he is planning to spend on taxpayer funded political propaganda in breach of his own government's advertising code of conduct—

**Mr NICHOLLS:** I rise to a point of order, Mr Deputy Speaker. I take offence at the member's comments and I ask that he withdraw.

**Mr DEPUTY SPEAKER:** Manager of Opposition Business, the Treasurer has taken offence at your comments and I ask that you withdraw.

**Mr PITT:** I withdraw—a taxpayer funded advertising campaign to tell Queenslanders a ‘furfy’ or to ‘perpetuate a con on the people of Queensland’, to use the Treasurer’s words. The Treasurer’s ‘final plan’, as he calls, is not what he would have defined as a plan from opposition. Back in 2010 the Treasurer told this parliament—

Flogging off the family silver without addressing the underlying problem of a structural deficit is not a plan ... That is why we will introduce a state debt repayment strategy. We will make it part of our charter of fiscal responsibility. We will publish the plan with the budget each year and Queenslanders will be able to read, measure and judge the plan. The plan will deal with the structural deficit ... It will identify the importance of growth in the Queensland economy if we are to fix the state’s finances.

Then at the election all Queenslanders saw on debt reduction was a ‘plan for a plan’, a plan that turned out to be no plan at all on the Treasurer’s own definition, a plan for ‘flogging off the family silver’ or ‘selling the farm’, to use the Treasurer’s own words, and a plan that will only cause structural damage to the state’s bottom line. To quote the Treasurer again, he said—

Governments should not look at privatisation as a backup plan for its own failure to plan, budget and deliver. Similarly, privatisation should not be undertaken simply for the sake of doing it and simply for the sake of a few extra bucks ... It can best be said that privatisation should not be seen as a short-term fix for long-term structural problems.

The Treasurer’s mass privatisation program will tear a structural hole in the budget bottom line. The Treasurer’s latest effort at spinning Queenslanders is that interest costs will be lowered by \$1.3 billion a year from paying down debt. However, in response to questioning at estimates—and we do ask questions at estimates, contrary to what those opposite will have us believe—the government revealed that the businesses up for sale by the Newman government deliver a return of \$2 billion to the taxpayer this financial year after servicing their interest costs.

Mr Deputy Speaker, \$2 billion is a lot of money year in year out. It is nearly what the state receives in coal royalties and more than we get on gambling taxes or on car registration. If you take account for the fact that these returns from government businesses are delivered after servicing their interest payments—by looking only at general government interest costs—then the annual saving from debt repayment under the Newman government’s record privatisation is likely to be even lower at around \$670 million a year. Based on these figures there will be a massive net loss to the taxpayer from the Newman government’s plans for the largest asset sell-off in Queensland’s history, a net loss to the taxpayer and a structural impost on the budget exceeding \$1 billion year in year out. While the Treasurer will have more money to spend over the short term for election promises from these sales, he will likely rip an expanding structural hole in the budget starting at more than \$1 billion a year.

**Mr NICHOLLS:** Mr Deputy Speaker, I rise to a point of order. Once again I ask what the relevance of this is. Here we have a flight of fantasy about something in the future that he knows nothing about and what he is talking about has no relevance to a 2013-14 appropriation bill.

**Mr DEPUTY SPEAKER:** Manager of Opposition Business, I ask that you please remain relevant to the expenditure of the 2013-14 year and the appropriation bills.

**Mr PITT:** Thank you, Mr Deputy Speaker. I am just advising that I have spoken to the Clerk prior and asked what the broad-ranging issues that would be covered in this speech are and I am doing my very best to stay within those confines.

**Mr DEPUTY SPEAKER:** Thank you, Manager of Opposition Business.

**Mr PITT:** The Newman government has been saying that people do not understand the benefits of their privatisation program and are pointing to pork-barrel infrastructure commitments to try to buy the support of voters and to buy their way back into office at the next election. But voters are much smarter than what the government and their array of private sector spin doctors such as LNP firm Crosby Textor take them for. Voters understand that this Newman LNP government is trying to ‘con’ them. Not even the national Productivity Commission is supportive of this approach, stating earlier this year—

Ultimately, poorly conceived decisions to link asset sales to new infrastructure investments could in fact have a negative future balance sheet impact and create long term additional liabilities for government.

