




Speech By
Hon. Curtis Pitt

MEMBER FOR MULGRAVE

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**APPROPRIATION (PARLIAMENT) BILL; APPROPRIATION BILL; REVENUE
LEGISLATION AMENDMENT BILL**

 **Hon. CW PITT** (Mulgrave—ALP) (Treasurer and Minister for Trade and Investment) (10.08 pm), in reply: I thank members for their contributions to this debate on the appropriation bills and the Revenue Legislation Amendment Bill. I even thank the previous speaker for his contribution because he did make a good point. He talked about a word. He talked about something being so 'unprecedented'. I will not respond to everything he said, but one thing I do know is that if you have the biggest majority in Queensland history and you lose it after one term, that is unprecedented.

Over the last two days this House has been considering a budget that supports 40,000 jobs in 2017-18. It delivers a record spend in health and a record spend in education and training. It delivers funding to get Cross River Rail off and running. We are building the infrastructure Queensland needs to drive economic growth, attract investment and create jobs now and for the future. This budget also provides the essential services that all Queenslanders need right across our state.

We on this side of the House often talk about our commitment to the better way for Queensland that we put to the people at the last state election—a better way that reduced debt, created growth and restored front-line services. This budget and the previous two I have delivered are evidence of that better way. We on this side of the House are proud that our budgets make the whole of our balance sheet work for Queenslanders. None of them have been based on selling our income-producing assets. Nowhere in any of those three budgets will members find a clinical and cold-blooded decision to wipe out 14,000 jobs. Nowhere in the framing of these budgets are there decisions to slash front-line services. All three budgets I have delivered have enhanced front-line services and put on more police, teachers, nurses, paramedics and other essential staff on the front line. That is what the third Palaszczuk budget delivered.

I want to thank all members who have participated in this debate. In particular, I want to thank those government MPs who have recognised the benefits and initiatives this budget delivers directly or indirectly to their local communities. I thank those who spoke of the record allocations this budget makes in the areas of health, education and training, or the massive \$42.75 billion four-year infrastructure program we have set out in this budget, or the funding and ongoing efforts we have made and continue to make in responding to communities hit by Tropical Cyclone Debbie and related flood events.

I know many members in this House spoke about the initiatives this budget includes to support employers in hiring jobseekers. In particular, regional MPs mentioned how well our Back to Work program has worked in their communities since July last year. Some members mentioned the extension of the program into South-East Queensland where it will see thousands of jobseekers gain employment in the coming year.

There are many positive aspects of this budget, which is all about jobs for Queensland. We committed to Queenslanders that we would make job creation our priority. We have done that in this budget and yesterday's ABS labour force figures show this. Our trend unemployment rate remains

steady at 6.3 per cent, below the 6.6 per cent we inherited. The ABS figures show we have created net 69,300 jobs through our economic plan that includes our three state budgets. That is more than double the 29,100 jobs created by the LNP in their term in office. In fact, we have created more new jobs in just the last year than they did over their entire term—contrary to the LNP's alternative facts which say we have lost 30,000 jobs. That brings me to the opposition speakers in this debate.

The LNP made pledges but there are unanswered questions. Never has this House seen a more negative and destructive approach taken by an opposition—no policies, no economic plan and nothing good to say about Queensland. The Leader of the Opposition's budget reply yesterday did not just disappoint when it came to predictable negativity and baseless claims; it disappointed on a number of fronts. For instance, the LNP continue to peddle the misleading claim that we are down 30,000 jobs. To achieve this misleading figure, they use the 2016 calendar year and deliberately ignore the figures for the past six months. All of those figures are out there readily available, but they do not use them for two reasons. The first reason is that they are too lazy to dig them out. It really takes just a few clicks of a mouse and the facts are there but, no, that is too much effort for those opposite. No wonder they gave up so quickly on their four per cent stretch target for unemployment. The second reason is that the facts do not suit their campaign of negativity. If there is one remote, obscure or just plain misleading figure they can ferret out, they will do it. All we heard from the Leader of the Opposition yesterday was more negativity and more LNP pledges that they have made in the past but have never kept. Queenslanders know the value of LNP pledges; they simply cannot be believed.

Before the 2012 election, Campbell Newman and Tim Nicholls swore black and blue that public servants had nothing to fear. The 14,000 public servants who lost their jobs know what a promise from the LNP is worth, yet the LNP are here trying it all again. Government workers know all too well they cannot trust the LNP on job security. Queenslanders know all too well they cannot trust them on asset sales. A leopard does not change its spots. The funniest thing is that the Leader of the Opposition likes to say that past behaviour is an indicator of future behaviour. If he believes that, he would know exactly where Queenslanders stand with the LNP—that, is, they cannot trust them.

