




Speech By
Hon. Curtis Pitt

MEMBER FOR MULGRAVE

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MOTION OF CONFIDENCE

 **Hon. CW PITT** (Mulgrave—ALP) (Treasurer, Minister for Employment and Industrial Relations and Minister for Aboriginal and Torres Strait Islander Partnerships) (5.16 pm): I am greatly honoured to stand in this place as the Queensland Treasurer, Minister for Employment and Industrial Relations and Minister for Aboriginal and Torres Strait Islander Partnerships. The word ‘partnerships’ is no accident. It is reflective of the kind of government the Palaszczuk government will be—one all about partnerships. I thank the people of Mulgrave for expressing their confidence in me and their confidence in the Palaszczuk government. As we have seen over the past three years, in Queensland anything can happen. But when it comes to democracy, Queenslanders do not get it wrong. On 31 January Queenslanders told us that they wanted a government that would listen. They were sick of being ignored and treated with contempt. Queenslanders wanted a return to honesty and integrity. Queenslanders wanted a consensus-building government to replace combativeness. Of course this House is meant to be a place where a contest of ideas happens, but the former Premier and those opposite who sat around the cabinet table took it further than that—way further. At the election Queenslanders asked for their government to lift its game. Queenslanders should have confidence that the Palaszczuk government will not let them down.

I cannot let the opportunity go by without noting that those opposite changed their tune dramatically so quickly after the election. We supposedly only had one choice—mass privatisation. But like a litterbug tossing out some rubbish from the window of his car, the opposition leader junked his signature policy of a \$37 billion sell-off of our income-generating assets. This so-called ‘strong choice’ was the bedrock of so many of their policies and promises, yet he tossed it to one side as part of his desperate play to form government last month. There are some stark contrasts between this side of the House and those opposite. Today I intend to use my contribution to this motion to draw out these distinctions and to give Queenslanders confidence that the Palaszczuk government will get Queensland’s economy back on track after the chaos of the Newman government. Queensland needs a government that will help drive our economy, not talk it down as part of some political agenda; a government prepared to do its bit and put its shoulder to the wheel to be both an enabler and a doer; a government that will deliver real jobs for Queenslanders. Already today we have heard the opposition leader attacking confidence, using terms like ‘going broke’. It is the same old rhetoric that Queenslanders have rejected before—several times over—and I am determined to be a Treasurer who fosters confidence through my public statements and through our pro-growth, pro-jobs policy settings.

I also intend to be a Treasurer who is not all about doom and gloom. I want to talk positively about the Queensland economy, not refer to it as a basket case. It is important to recognise the significant challenges that have been left by the former government. Queensland’s labour market is chief among those challenges. When those opposite were elected they promised that the unemployment rate would be four per cent after six years. They set a jobs target, then they backed away from it at a million miles an hour, later calling four per cent a ‘stretch target’. At the election,

under their promise their unemployment rate was meant to be five per cent. Today, the trend unemployment rate sits at 6.5 per cent—a full percentage point higher than it was when the Newman government was elected. More people have given up looking for work because the former government trashed confidence in this state. Last month, the trend participation rate was 65.3 per cent, down 0.6 percentage points over the year. When Labor was last in office, the participation rate stood at 66.9 per cent and the unemployment rate was 5.5 per cent. Queenslanders have paid a heavy price for the previous three years of job cuts and the continued talking down of the Queensland economy by those opposite.

Over the three years of the Newman government the number of unemployed Queenslanders rose by 30,300 people. Under the LNP, 13,800 full-time jobs were lost. That is equivalent to 400 full-time jobs lost each and every month over the last three years. The sacking of more than 20,000 people across the public sector had a particularly disastrous effect on confidence in our economy. That was particularly evident in regional Queensland, where these job losses flowed through to local economies. The government stopped spending and people stopped spending.

In stark contrast, over its last term Labor created 42,300 full-time jobs, or 1,175 full-time jobs per month. Queenslanders should have confidence that the Palaszczuk government will continue Labor's proud tradition of implementing policies that will increase employment and participation in the economy. Our Working Queensland plan includes \$652 million in investment to grow the economy and create jobs, including infrastructure for our regions and funding to rescue TAFE in Queensland. Our Skilling Queenslanders for Work employment program will get 32,000 people back into the workforce. These figures have been independently verified.