That is exactly what the Newman government’s asset sales will do. The Productivity Commission also said—

The crucial issue is effective project selection, which is not addressed by locked-in finance.

This is exactly what Labor’s Building Queensland policy is aimed at addressing—stopping waste like the \$2.6 billion in dead money sunk into a new office tower for the Premier and his ministers. Remember, Treasurer—‘rent money is dead money’! And the Treasurer is yet to detail how

he will fund the community service obligation for a uniform retail electricity tariff in Queensland which is set to cost \$683 million this financial year.

**Mr NICHOLLS:** I rise to a point of order. Again, Mr Deputy Speaker, we are debating an appropriations bill. We are not debating next year's bill or anything like that. We are debating the 2013-14 appropriations.

**Mr DEPUTY SPEAKER:** Is your point of order on relevance?

**Mr NICHOLLS:** I request that you rule on relevance.

**Mr DEPUTY SPEAKER:** Manager of Opposition Business, I have previously asked that you contain your comments to the appropriation bills for 2013-14 in particular. Again, I ask that you please stick to what is relevant to this bill.

**Mr PITT:** Thank you, Mr Deputy Speaker. The Treasurer has claimed that the cost of this subsidy will fall with privatisation, but this could not be further from the truth. The cost of the subsidy to keep regional electricity prices in line with South-East Queensland will only rise with privatisation. Of course this is the privatisation program being put forward by the Strong Choices campaign in relation to expenditure which is included in the Consolidated Fund for this year.

Down in New South Wales the Nationals at least had the sense to stop their Premier from careering down a 100 per cent privatisation path for the electricity network because of concerns about service reliability falling and prices rising in regional areas. Up here regional LNP MPs unanimously fell in behind their Premier's plan to flog the lot—to sell 100 per cent of the electricity network as a private monopoly through a long-term lease. I understand that it was not unanimous in the LNP party room, but that is another story for another day. A private monopoly will price gouge Queenslanders for generations. Queenslanders are not mugs and this government thinks they are.

**Mrs Scott:** Taken for granted.

**Mr PITT:** Queenslanders have been taken for granted. Queenslanders living in regional communities will not forget this betrayal. They will not forgive the LNP if they sell the assets that provide power to their home, if they drive up their cost of living and if they cause them ongoing blackouts. The Treasurer can talk all he likes about the Australian Energy Regulator, but as we have seen in the media recently it is possible for this process to be gamed. Anyone who thinks that the private sector will not try to game the regulatory process to drive up profits is delusional.

I also take issue with the Treasurer's repeated claims as part of his Strong Choices propaganda campaign that 46 per cent of Queenslanders support his record privatisation and asset sales program. This is a further untruth and an appalling misuse of taxpayers' money for party political purposes. Why do I say this? Because the Strong Choices website made absolutely no mention of selling the entire electricity network via a long-term lease—none, zip, zilch, zero. Queenslanders were asked what their opinion on \$28 billion in 'private funding' for the electricity network was. They were told that the private sector would give the state \$28 billion and expect no control over those assets in return. It was a total nonsense and deceptive. There was no mention of the word 'sale', of the word 'lease' or of a private sector monopoly.

The nonsense, spin and rubbish is continuing from an arrogant and out-of-touch Newman LNP government. To say that this government is seeking a mandate is false. It has already hired the bankers and lawyers to sell them. What is worse is that now this government is trying to con Queenslanders by saying they are not selling assets. Not only did they not seek a mandate; they are now actively using taxpayers' money to misinform Queenslanders about what they are doing. It is a disgrace.

To move back to the supplementary appropriation, the Treasurer in his introductory speech again made reference to historical unforeseen expenditure and tried to imply that this was financial mismanagement. He suggested that previous unforeseen expenditure was a failure to bring in balanced budgets and was financial mismanagement. He forgets that Labor recorded seven budget surpluses over 11 years, with deficits only coinciding with the year of the 9-11 terrorist attacks, the global financial crisis and the two years following natural disasters. Don't let these audited facts previously included in the Treasurer's investor booklet and signed off by previous auditors-general, including the one who signed off on the LNP's election costings, get in the way of the Treasurer's deceptive spin.

