




Speech By
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MATTERS OF PUBLIC INTEREST

Queensland Economy

 **Mr PITT** (Mulgrave—ALP) (12.39 pm): On the weekend we saw more misleading spin from the Premier when he pledged a return to surplus. That return to surplus was already locked in by Labor for 2014-15, on the back of more than half a billion dollars in LNG royalties facilitated by the former Labor government. Labor had chartered a return to an operating surplus without sacking more than 24,000 people, nearly halving economic growth and making Queensland the unemployment capital of Australia, as the LNP has done. In Queensland, we now have an unemployment rate of seven per cent seasonally adjusted and 6.7 per cent trend. On either measure, it is the highest level of unemployment in 11 years. On either measure, tens of thousands of full-time jobs have been destroyed by the Newman government. In October, there were 18,600 fewer full-time jobs trend and 20,200 fewer full-time jobs seasonally adjusted than at the election. Compare that with the previous Labor government, which supported the creation of more than 53,000 full-time jobs over our last term in office, which is at a time when the now Treasurer was calling the economy a 'basket case'.

On the weekend, the Premier also said that he would deliver the first surplus in a decade. That is more dishonest and deceptive spin from the government. We need look only as far as the investor booklet that the Treasurer will take with him overseas to see that this is false. That booklet—the one he will take overseas when apparently he is not meeting with Singapore Power—clearly sets out that Labor recorded seven operating surpluses over the last 11 years in office, with deficits coinciding with the year of the September 11 terrorist attacks, the global financial crisis and the two years following the historic summer of natural disasters. That is a fiscal balance used by the Premier that is not referred to by any other state or territory Treasurer in Australia. Ironically, on the LNP's preferred measure, the budget position has deteriorated by \$884 million from 2011-12 to 2014-15 compared with Labor's forecasts. The Premier also falsely claimed that Labor left the state \$8 billion in the red. Last time I checked, Labor was not in government in the 2012-13 financial year when the state recorded a \$7.7 billion fiscal deficit. That year, under the LNP, Queensland recorded the largest fiscal and operating deficits in our state's history. That was the same year in which Queensland recorded the worst result for jobs growth in more than two decades.

This government continues to blame Labor for its own mistakes, but Queenslanders are not buying it anymore. The LNP blames Labor for increasing total state debt from \$62 billion to \$80 billion, while cutting ribbons at the projects funded by those borrowings. It blames Labor for its plan to pay for its increase in debt through asset sales. The ABS National Accounts released on Friday confirmed that Queensland's economy has slowed from growth of four per cent under Labor to 2.3 per cent last financial year under the LNP. That growth is below the national average and below the historical average in Queensland. The economy is not 'back on track'; it is well and truly off track. The fact remains that the economy is growing more slowly and unemployment is higher under the LNP than under Labor.

However, it may come as a surprise that I do agree with the Premier in terms of the outlook for Queensland's economy. Next financial year we are set to be the fastest growing economy alongside New South Wales, but make no mistake: that is on the back of a game-changing 22½ per cent increase in exports from the ramp up of the new LNG export industry established under Labor. When factoring in the recovery of the global economy, stronger growth in trading partners, significantly lower interest rates and a lower Australian dollar, the Queensland economy should be in a much better position than it is currently. That is despite the economic hatchet job by the LNP, and certainly not because of it. Our economic growth should be leading, not falling behind, the national average.

Today I can flag some of what the Treasurer and the Premier are likely to announce in the final budget update prior to the election. They are likely to announce a rise in stamp duty revenue caused by a fall in interest rates, from a cash rate of 4.25 per cent in March 2012 to 2.5 per cent by August 2013. Historically, low interests are generating activity with the number of owner-occupier housing commitments increasing by 516 in September, compared with the same time last year, or by more than five per cent. The LNP has already tried to take credit for this improvement in borrowing conditions flowing through to the housing market and claim it as their own, while insisting on a record asset sell-off.

Unlike this arrogant LNP government, Labor will not be taking Queenslanders for mugs. The people in the community to whom I talk understand that the LNP's record \$37 billion asset privatisation will rob the state of \$2 billion in annual returns or \$60 billion over the next 30 years. Queenslanders will be taxed twice under the LNP's mass asset privatisation plan, through both a higher cost of living and also lost returns to taxpayers from the businesses sold. Queenslanders know that there is another way. Queenslanders understand that the best way to manage our state's finances and our economy is to keep income-producing assets in public hands, for a responsible and measured pay down of debt. At the next election, only a vote for Labor will keep essential income-producing assets in public hands. That is the only way, but it is not the LNP way.