




Speech By  
**Hon. Curtis Pitt**

**MEMBER FOR MULGRAVE**

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Record of Proceedings, 17 July 2015

**APPROPRIATION (PARLIAMENT) BILL; APPROPRIATION BILL**

 **Hon. CW PITT** (Mulgrave—ALP) (Treasurer, Minister for Employment and Industrial Relations and Minister for Aboriginal and Torres Strait Islander Partnerships) (11.14 pm), in reply: I would like to thank all members for their contributions to the debate of the 2015-16 Queensland budget. This is a budget which demonstrates there is a better way. It is a responsible budget, a measured budget—a budget that conveys Labor values, rebuilding essential services in education and health.

As we all know, this is a budget of jobs now and jobs for the future. The \$500 million Statewide Schools and Hospitals Fund will refurbish facilities and employ painters, carpenters, tilers and floorers, electricians, plasterers, plumbers and other trades. It is a budget which supports business, with grants of up to \$5,000 for stay-at-home parents who establish and grow home based businesses.

This budget delivers jobs for the future, with a new \$180 million Advance Queensland package for innovation partnerships, support for start-ups and SMEs, and a Business Development Fund. That is why this budget has been well received by so many sectors of the Queensland economy—business, industry, community groups and unions on a unity ticket—backing our responsible and measured budget.

This is a budget that delivers a surplus, not just in this budget but right across the forward estimates. It is a budget that reduces debt without selling our assets. It does not just talk about debt; it acts. General government debt is reduced across each year of the forward estimates—the first time in 16 years. The LNP has tried its hardest to muckrake about our debt action plan, but the figures speak for themselves. Even on the LNP's preferred measure of non-financial public sector debt—or gross debt for those who do not understand NFPS—the budget papers show that total borrowings will be \$2.673 billion less by the end of this term of government than forecast on 18 December by the member for Clayfield. There is nowhere for the member for Clayfield to hide. On any measure, debt will be lower under Labor than the former treasurer himself forecast just six months ago in his MYFER.

The man who outsourced his first budget to Peter Costello is clearly kicking himself for taking the easy way out. This is the man who tried to get away with not reinstating more than \$50 million a year in pensioner concessions cut by the federal government. The same man who now has the PR firm from Strong Choices running his new Queensland Leader website decided to fly the white flag on debt and resort to asset sales. Were these debt-reduction options thought of by the former treasurer? Surely at least some consideration was given to these measures that may represent a responsible plan to deal with debt. We will never know, because Campbell Newman and the member for Clayfield dismissed these options in favour of flogging off our income-generating assets to the highest bidder.

As I said, in his budget reply the opposition leader wasted an opportunity to come clean and tell all Queenslanders his alternative plan. He says that they are government-ready. What nonsense! Instead, he spent 51 minutes complaining about things that happened the last three times he was opposition leader. He spent just nine minutes in a half-hearted attempt to hold up a flaky document that

he himself called an 'outline of a framework'—a plan to have a plan. He certainly did not rule out asset sales. In fact, he made the startling revelation that the plan was to 'continue what we were doing in government'. That really did work out so well last time! Campbell Newman's four pillars became five pillars, and then we heard there might even be seven pillars. He quickly added knowledge based industries as an afterthought when he thought the Premier's Advance Queensland strategy was a good idea as it was being well accepted.

The one thing confirmed in every single speech by those opposite was that the LNP has absolutely no plan for lowering debt. Every member opposite who does not support this budget will have to go back to their electorates this weekend and tell their constituents why they support \$9.6 billion more debt under the LNP for the next generation of Queenslanders, with no plan to ever pay it off; \$1.35 billion more in interest payments under the LNP—nearly \$1 million more interest under the LNP every single day over the next four years; and the spectre of asset sales, always in the shadows, ready to be revealed again the first chance the LNP gets.