**Mr Nicholls** interjected.

**Mr PITT:** The Treasurer continues to talk about a changed measure, and the changed measure is one of his own creations concocted with Peter Costello, the author of the Commission of Audit. We have always had operating balances in this state. Other states and territories use them. This Treasurer has done this to make asset sales more attractive. It is all about rewriting history to make previous Labor governments look bad. It is a neat political trick, but it is one that does not work when people look at the facts. Instead, the Treasurer wants to draw attention to figures without any context to make outlandish and deceptive claims—like the claim that unforeseen expenditure of \$9.305 billion in 2010-11 was because of financial mismanagement. Let us look again at what that unforeseen expenditure was. Well, \$6.85 billion of unforeseen expenditure was from Treasury, primarily from the repayment of debt from the sale of QR National and the sale of the Port of Brisbane. Note that I said ‘sale’, not ‘lease’. At least one side of this House can admit it.

Another \$2.03 billion of unforeseen expenditure was from the Department of the Premier and Cabinet, mostly for the response to unprecedented natural disasters. For the Treasurer to accuse the previous Labor government of being fiscally negligible for not predicting unprecedented natural disasters and for not counting asset sales proceeds before they were received is complete and utter rubbish. If you exclude these agencies and these factors, unforeseen expenditure was \$431.2 million in 2010-11, slightly less than the \$447.6 million in unforeseen expenditure in 2013-14 under the Newman government. The great irony here is that the repayment of debt from asset sales proceeds is classified as unforeseen expenditure. This means that, if the Treasurer is successful with his plan for Queensland’s largest privatisation program in history, he will likely be the Treasurer who oversees the largest year of unforeseen expenditure in Queensland’s history.

We have accused the education minister for being Nostradamus in this House because of the way he handles questions from backbenchers on his own side, but I wonder whether the Treasurer has foreseen that result coming. Time will tell. Of course the Treasurer will not be accusing himself of failing to keep expenditure under control. That is a matter for him and the way he is going to look at future budgets. This just goes to show how farcical the claims from this Treasurer are. It seems Queenslanders cannot trust a word that comes from this government. It does raise the question as to whether the Treasurer actually understands the Consolidated Fund Financial Report from the claims he is making in his introductory speech.

I take as another example the unforeseen expenditure referenced by the Treasurer of \$2.957 billion in 2008-09. Of this unforeseen expenditure, \$1.76 billion was in Treasury and \$481.54 million was in the Department of Education, Training and Employment. What was the main factor for education in 2008-09? It was the fact that the state had not accounted for subsequent federal stimulus funding for the Building the Education Revolution. This is hardly financial mismanagement. It was this stimulus which, like it or not—and those opposite tend not to like it—helped keep Queensland out of recession during the global financial crisis and kept unemployment lower than it is today under the LNP government. Those members opposite pillory the former Labor government, but they all love the schools and the school halls and so do their local school communities. Is the Treasurer saying that if Joe Hockey offered him cash out of his asset privatisation bribery fund he would say no? I do not think he would. If he did not, would this be reckless unforeseen expenditure and financial mismanagement? Of course he would not, because the claims made by the Treasurer about the financial management of previous Labor governments are a load of codswallop.

What was the main factor for unforeseen expenditure in Treasury in 2008-09? It was the expansion by the Commonwealth of the First Home Owner Grant as well as additional funding for the Queensland Rural Adjustment Authority. Once again, this is not financial mismanagement. If the Abbott government offered more money for the QRAA, I hope we would not see regional LNP members decrying this assistance for agricultural producers as financial mismanagement.

The dishonesty of the LNP when it comes to the state’s finances seems to know no bounds. If the statistics say it is white, this Treasurer would argue it is black. They talk about debt, they talk about leases and they talk about finances, but sadly the truth is not anywhere near. To selectively list unforeseen expenditure and carry on the way that this Treasurer has is a disservice to this parliament and it does his own reputation no end of harm. I cannot say what it means for his leadership aspirations. How are the numbers going in the party room, Treasurer? Are you any closer to knocking off the Premier? I did notice that recent polling puts him just below the Attorney-General—

**Mr DEPUTY SPEAKER** (Mr Krause): Order! Manager of Opposition Business, I would ask you to remain relevant to the bill before the House.