We know that programs like Skilling Queenslanders for Work directly create jobs for thousands of Queenslanders who may otherwise not be in the workforce. Evaluation of the previous Skilling Queenslanders for Work program showed that for every \$1 invested the program returned around \$8 to the Queensland economy. But despite the evidence of the program's success, those opposite scrapped it. At the same time they helped consign many Queenslanders to the scrap heap. Through the program, a staggering 8,500 people would not otherwise have gained employment. In 2012-13 alone, approximately \$375 million in earnings—real wages—were generated by these people. These 8,500 men and women are our human capital. They are people who would likely have otherwise fallen through the cracks having not had the opportunity to gain education or skills for future employment. Queenslanders can have confidence that our Working Queensland policy will deliver real jobs.

We are committed to supporting small to medium sized businesses through our Business Development Fund—a \$40 million fund that is all about turning innovative business ideas into commercial realities. The Business Development Fund will provide Queensland businesses with access to the start-up capital they need to create new opportunities and productive capacity, including manufacturing capacity in new and emerging niche markets. We want to see Queensland's best and brightest business minds be able to take their ideas and innovations to the market and create new jobs. We have also pledged to reinstate a 25 per cent payroll tax rebate to give an incentive to employers to take on apprentices and trainees. Again, these are Queenslanders who will gain direct employment as a result of our policy.

There is no doubt that in recent years the Queensland economy has struggled under the weight of the LNP's unwillingness to invest in our human capital. We have inherited a budget that was being buffeted by a contracting domestic economy, global headwinds and natural disasters. It is not all doom and gloom, but we need an honest and real discussion about our economy and our finances. We will not be taking the irresponsible approach of talking Queensland down, as the LNP did in its time in office.

The old saying used to be, 'They'd say one thing in the boardrooms and another in the bush.' The former Treasurer said one thing to Queenslanders and another thing to overseas investors, using the famous blue book, which told the real story of Labor's responsible management of the economy. Under the weight of the previous government's constant negativity, over the last full year of the Newman government economic growth in Queensland fell to just 2.3 per cent. In stark contrast, under the last full year of the last Labor government, economic growth was four per cent.

The LNP let Queensland down on a number of other key metrics of our economy. In the last full year of the Newman government state final demand—the key measure of how our domestic economy is travelling—contracted by 3.4 per cent: the worst result since the GFC. In stark contrast, in the last 12 months of the previous Labor government state final demand grew by 7.5 per cent. In the last 12 months of the Newman government, business investment was negative 20.3 per cent. In stark contrast, in the last 12 months of the last Labor government it was rising by 32 per cent. That

underlines the challenges ahead and also underlines why only a Labor government, with policies directed at increasing both employment and participation in the economy, can confront Queensland's economic headwinds.

You do not always know what is behind the curtain until it is pulled back. It has become very clear that the former Treasurer fell asleep at the wheel, because he thought the magic pudding of asset sales would take care of everything. His forward estimates reveal underfunding of key agencies. For instance, we know that the funding set aside for the former health minister's wait time guarantee was, in fact, a wait time gimmick. It was all just money for advertising, marketing and spin. In a desperate attempt to sell our income-generating assets in a fire sale, the member for Clayfield took his eye off the economy. That is why the revenue writedowns seen in Queensland were higher than those in other states and went beyond the impact of global conditions.

Earlier today, the former Treasurer was making excuses for the LNP's record on unemployment. He was quick to restate his ideological belief that it is the private sector that creates jobs. In June 2012 he famously told parliament 'a real job is in the private sector.' What a way to abdicate his existence as somebody appointed to serve the public—no care, no responsibility. If memory serves me, that was around the same time as the former Premier, with reference to the LNP's mass job cuts, talked about using a pooper scooper. Speaking of Campbell Newman, I do not think I have heard any of the speakers on that side talk about in any detail the great can-do Campbell in glowing terms.

Ms Palaszczuk: Have they mentioned his name?