The budget reply was just a rehash from the same old member for Southern Downs and the same old LNP. There have been more mistruths and more scaremongering in this budget reply from the opposition leader than there are former LNP members of the last parliament. Let us run through them. The Leader of the Opposition claimed that the 'education maintenance backlog had been cleared' under the LNP. The Auditor-General thinks otherwise. He found that there was \$260 million in school maintenance works outstanding. Only Labor has acted to address this, with the budget including \$763 million for school maintenance, including a \$300 million funding boost in this budget. The Leader of the Opposition turned on the spin that somehow this budget would see unemployment rise and employment growth weaken. This is a fundamental mistruth that should be called out for the scaremongering that it is. Latest ABS figures show unemployment down from the over seven per cent highs of the LNP to 6.3 per cent trend and 6.1 per cent seasonally adjusted last month. Some 23,100 full-time jobs have been created since the election.

**Opposition members** interjected.

**Mr PITT:** This compares with 6,000 full-time jobs lost over the last term of the Newman LNP government.

**Mr SPEAKER:** Pause the clock. Member for Burleigh and member for Toowoomba North, I do not want to put you under a warning at twenty past 11 on a Friday evening. I would urge you to allow the Treasurer to finish his response, then we can have a vote and proceed to the adjournment debate. I call the Treasurer.

**Mr PITT:** As the budget papers show, unemployment is forecast to remain stable over the coming year before gradually falling over the out years. Can we do better? Of course and, as I have said, driving down unemployment will be the enduring challenge of this term. Employment growth was 0.5 per cent in 2014-15. It is going to improve to 1¼ per cent in 2015-16 and continue improving to 2¼ per cent by 2018-19. We have already seen in the first six months of 2015 that confidence has returned to the Queensland economy.

**Opposition members** interjected.

**Mr PITT:** Retail trade is up, dwelling investment is up and the value of Queensland's overseas merchandise exports rose nearly 20 per cent in the May quarter—

**Mr SPEAKER:** Pause the clock. Member for Burleigh, I warn you under standing order 253A for your interjections and disruptive behaviour. I call the Treasurer.

**Mr PITT:** Merchandise exports rose nearly 20 per cent in the May quarter 2015 driven by LNG exports and crops exports, with grain, sorghum and chickpea leading the charge. The Leader of the Opposition made the remarkable claim that there is no new infrastructure in this budget. Clearly he has not bothered to read the Capital Statement: \$90 million for two new Townsville schools, \$25 million for the Cairns Special School, \$25 million for the Yeppoon Foreshore, \$15 million for the Rockhampton Riverbank, \$100 million for the Townsville stadium, \$30 million for the new state netball stadium and \$180 million to refresh regional hospitals at Caloundra, Roma, Hervey Bay and Gladstone.

**Opposition members** interjected.

**Mr SPEAKER:** Pause the clock. Member for Toowoomba North, I warn you under standing order 253A for your interjections and your disruptive behaviour. I call the Treasurer.

**Mr PITT:** None of these projects existed in the budget before a Labor government was elected. We know that the LNP has form in trying to claim projects that were not its own—Moreton Bay Rail Link, Gold Coast Light Rail, the Sunshine Coast University Hospital, and the list goes on. Members of the

LNP were notorious in trying to claim credit for our infrastructure projects when cutting ribbons and smiling for the cameras while at the same time they tried to blame us for the debt attached to such projects. They did not like how we paid for them, but they loved the cameras. The LNP has also said during this debate that the budget has had no impact on the state's credit rating. If those opposite knew anything about state fiscal circumstances, they would know that other states have experienced the opposite to what we have seen in Queensland. In Victoria Moody's called the budget a 'credit negative' while Western Australia has recently been placed on negative watch. In comparison, both Moody's and Standard & Poor's have reaffirmed their current ratings for Queensland. Both ratings agencies have recognised the steps we have taken to reduce debt. S&P commented that—

... the budget announcement reveals an improving fiscal position with surpluses over the forward estimates.

S&P acknowledges that the debt action plan is estimated to reduce the state's general government sector debt by \$9.6 billion in 2017-18. Moody's is supportive of the state's new fiscal principles, noting that they—

... should help to minimise fiscal deficits which would lead to an easing in the state's above average debt burden.