**Mr PITT:** Thank you, Mr Deputy Speaker. I mentioned that recent polling looked at the Treasurer. Some of that performance must certainly be related to the fact that financial



mismanagement under this government is there for all to see. Recent polling put the now quiet as a church mouse Attorney-General ahead of the Treasurer as preferred leader. That is not a bad effort by the Attorney-General, who almost appears to have gone to ground in some kind of LNP sponsored witness protection program.

Mr Deputy Speaker, I am sorry; I digress again. What about the unforeseen expenditure incurred by the Newman government in 2013-14? Some of it was for worthwhile initiatives like more money for Anzac centenary commemorations—a very worthy cause—while other increases in spending were for political propaganda campaigns such as Strong Choices or for ‘public sector renewal initiatives’ while front-line workers were being axed. While the Treasurer mentioned some factors for increases to unforeseen expenditure in his introductory speech, the government has refused to release a full breakdown or at least a breakdown of significant unforeseen expenditure—just as the government refuses to provide a full breakdown, or at least a breakdown of significant variances, for lapsed appropriation.

As I set out in my statement of reservation on this bill, there is little value in this legislation being separately debated if additional information is only made available at the discretion of the government. The statement of appropriations is already set out in the Consolidated Fund Financial Report, which is required to be tabled in parliament under the Financial Accountability Act 2009. The Treasurer’s claim that the separate consideration of these bills increases financial transparency and accountability is without basis if the government is only willing to selectively release additional information to that contained in the Consolidated Fund Financial Report.

This report is normally tabled in September or October, shortly after the end of the relevant financial year, and depending on when the Auditor-General sends the final report to the Treasurer. What the separate consideration of this bill is all about is the selective release of information to perpetuate dishonest and politically motivated rhetoric. There was no mention in the Treasurer’s introductory speech of lapsed appropriation under his watch—none. And there was no mention of the fact that lapsed appropriation was \$2.35 billion in 2013-14, which followed lapsed appropriation of \$4.42 billion last financial year. In 2013-14 lapsed appropriation is the highest since 2004-05. These underspends, in many instances, represent services not delivered to our communities and represent infrastructure not delivered on time. Failing to deliver budgeted services and infrastructure projects is not something to be proud of. An unprecedented underspend in health of \$538 million is not something to be proud of—although the health minister for cuts and closures may argue otherwise. Are these the reasons why the Treasurer could not bring himself to talk about lapsed appropriation in his intro speech?

The current state of Queensland’s economy is nothing to be proud of either. At the beginning of this year, the Premier said that it was the year that it ‘all comes together’, but for Queensland’s domestic economy it has all come apart—just as the Treasurer told us last year that he expected that ‘the worst is now behind us’ with unemployment. Now the Premier is saying ‘watch this space’ on the economy and the Treasurer is arguing that we have to sell assets to create jobs. This contrasts with the Premier saying earlier this year that job losses ‘happen in privatisation’.

The Newman government certainly does not let the facts get in the way of taxpayer funded spin—like the fact that trend unemployment is 6.4 per cent in September, up from 5.5 per cent at the election. This unemployment rate is the highest in 11 years and higher than at any point during the global financial crisis. The participation rate in September is 65.9 per cent, down from 66.8 per cent in March 2012. This is significant because it represents 34,800 Queenslanders who have stopped looking for work since the election and who are no longer counted as unemployed. If these people were still counted as unemployed, we would be looking at a trend unemployment rate of around 7.6 per cent in September. Even more concerning than this headline unemployment rate is the fact that on either a trend or seasonally adjusted measure there were fewer full-time jobs in Queensland in September than at the 2012 election. These weak employment conditions are flowing through to the wider economy. We are seeing fewer full-time jobs to go around, despite an increase in Queensland’s population of more than 170,000 over this period.

In August, Queensland recorded the largest seasonally adjusted fall in retail trade in the nation with a contraction of 0.6 per cent. In trend terms, Queensland was the only state to fall, alongside the Northern Territory. While LNG exports will prop up our state’s headline growth this financial year, they also mask a substantially weakened domestic economy. The Treasurer’s budget papers project that domestic spending—or state final demand—will contract by 1¼ per cent over the year. Already over the year to June, we have seen the domestic economy in Queensland contract by 0.4 per cent. This contrasts with growth in state final demand of 7.5 per cent over the year to March 2012.

