




Speech By
Hon. Curtis Pitt

MEMBER FOR MULGRAVE

Record of Proceedings, 10 May 2016

MOTION: NATURAL DISASTER RELIEF AND RECOVERY ARRANGEMENTS

 **Hon. CW PITT** (Mulgrave—ALP) (Treasurer, Minister for Aboriginal and Torres Strait Islander Partnerships and Minister for Sport) (2.40 pm): I rise to support the motion moved by the Deputy Premier. I first became aware of the federal government's disgraceful attempt to deny Queensland natural disaster payments less than an hour after the federal Treasurer handed down his first budget. I must admit it was a move that had Queensland Treasury officials scratching their heads. We immediately suspected that it was something out of the Joe Hockey playbook. However, we knew that Queensland, through the Queensland Reconstruction Authority, had gone to great lengths to work collaboratively with Emergency Management Australia.

We were reassured by EMA that its assurance activities would not affect the timing of the state's payments. However, it would seem that Scott Morrison had other ideas. As the Deputy Premier said, we know now that this is the biggest hatchet job on a state in recent memory. It is right up there were Mr Morrison's decision to arbitrarily give the Western Australian government a lazy \$499 million outside of the GST pool just because they asked for it. When asked last week by the *Brisbane Times* whether his actions were fair, Mr Morrison pled ignorance eventually stating, 'Well I don't understand, that is how it is characterised.'

When the Commonwealth bureaucrats were later asked about the move, they confirmed twice during estimates that it was a decision of the government, not the Public Service, to strip more than \$1 billion from Queensland in 2015-16. This natural disaster funding is money owed to Queensland under a longstanding national agreement. It was spent in good faith to help our state's communities and their local economies recover in the wake of repeated natural disasters. To refuse to reimburse Queensland this year after the hardship our state has endured shows the Turnbull government is not committed to Queensland or the welfare of our communities.

Let me address some of the claims made by the newly minted Leader of the Opposition, the member for Clayfield. This is the same former treasurer whose first budget of 2012 contained a secret plan to break up the Queensland Reconstruction Authority years ahead of the expected completion of the rebuilding program. Every year since, the QRA has been on the chopping block under the member for Clayfield. Last year the Palaszczuk government made the QRA a standing Reconstruction Authority and finally provided this vital entity with the long-term certainty it needs to administer Queensland's natural disaster responses.

In relation to the \$725 million the opposition leader says was withheld by former treasurer Wayne Swan, these claims are unfair, misleading and ill informed. I am advised that the claim for this \$725 million was submitted with a qualified audit opinion from the QAO and was for expenditure pre-establishment of the QRA. The federal Treasurer advised that the funds would be reimbursed once the state submitted the claim with an unqualified audit opinion as per the guidelines and as the QRA did for the 2014-15 claim and for the subsequent claims we are now debating.

The opposition leader then went back to the future in reviving his desire to use fiscal balances rather than operating balances and insinuating that the NDRRA payments are not material to state budgets. He must have forgotten his own experience of 2013-14. Despite Queensland not having spent the previous NDRRA advances, the Commonwealth unexpectedly gave Queensland \$1.5 billion at 30 June 2014. This had the single biggest impact on both the member for Clayfield's operating balance and fiscal balance, making the 2013-14 actual look much better and the 2014-15 MYFER forecast look decidedly worse than at budget time.

In our budget last year revisions to NDRRA expenses and revenue in 2015-16 detracted an estimated \$885 million from the operating balance when compared to the 2014-15 midyear fiscal and economic review. For more than five years under both Labor and LNP governments, the receipt of natural disaster funds from the Commonwealth has been material to the budget. They have been material to our budget position. To pretend otherwise really says that the member for Clayfield believes a lazy \$1 billion or two can simply be absorbed by the budget. When we are talking in the context of a \$50 billion budget, \$1 billion goes a long way. When we are talking about what it means in terms of our operating position, \$1 billion goes a long way.

There was no notice given by the Commonwealth. This quite simply was an act of surprise and we think very clearly an act which is entirely politically motivated. It is disappointing. I had higher hopes for Scott Morrison in the federal government. I hope that his namesake, Scott, here in Queensland can really bring some more dignity back to the name because it really is concerning.

For a Treasurer, the member for Clayfield, who presided over operating deficits and a \$14 billion increase in debt, it is scary that he can be so flippant about this major component of the budget—\$1 billion—and be so flippant about the impact that it has on Queensland communities recovering from the devastating impact of natural disasters.

(Time expired)