It is very disappointing that the LNP decided to use its budget reply to hit the spin cycle, again scaring public workers like it did its entire time in office. The reality, as we have said countless times this week, is that 100 per cent of all workers' entitlements are guaranteed and 100 per cent will be paid out when required. Those opposite know it because obviously they know that these entitlements are enshrined in legislation. The status of the defined benefit fund will be reviewed annually to ensure it remains at least 100 per cent fully funded at all times, and 100 per cent of income-generating government assets will remain in government ownership, 100 per cent in government control and 100 per cent of dividends returning to government. The merger of our energy GOCs will continue to progress. Optimal structures are being considered and consultation is occurring with stakeholders, including the ACCC. Efficiencies will be sought, as we always said that they would. No amount of scaremongering from the LNP will change these facts, but the LNP just simply does not get it. It just does not like dealing in facts.

The Leader of the Opposition tried to claim DATSIP initiated Indigenous jobs were being halved in the SDS. Once again, the Leader of the Opposition has failed to accurately read the SDS. If the member had read the document correctly, he would note a 33 per cent increase in the jobs target that I have set for my department. Our target of 400 jobs is significantly more than the LNP's target of 300 jobs. As the SDS states, the reason the estimated actual from 2014-15 differs from the 2015-16 target is because this measure now excludes the jobs which are facilitated for people from culturally diverse backgrounds which of course now sits with Minister Fentiman's Multicultural Affairs portfolio.

When the honourable member for Mount Ommaney rose, I was hopeful that she would contribute positively to the debate. But, frankly, I was shocked when the member tried to politicise this government's decision to right a historical wrong and reopen a stolen wages reparations fund. How dare she! Our election commitment to reopen the reparations fund includes an additional \$21 million. She even tried to launch a scare campaign about the future of QATSIF—very irresponsible! Let me assure the member and everyone else that QATSIF is absolutely safe. We are maintaining funding for QATSIF through the trust and establishing a new fund for reparations. This just goes to show how much the member is not across her portfolio, and I welcome the estimates process as an opportunity to school her.

Another concerning part of this debate is the continued and unbridled attack by those opposite on the number of public servants in this state. They have been quick to point out that an additional 3,000 public servants will be employed this year. Of course, what they will not talk about is the fact that over 80 per cent of all new public servants employed are front line. This budget proudly includes 875 new teachers, up to 1,000 additional nurse graduates per year, 400 new nurse navigators, 266 police and 75 new paramedics. The member for Broadwater made no secret of her disdain for public servants last night. Remarkably, the member for Broadwater said—

It is not the role of governments to create jobs.

She believes we have an 'artificially inflated' Public Service, even after the LNP's mass sackings. What she failed to mention, of course, is that the budget papers state full-time-equivalent growth is expected to be modest and in line with expected state population growth over the next four years. I would also note that the estimated actual number of public servants over the last 12 months also grew by roughly 3,000 people. This was largely under the LNP and, again, was driven by Health with up to 1,400 FTEs and Education with up to 980 FTEs. As the review of state finances recognised, the vast

majority of employment growth throughout the last decade was front line and a result of policies like the Beattie government's Health Action Plan.

The Leader of the Opposition tried to make out that expenses growth averaging 4.1 per cent over the forward estimates is somehow vastly different from the 3.7 per cent the member for Clayfield forecast in his own midyear review. He tried in his budget reply to scaremonger on taxes when in reality taxes per capita have fallen in this budget by \$3 per person compared to the actual tax paid per capita last year. Queenslanders will now pay \$677 less tax per person than the average of all other states and territories. The Leader of the Opposition neglected to mention that revenues are forecast to grow by 4.3 per cent over the same period, hence why we are forecasting a surplus. The comment from the Leader of the Opposition that the LNP would 'continue to deliver surpluses' is also a furphy. The reality is that the LNP forecast a deficit in 2014-15 which Labor has since turned into a near \$1 billion surplus. In the budget reply we saw once and for all that the LNP has no plan other than to reheat failed policies.

