




Speech By
Curtis Pitt

MEMBER FOR MULGRAVE

Record of Proceedings, 28 October 2014

MATTERS OF PUBLIC INTEREST

Sale of Public Assets

 **Mr PITT** (Mulgrave—ALP) (11.22 am): Since the last sitting of parliament, our radios and TVs have been saturated with pro-privatisation political propaganda at taxpayers' expense to, quoting the Treasurer, 'perpetuate a con on the people of Queensland' to say that there are 'no asset sales'. To have taxpayers funding advertising that says 'no asset sales' is the height of arrogance and dishonesty. Taxpayers are unwillingly paying for advertising that is undemocratic, untruthful, political and misleading.

As I outlined in the last sitting of parliament, the Premier has called a lease 'selling off the "silverware"'. The Deputy Premier has said a lease is 'a sale', a 'sell-off' and 'sneaky'. The Treasurer has said a lease is 'giving away the farm'. The Treasurer has been saying that the LNP's record \$37 billion privatisation program will occur through finance leases and he has implied that a finance lease is some mystical arrangement where the people keep control over the assets.

What does Queensland Treasury say about a 'finance lease'? The latest Queensland Treasury Holdings annual report under this Newman LNP government states that—

Leases are classified as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The report also states that—

Revenue from finance leases is recognised on commencement of the lease, as a gain or loss on disposal of the assets.

So the independent Treasury says that a finance lease involves the 'disposal of the assets' and that all risks and rewards of ownership are transferred to the lessee. Despite this being in black and white, in answer to my question this morning the Premier still insists they are not selling assets.

To use taxpayers' money to tell people that a long-term finance lease is not a sale when Treasury calls it a 'disposal of the assets' is plain wrong, just as it is wrong for the LNP to claim it is seeking a mandate while spending, in secret, an estimated \$300 million of taxpayers' money on asset sales consultants. Last week, ads went out for another round of technical, environmental and property advisors to add to the 17 consultant appointments to date. Spending millions more on advertising saying 'no asset sales' and claiming that Queenslanders will keep control over their assets is a 'con', it is 'dishonest' and it is 'sneaky'. The LNP is not seeking a mandate for asset sales as it promised. Instead, it is saturating the airwaves with a political propaganda campaign designed to hide that its record asset sell-off is even happening.

The *Australian Financial Review* has at least provided a point of reality, rightfully reporting that this government is on an 'asset sale binge' and that, 'The Queensland government has sold more than \$10 billion of assets since being elected in 2012, despite claiming that it would wait for a privatisation mandate ...'. It is Orwellian to claim that a lease is not a sale and the people will have 'control' over the assets. The government may as well be running ads saying that black is white and

that two plus two is five. Those ads are untruthful, just like the taxpayer funded flier claiming that Labor left \$80 billion of debt. That figure is made up. It is not in any budget paper or financial statement on record anywhere.

The Treasurer is basing his case for asset sales on untruths, because it is all he has. Now, a record asset sell-off via long-term leases is his only plan to retire \$25 billion in debt. The businesses proposed for sale currently have debt of around \$18 billion. Those businesses pay for their interest bills prior to delivering a return to government, so the debt paydown excluding those businesses is likely to be less than \$7 billion. Meanwhile, general government debt excluding government owned businesses has increased by \$12.8 billion since the LNP came to office. Therefore, even after a record asset sell-off, debt excluding government owned businesses is likely to be higher under the Newman government than when the previous government left office. It is no wonder that they are spending taxpayers' money to tell people fibs! I wonder what the interest savings will actually be?

Mr Hart interjected.

Mr PITT: If only \$7 billion of general government debt is retired, the saving will be just \$360 million per annum and not the \$1.3 billion savings figure the Treasurer likes to prattle on about.

Honourable members interjected.

Mr PITT: Those on the crossbenches and those opposite might want to listen to this, as they might learn something. I think it is time for the Treasurer to again get out his crayons. Over the forward estimates, lost revenue is expected to exceed the interest savings by nearly \$8 billion. I repeat: \$8 billion! The Newman government's plan will involve the repayment of \$7 billion in general government debt in exchange for a net loss of \$8 billion over just four years. That does not make fiscal sense, not by a longshot.

This is not a plan for Queensland. It is a plan to tear a structural hole in the budget bottom line to fund election pork-barrelling for all those opposite who do not want to be oncercs. It is a plan for a widening budget black hole that will only place a double tax on future generations, through both higher prices and lost revenue to the state. The only way to stop the LNP's reckless plans for the largest asset sell-off in Queensland's history of \$37 billion worth is to vote Labor at the next election and absolutely positively put the LNP last.