




Speech By
Hon. Curtis Pitt

MEMBER FOR MULGRAVE

Record of Proceedings, 16 August 2016

APPROPRIATION (PARLIAMENT) BILL; APPROPRIATION BILL

 **Hon. CW PITT** (Mulgrave—ALP) (Treasurer, Minister for Aboriginal and Torres Strait Islander Partnerships and Minister for Sport) (3.52 pm): On 19 July, the Finance and Administration Committee held a detailed hearing across all of my portfolio areas of Treasury, Aboriginal and Torres Strait Islander Partnerships and Sport. The second budget of the Palaszczuk government was well scrutinised by the committee. They heard a detailed explanation of a clear economic plan that is focused on job-creating innovation, investment and infrastructure. Those priorities all aim to create jobs and are a part of our economic plan that addresses the challenges we face as we transition to a post-mining boom economy. Global growth is forecast to be lower for longer and this is reflected in lower than expected royalties and state taxation revenue over the four years to 2018-19.

The committee heard me advise that, despite the writedowns, we can still deliver a forecast surplus of \$867 million in 2016-17, which will now be the largest surplus in a decade, moving to a forecast surplus of \$1.2 billion in 2017-18. Our whole-of-balance-sheet approach means that we are able to improve services, generate jobs, build infrastructure, support home ownership, encourage employers to hire and help businesses to grow and create jobs. We have done all that without the need for asset sales, without the need for mass sackings and without the need for cuts to services, which is something that the former government said could not be done. The budget continues our debt action plan, again, without asset sales. I make no apologies for using part of the surplus from the defined benefit scheme according to actuarial advice as part of our whole-of-balance-sheet approach to deliver jobs through infrastructure and pay down debt. Debt will be \$10.4 billion lower this year than it was forecast to be by now under the former government's 2014-15 budget.

The shadow Treasurer has tried desperately to make out that the State Actuary made statements during estimates that differed from his written advice to government. That simply is not the case. I will go through this for the benefit of the member for Indooroopilly. Our fiscal principle is to—

Target full funding of long-term liabilities such as superannuation and WorkCover in accordance with actuarial advice.

The State Actuary's letter of 20 May, tabled in this House, clearly outlines the connection between the original report and subsequent guidance from the Under Treasurer about the application of the fiscal principle, that is, the main game here is minimising overfunding of the scheme and managing it in accordance with the spirit of APRA funding and solvency standards. In his letter, the State Actuary explains that the report and the subsequent advice should be 'read in conjunction' and advises that a maximum repatriation of \$5 billion will result in the expected progress of the active member Vested Benefits Index being at 110 per cent. Mr Cannon and the Under Treasurer both reaffirmed this advice during the estimates hearing.

During this hearing, the only badger we saw was the member for Indooroopilly, who continued to badger the State Actuary. Despite all of that, Mr Cannon was able to put additional guidance on the APRA standards, stating—

You could argue that it is a slightly more conservative approach.

The key part was the minimisation of overfunding.

He was quite clear in both of his letters and in his estimates statements that he was providing advice connected to the probabilities of maintaining more than 100 per cent fully funded status, which of course a \$4 billion repatriation achieves. Mr Cannon advised this was not a recommendation. I will say that again for the benefit of the member for Indooroopilly, and it should be very concerning to Queenslanders if he were the Treasurer of the state but cannot make this distinction: there was no recommendation because, under the relevant professional standards, only triennial reviews require such a recommendation. The key point is that, despite the opposition's persistence in opposing our debt action plan, they have refused to outline any alternative, of course resulting in an \$8 billion black hole.

I think it is important to note, particularly for the knowledge of the member for Clayfield, that under Labor debt is lower than was forecast in the LNP's budget, that is, general government sector and non-financial public sector or gross debt, which is the LNP's preferred measure. Growth is higher and unemployment is lower. It is concerning that the member for Indooroopilly and the member for Clayfield seem to have tried to erase the last three years of their government.

Moving to my other portfolio areas, Aboriginal and Torres Strait Islander Partnerships plays a very important part in working with councils, elders and communities to ensure we deliver the best outcomes. I am pleased to say that a total of 1,021 jobs placements were delivered for Aboriginal and Torres Strait Islander people across the state, far exceeding our target of 400. We have been listening very carefully. We have introduced our ministerial champions initiative and I thank my cabinet colleagues for their work there.

In terms of Sport, the government recognises we need to be promoting a healthy and active lifestyle across the state, including a particular focus on grassroots sport, women and girls through our Start Playing Stay Playing initiative and our Join the Movement campaign. I thank the secretariat and the committee for all their work.