Our challenge to the LNP and to the opposition leader in particular is very simple: do some work. Do not come in here like yesterday and give a glib grab bag of whinges and uncosted and unfunded promises. Yesterday we heard from the opposition leader who, after years of being Mr Strong Choices, tried to convince us they are dead, buried and cremated. On top of that, they have sworn that public servants have nothing to fear and that there would be no forced redundancies. Let us see their economic plan. Let us see their plan to grow our economy. In particular, let us see their revenue plan, because the only option the LNP have left is to massively raise taxes, fees and charges.

Remember, the Leader of the Opposition a few years ago was saying that the only choice was a strong choice. We know that when he was the Treasurer, the Leader of the Opposition gave Queenslanders three options when it came to state finances—raise taxes, cut jobs or sell assets. If he is to be believed that he has ruled out cutting jobs and selling assets, I have some bad news for Queenslanders. The only option left in the LNP plan is to raise taxes. Yet there was absolute silence yesterday on how the LNP plan to hike taxes, fees and charges to fill the budget black hole they had planned to plug with asset sales.

Let us see their revenue settings, or do they plan to do what they did in 2012 and make all sorts of soothing and harmless promises before election day and then bring out the axe once in office? The very simple question is left hanging. If we take the LNP's word for it and believe them on their pledges yesterday, key questions remain. How are they going to pay for their promises? How high will they lift taxes, fees and charges? What projects will they not support? We are all waiting for an answer.

This budget recognises that Queensland is a \$327 billion economy which is diverse and resilient. This shone through this year after Tropical Cyclone Debbie and the related flood events across a number of our regions. This budget shows Queensland is expected to record a net operating surplus of \$2.8 billion for 2016-17. This is the biggest surplus in a decade and largely reflects the boost to our revenue from coal royalties that improved the budget position in 2016-17.

It is important to remember that the 2016-17 budget contained a forecast surplus when it was delivered. We did not need to wait for the temporary spike in world coal prices and the following royalty revenue jumps. The budget will also remain in surplus for the 2017-18 year. However, it is forecast to be reduced down to \$146 million because of the impact of natural disasters. The first two budgets I delivered were in surplus, this budget is in surplus and budgets across the forward estimates are forecast to be in surplus.

The budget shows the per capita tax in Queensland is estimated to be \$2,691 in 2017-18, which is nearly \$1,000 lower than the average of the other states and territories. Households and businesses in our state continue to benefit from this government maintaining its commitment not to introduce new taxes, fees or charges impacting on Queenslanders. In contrast, those opposite could not get enough

of increasing taxes. They increased insurance duties, the emergency management levy, the transfer duty and gaming machine taxes. Taxes went up, services went down, jobs got cut and our economy paid the price. This budget continues our track record of pushing debt down.

The benefits of our Debt Action Plan are particularly evident if you look at the general government sector debt to revenue ratio. As I said earlier this week, this ratio now sits at 60 per cent for both 2016-17 and 2017-18. That is significantly down from the dizzying peak of 91 per cent it reached in 2012-13. General government sector debt is estimated to be \$9.3 billion lower than the peak under the LNP in 2014-15 of \$43.1 billion. The 2017-18 debt is also \$14.7 billion less than the forecast for 2017-18 at the time of the LNP's last budget in 2014-15.

Those opposite like to say they are a friend of business. When it comes to the economy, with friends like the LNP, business does not need enemies. This government has brought confidence back to Queensland businesses and consumers. Take the Sensis Business Index. It currently shows business confidence of Queensland's small to medium businesses at +44 points in the March quarter in 2017. This is the highest level in seven years—higher than any time under the Newman government.

The budget contains \$42.75 billion worth of capital works over four years, including \$10.2 billion in 2017-18 alone. Nearly half of that \$10.2 billion is earmarked for regional communities, where unemployment and youth unemployment in particular need the special attention we are giving them. Almost half of that—\$4.8 billion—is for regional projects.

On a per capita basis, the capital spend in the south-east is \$1,634 in this budget. In regional Queensland, the capital per capita spend is nearly twice as big, at \$3,075. Plus we have delivered \$400 million for Works for Queensland, \$375 million for Building our Regions and \$150 million for Back to Work programs. That is over \$900 million combined for regional Queensland. When the LNP claims we are short-changing regional Queenslanders, they add \$500 million to their claim of Royalties for the Regions. The facts are there but those opposite cannot add up the sums. When the opposition leader was treasurer, maths was not his strong suit anyway. The regional spend we are providing for jobs in the regions dwarfs that proposed by the LNP. We are providing: \$176 million for the Cairns Convention Centre; \$250 million for the North Queensland Stadium which is creating 750 jobs; \$200 million for the Burdekin Falls Dam safety improvement program; \$200 million for the Capricornia Correctional Centre which is creating 170 jobs; \$225 million for Townsville's water security; and \$70 million for the upgrade of the Mackay Ring Road—just to name a few.