Over the past three years those opposite failed in their attempts to implement a proper Royalties for the Regions strategy. So now they are promising that they will do better next time and fund projects in the councils where royalties are generated. Will they still allow state government departments to apply again next time and compete directly with councils? That was obviously not a bright move. In stark contrast, we are getting on with the job, bringing forward \$200 million in Building our Regions funding for local councils and local projects, with the first \$100 million to be provided this year, a one-year bring-forward.

Those opposite failed to properly address the wait for the wait list and instead tried to spend \$20 million spinning propaganda. Now, their only plan is to reheat their failed Wait Time Guarantee, which was really just a plan to guarantee that Queenslanders would wait longer for a specialist appointment before they could get on the real wait list. In stark contrast, we are getting on with the job, with \$361 million in this budget for an Outpatient Long Wait Strategy to address the entire patient journey and reduce the number of people waiting longer than clinically recommended for a specialist appointment.

It is not good enough that we did not hear one single plan from the LNP yesterday or today about how it will reduce debt. It is not good enough for the LNP members to throw their hands up in the air and say 'We'll just use surpluses.' I challenged the LNP members to demonstrate how they will achieve nearly \$10 billion in general government debt reduction. In his budget reply the Leader of the Opposition proved that he had no answer. It is time for the LNP members to come clean and mention the one plan that they conveniently left out of their budget reply, the two words that did not rate a mention but so clearly lie in wait if an LNP government is ever elected: asset sales. Those opposite claim that they have given up on asset sales, but they have a federal government that is telling us that we have to sell assets to participate in federal schemes, even though the Prime Minister does not know that the Treasurer has already allocated \$800 million to the northern Australia fund. But that is another story. Those opposite claim that they have given up on asset sales, but they are taking their advice from some of the most pro-asset sales economists in the country. Last night, the member for Clayfield bizarrely continued the conversation that he has had with himself about himself since 2012 when he started his own conspiracy theory about Walker and Walker. He takes much joy in docking the record and asking rhetorical questions, then answering them himself.

Both the member for Hinchinbrook and the member for Toowoomba South took great delight in quoting known right-wing economist Joe Branigan's article in the *Australian*. It is worthwhile looking at some of the other articles that Mr Branigan has written to get a sense of what those opposite support. In an article titled 'Newman's cuts will pay off', Mr Branigan said—

The Strong Choices campaign, which showed Queenslanders the unpalatable options if asset sales were taken off the table (such as raising taxes and/or cutting services), has been worthwhile because it has taken a lot of the emotion out of the debate. The article continues—

The proposed asset sales ... are not only a good idea from an economic policy perspective, they are absolutely necessary from a public finance perspective.

Clearly, there are many opposite who still support this view. The chief of the cheer squad, the member for Southern Downs, thinks he might be able to persuade Queenslanders sometime in the future. He thinks, 'They'll come around.'

With this budget, we have proven that there is a better way. Now, the opposition has an obligation to tell the people of Queensland what its alternative plan is. Instead, the opposition members used the budget debate to do nothing more than continue scaring public servants. They have run out of ideas.

The member for Kawana spent more time ranting about everything that has upset him since he left high school than he did about commenting on the budget. We all heard the contribution from the member for Callide, who is just simply ageist.

There are a number of thank-yous that I need to make tonight in relation to this budget. In particular, I would like to thank my colleagues the Premier and the Deputy Premier, the cabinet and all the members of the Palaszczuk government. This has been a genuine team effort. I thank my ministerial office, particularly my chief of staff, Jason Humphreys, Lachlan Smith, Marty Philip, Scott Forbes, Bart Mellish, Khiraan Kumar, Chris Fardon, Ben Gertz, Hayley Lockyer, Kendall and the rest of the team. I also want to thank Tim Linley and Joe Begley from the Premier's office. I thank Treasury for its support in preparing this budget, particularly the Under Treasurer, Jim Murphy; John O'Connell, who is retiring after preparing, I think, his 26th Queensland budget; Dennis Molloy; Alex Beavers; Leigh Pickering; Michael Webster and their teams. Most importantly, I want to thank my family. I thank my children, Tristan, Layla and Kobi, for sending me a video wishing me good luck this week, and my wife, Kerry, who does so much for me and my children. She has been a terrific support, not just in the lead-up to this budget but for the entire time that I have been a member of parliament.