Mr PITT: They have mentioned his name. I think the former Treasurer did, but he was his loyal deputy. Three years ago they could not get enough of him. Now, it is as though he never existed and they dare not speak his name. At least the member for Callide has called it how he sees it publically. I have to say that it was nice to see him crack a smile. It was the first time I had seen him smile since we came back for this parliament. When the House reflected on the fact that we have a new member for Ashgrove, that smile grew large. I note that those opposite, and in particular the member for Kawana, are intent on defending the Joh Bjelke-Petersen style gerrymander. But the member for Kawana will not refer to the 14 per cent statewide two-party preferred swing to the Labor Party. The member for Kawana did not refer to the 51.1 per cent two-party preferred vote to the Labor Party. The member for Kawana will not refer to the 455,323 more Queenslanders who voted for the Labor Party, Independents and other parties than those who voted for the LNP. The member for Kawana even tried to blame the preferential system of voting that we have for the LNP losing government. It is everyone else's fault except those opposite. I have a newsflash for those opposite: people did not like their leader and they did not like their style of government.

But I digress. We all know the damage that is done to private sector confidence when a government rips the guts out of skills and training programs. We all know the damage that is done to private sector confidence when a government sacks over 20,000 people and throws them into the jobs market. We all know the damage that is done to private sector confidence when the only major infrastructure project that you build is Campbell's ego tower at 1 William Street. We on this side of the House know that when governments invest in our human capital and invest in infrastructure, job generation is the result. Indeed, the only two regions that did experience reasonable employment growth over the past 12 months were Moreton Bay and the Gold Coast—regions where confidence had been boosted by two Labor government initiatives: the Moreton Bay rail link and the Commonwealth Games.

It was also remarkable to hear today the former Treasurer trying to take credit for a future surplus in 2015-16. He did not deliver one in government. Now, he is trying to take credit for the future. Today, we have also heard a revisionist view of history. The former government also changed the budget metrics to suit its narrative. I have said this many times over the past three years. The former government did this to say that Labor had overseen a decade of deficits. In fact, in its last 11 years in office Labor had seven budget surpluses, with the exceptions being the year of the 9/11 terrorist attacks, the first year of the GFC and the two years of the summer of natural disasters—the worst in recent memory. The combination of those last three events saw revenue writedowns of around \$9 billion in our state. Yet for three years those opposite pretended that those surpluses did not happen. Apparently, it was Labor's fiscal mismanagement that led us to that point. The members opposite still have not listened and, from what I have heard today, they still have not learned. Let me end the nonsense peddled by the shadow Treasurer about a fiscal balance. Let me be clear. The fiscal balance was recommended by the former Howard government minister appointed to lead the Commission of Audit, Peter Costello, in his politicised Commission of Audit.

Every other state and territory uses the operating balance, as Queensland did before the Newman government came into office. We will do it again during the coming budget. As the *Brisbane Times* reported in July 2012, 'other Australian state treasurers, including those serving in conservative governments, did not mention fiscal balance'. At the same time, Deloitte Access Economics rightly argued that an operating balance is a better indicator for state and local governments. We know the real reason why the LNP wanted to use fiscal balance: because it allowed them to count the proceeds of asset sales. This was all about providing a convenient argument to sell assets which would have ripped a \$2 billion a year structural hole in the budget bottom line. It is clear that the Deputy Leader of the Opposition is still intent on selling assets given his obsession with a fiscal balance rather than looking at the net impact on the operating position of selling our income-generating assets. As an Australian Laureate Fellow in Economics, Professor John Quiggin, said on 12 January 2014—

Every aspect of the Strong Choices Final Plan is misleading, beginning with the prominent claim that the Plan does not involve asset sales. In reality, the Plan involves the effective sale of public assets, and the dissipation of much of the proceeds in vote-buying policies. The Plan will produce a substantial negative fiscal impact of up to \$2 billion a year by 2020, and reduce public sector net worth by up to \$10 billion.