Key areas of weakness in the Queensland economy over the year to June include: business investment, which contracted by 12.4 per cent; private investment, which contracted by 7.5 per cent; and household consumption, which still grew at 1.9 per cent but remains at historically low levels. As I have said before, Queensland needs a real economic strategy to support growth in new industries in order to manage our domestic economy out of this weakness. Pretending that it is not happening and that it will all balance itself out, as the Newman government has done over the last two years, is not an answer. Cutting front-line government workers and slashing employment programs while unemployment is rising is not an answer. And making up claims that the largest asset privatisation in Queensland's history will create jobs is not an answer either.

To conclude, while the opposition will not be opposing the passage of this bill, we do oppose the Treasurer's attempts to use the bills for supplementary appropriation as theatre, as we have clearly seen today, and to make baseless claims about historical unforeseen expenditure, which we heard in his introductory speech. If the release of information around unforeseen and lapsed appropriation remains at the discretion of the government, then there is little benefit in the parliament separately considering these bills. If the Treasurer had any credibility in relation to his claims that in some way he is the champion of increased financial transparency and accountability, then he would immediately tell Queenslanders how many millions of taxpayer dollars are being spent in secret on his armada of asset sales consultants for the Strong Choices campaign—those 17 asset sales consultant appointments without an election mandate, and with a cost potentially in the order of \$300-plus million without an election mandate. We are still waiting for the government to respond to the opposition's challenge on this figure.

True transparency and accountability would be to tell Queenslanders how much money the government is spending on asset sales without a mandate. How much money is being spent by the Queensland Treasury Corporation in order to circumvent right to information laws? The previous government at least told Queenslanders this information in the Treasury annual report. We did not use the Queensland Treasury Corporation to hide information from the public. We did not use QTC to keep hidden from Queenslanders how much was being spent on asset sales consultants, and we did not hire political mates at millions of dollars of taxpayers' expense to come up with baseless spin. That is what this Treasurer is about—jobs for LNP mates at taxpayers' expense, using taxpayers' money to come up with his political messaging and to hire his political mates to do it. It is just not right to use taxpayers' money on advertising in the lead-up to an election in an attempt to con Queenslanders.

People I talk to in the community are very angry about this. They are angry that their money is being spent on a political propaganda campaign—a campaign that is designed to deceive Queenslanders. If the Treasurer wants to increase financial transparency, then he should tell us how many millions of dollars in contractual arrangements with asset sales consultants he has locked Queenslanders into without seeking their permission. He should tell us how much he is spending on this latest wave of saturation advertising to 'con' Queenslanders—or to tell them a 'furphy'; take your pick—about the biggest privatisation program in our state's history. If the Treasurer does not release this information, then nobody should believe a word he says about financial transparency and accountability. I know I certainly do not and I know that I am not alone in holding this view.

I note that the Treasurer will introduce amendments during consideration in detail to this bill to enact the wagering deal he did with Tatts earlier this year. The ink is dry on this deal and there is little point in debating it further today. However, the Treasurer is yet to confirm whether the civil action against Racing Queensland was dropped as part of this deal. Serious questions remain as to whether Queensland taxpayers got a good deal.

I note this deal includes a drop in the wagering tax rate from 20 per cent to 14 per cent for the parimutuel, or the totalisator betting for racing and sport, and from 20 per cent to 10 per cent for fixed odds for racing and sport as part of the package offered to the Tatts Group. While there is money on the table over the next few years from Tatts, it remains unclear as to what the long-term cost to the taxpayer will be of this deal and whether it really delivers value for money. This deal followed a disgraceful taxpayer funded witch-hunt by this government, only for it to later clear the former racing minister and reject major recommendations.

I am very disappointed to see that the Treasurer was not able to take it as good as he gave it because his introductory speech was all about berating the previous government and even today berating me. It is clear that one person is up to the task and one is not, and I think I know who that is. I will back myself over this Treasurer to sit in that chair on the treasury bench any day.