The Palaszczuk Labor government has delivered a responsible, measured budget. It is a budget that delivers for all parts of Queensland. In Brisbane, this budget delivers over \$2 billion for infrastructure, including \$232 million for the Gateway Upgrade North. Train stations will be upgraded at Alderley, Newmarket, Graceville, Strathpine, Boondall and Auchenflower to improve accessibility.

On the Gold Coast and Logan, this budget delivers nearly \$1.2 billion in infrastructure towards projects like delivering the world's best Commonwealth Games, including \$160 million in Gold Coast road upgrades, \$130 million for the Carrara precinct and nearly \$40 million for the Coomera Indoor Sports Centre. In Logan, over \$11 million will go towards re-establishing a primary school nurse service and \$40 million will be provided to help build trunk infrastructure in South-East Queensland's fastest growing community of Yarrabilba.

In Ipswich, this budget delivers nearly \$500 million for infrastructure, including new stages of the Springfield Central State High School and Redbank Plains State School. On the Darling Downs, snow is not the only show in town. Roma Hospital will be refreshed as part of our \$180 million Enhancing Regional Hospitals program. Across Moreton Bay and the Sunshine Coast, this budget delivers nearly \$1.5 billion for infrastructure, including the Nambour Train Station upgrade, continued works on the Moreton Bay Rail Link and a third track between Lawnton and Petrie stations. The budget continues building the Sunshine Coast Public University Hospital—a Labor initiated project—as well as refreshing the Caloundra Hospital and delivering new ambulance stations at Kenilworth and Yandina.

In the Wide Bay, this budget delivers nearly \$600 million in infrastructure, including enhancing the Hervey Bay emergency department; \$15 million for the Bundaberg gas pipeline, a local election commitment of the tireless member for Bundaberg; and over \$2 million for intersection improvements at St Helen's School on the Maryborough-Hervey Bay Road, which is something that the member for Maryborough has been campaigning hard for.

In Fitzroy, this budget delivers nearly \$900 million in infrastructure, including new improvements to the Gladstone emergency department as part of our \$180 million statewide Schools and Hospitals Fund. Rockhampton Hospital's intensive care unit will also have its fit-out completed. In Mackay, this budget delivers over \$350 million in infrastructure, including the commencement of works on the \$28 million upgrade of the Vines Creek Bridge on Mackay-Slade Point Road. In Mirani, over \$2.4 million has been provided to upgrade the Peak Downs Highway.

In Townsville, this budget delivers two new schools as part of more than half a billion dollars for infrastructure, including the next stage of the Townsville Ring Road. This budget also delivers on our election commitment to rebuild intensive mental health care for young people by providing expanded youth residential mental health and family services in Townsville. In outback Queensland, this budget delivers over \$800 million in infrastructure, including a western roads package that will see local road crews stay on the job, working to improve the Mitchell Highway, the Wills Developmental Road, the Diamantina Developmental Road and the Cloncurry-Dajarra Road.

Finally, and very close to my heart, in Far North Queensland this budget delivers nearly half a billion dollars in infrastructure, including sealing the Peninsula Developmental Road at various sections between Laura, Coen and Weipa. Our \$24 million regional transport boost will fund vital projects, including an upgrade of the Upper Barron Road in the electorate of the member for Dalrymple.

In my community, there is the planning and construction of a jetty at Yarrabah to connect the town with Cairns and develop new transport and tourism opportunities.

This is a government that cares, and truly cares, about regional Queensland. In all respects, and across all regions, this is a real Labor budget. It is a budget that does not shy away from the tough decisions that are required to get Queensland back on track. It is a budget that will improve the lives of working people. It is a budget that will improve the health and education of Queensland families. It is a budget that will grow jobs now and jobs for the future. I commend the bills to the House.

Question put—That the bills be now read a second time.

Motion agreed to.

Bills read a second time.

### **Referral to the Portfolio Committees**

**Mr SPEAKER:** In accordance with standing order 177(2), the bills stand referred to the portfolio committees.