Those opposite had no plans for the budget if Queenslanders rejected asset sales—not even a plan for a plan. So much so that they have now adopted our plan. We have a bipartisan position in this state around not selling our income-generating assets. It took those opposite all of five minutes, and a bit of wheeling and dealing to clamour for government over the last couple of months, for them to see what we learnt after the 2012 election. No, wait: the Member for Southern Downs wrote to crossbench members and told them he supported Labor's \$1.7 billion in savings and initiatives being part of the 2015-16 budget. He would like to ask us how to deliver it. Those opposite basically adopted our plan because they no longer have one of their own. I wonder whether the shadow Treasurer knew about the letter when it was sent or whether it was something cooked up by the Leader of the Opposition and his chief of staff, which is my bet. We will certainly get to the truth of that as we go down the track. I am pleased to hear those opposite now support our comprehensive, fully costed and independently verified fiscal plan—even if the member for Southern Downs has not read past the third page. I note again that their costings were not independently signed off.

Another stark contrast between us and those opposite is that we have a plan to reduce debt. We know that \$15 billion in debt was added under the Newman government. These are the facts. Those opposite had no other plan but to rack up more and more debt, then sell Queensland's income-generating assets to pay for it. In stark contrast, Queenslanders can have confidence that the Palaszczuk government believes a sustainable fiscal position is a key element of a strong economy. That is why we will quarantine two-thirds of the dividends from our income-generating GOCs that we will not be selling for debt repayment beyond the forward estimates. We are committed to paying down \$400 million in general government debt over the forward estimates from our commitment to run state owned energy businesses better and more efficiently.

We are absolutely committed to maintaining the quality of our state's credit. That is why we have fully offset our election commitments with savings. I may be the first shadow Treasurer who aimed to improve the operating balance by spending less on new commitments than we had found in savings. This side of the House had one of the lowest spending election campaigns in living memory—and that was intentional. It was in very stark contrast to what we were seeing, with over \$8 billion spent before those opposite had sold any assets. Apparently that is what Queenslanders were seeking. But we learnt in 2012 that the people, quite rightly, want these income-generating assets to remain in public hands.

This House should have confidence that I will be a vocal advocate for Queensland when it comes to the implementation of economic and social reforms in areas of state and national importance. This includes standing up to Canberra and ensuring that Queensland gets its fair share. I have written to the federal Treasurer, Joe Hockey, about ensuring Queenslanders get our fair share of the GST. I call on the Commonwealth to be up-front with Queenslanders about the impact of future GST distribution to the states. As the Minister for Health said this morning, the fight against the Abbott government has begun. Queenslanders deserve nothing less than a government that is willing to stand up for them, instead of all but accepting around \$80 billion in cuts to health and education by the Commonwealth government.

When it comes to how the Palaszczuk government intends to manage the Queensland economy, it is not just what we do, but how and why we do it. Our economic values are just as important as our social values. We believe in growing the Queensland economy by investing in our people. We want to grow our economy and we believe in doing that with business outcomes that have a social conscience. This is reflected in the reasons I have the portfolio responsibilities I do. I thank

the Premier for the portfolios that I have been tasked with. As Minister for Industrial Relations, Queenslanders can have confidence that I will restore fairness to the working conditions of Queenslanders. I will ensure that the hard fought and won working rights of Queenslanders that were lost under the previous government are returned. This includes ensuring employment security for our tireless public servants. It includes restoring the highest standards of workplace health and safety. It includes restoring the independence of the Queensland Industrial Relations Commission.

As Minister for Aboriginal and Torres Strait Islander Partnerships, Queenslanders can also have confidence that I will take a genuine partnership approach with Indigenous communities. The Palaszczuk government does not believe living in a remote Indigenous community is a lifestyle choice. I would hope that those opposite are as appalled as I am at the Prime Minister's recent comments and join us in condemning those comments. This government will work in collaboration, as partners with Aboriginal and Torres Strait Islander councils, community groups and elders, to make sure that our investments in infrastructure and services produce the maximum possible employment outcomes for our first Australians who call Queensland home.

The Palaszczuk government has a clear plan aimed at reducing the state's debt, improving productivity, growing our economy and creating jobs. We believe that the fundamentals of the Queensland economy are strong. To improve the lives of Queenslanders, we need to restore the confidence that Queenslanders and investors have in this great state. I have absolute confidence that under the leadership of the Premier and this government we will kick goals for Queensland, we will restore balance to this chamber—as we have—and we will make our economy grow once again.