I do not get much of a chance to talk about my electorate when I am giving the budget speech, so I will briefly talk about my electorate in Far North Queensland. The budget's focus on regional Queensland is also shown in my electorate and surrounding areas. In Mulgrave, in 2017-18 we will be providing \$2.25 million for the construction of valuable infrastructure, catalysing the development of the Mount Peter master planned area. I know local teachers and students are excited by the new upgrades at Gordonvale State High School and Bentley Park College. Gordonvale State High School students will benefit from a new \$4.5 million multipurpose hall and indoor sports facility. At Bentley Park College, the community can look forward to \$1.5 million to upgrade their hall and get it in great shape for events. Those projects are set to kick off very soon, which is great news for jobs and our local construction industry.

Since the last budget, great roadworks have got underway between Robert Road and Foster Road. The new Gordonvale Fire Station is already under construction and the new Gordonvale Police Station will kick off soon. Those are all exciting projects, creating and supporting jobs in my local area.

More broadly in the Far North Queensland region, the capacity and potential of the Cairns Convention Centre will be completely reimagined courtesy of the \$176 million in funding contained in the budget. This is the centrepiece of a \$819 million infrastructure spend in the region to reimagine the Convention Centre's potential and continue its international standing as one of the best facilities in the world. If we are going to have larger conventions with large numbers of people coming through, estimates are that we will need another five to six hotels to cater for that expansion. It is a catalysing project, and then some.

We will also be unlocking new tourism and maritime opportunities with our commitment to the \$120 million Cairns Shipping Development Project. This will develop our port to improve access for mega cruise ships, allowing for future naval expansion. We see a bigger, bolder future for Cairns and we are investing now to make that potential a reality.

We will continue to rebuild confidence in Cairns after the LNP ripped \$100 million in infrastructure spending out of our region in their first budget. In the Far North, our budget initiatives will directly support around 3,800 jobs. We promised to focus on job creation and that is exactly what we have done in the previous two state budgets. It is also what this week's budget is all about—that is, jobs for Queensland.

Despite what those opposite would have us believe, this is a government that has again—I repeat, again—created a net 69,300 jobs since we came into office in 2015—that is, 2,470 jobs on average each month. Under Labor, we have created around 220 full-time jobs per month, compared to around 320 full-time jobs lost per month under the LNP. We create jobs; they cut jobs.

By contrast, we still have not seen or heard any sign of a comprehensive economic plan from the LNP, just more negativity. The people of Queensland will never forget their most notorious budget in 2012. Queensland economic confidence was sapped by the cuts to front-line services and it set the tone for a dead economy under the LNP. It set the scene for the worst job growth under any term of government in a generation.

What happens to a political party that runs out of ideas? They go back to the past for inspiration. Campbell Newman may not be in this chamber anymore, but Frankenstein's monster is. One more dead idea was building a coal-fired power station in the north. It is time to wake up. The Leader of the Opposition needs to get with the times and listen to the leaders in the electricity industry. Existing generation companies, banks and investors all agree that no one is willing to put money into coal generation. An ultra supercritical coal-fired power station does not make any economic, environmental or energy sense.

Our government has released its comprehensive Powering Queensland Plan. This plan shows how the Palaszczuk government will clean up our electricity supply and increase security and reliability, while keeping downward pressure on electricity prices. The private sector is backing our renewables plan, investing heavily in the jobs of the future. Beyond the \$770 million investment in driving prices down, we will also deliver a \$386 million investment for North Queensland to strengthen and diversify energy supply in the north. We are also directing our government owned corporations to increase supply and undertake strategies to place downward pressure on wholesale prices. That is something that could not have been done if assets had been sold off to the highest bidder.

In wrapping up, I want thank a few people. I thank the Premier for her strong and ongoing leadership, and also other members of the CBRC: the Deputy Premier, Minister Jones and previously Minister Bailey. I take this opportunity to thank the Treasury staff for all their hard work in preparing this year's budget. Every year, we ask more and more of our Treasury staff, who never fail to deliver. While I cannot thank everyone personally, I make special mention of Under Treasurer Jim Murphy and deputy under treasurers Mary-Anne Curtis, Dennis Molloy and Warwick Agnew. Thanks also go to Drew Ellem, Ashleigh McMahon and Nicole Quayle, who led the Treasury budget preparations at different stages and provided invaluable advice. I thank them and everyone in their teams in Queensland Treasury.

I thank my own chief of staff, Jason Humphreys, and the terrific team in my office for their support and hard work throughout the budget process. I thank the parliamentary staff involved in the preparation and staging of the annual budget day media lock-up and the stakeholder briefing event. I thank my wife, Kerry, and my children, Tristan, Layla, and Kobi, for being patient while I have been working on this budget over the past few months.

There is no debate about which side of the House has an economic plan for the future of our state and the creation of jobs. Only Labor has a plan to keep our income-generating assets, a plan to improve frontline services and a plan to deliver disciplined fiscal management of debt and our state finances. This is the third budget in a row that provides evidence that only Labor has a plan for job creation, because we have already created nearly 70,000 net new jobs since coming to office. The LNP just gave up. In just over two years, our net new jobs number is more than twice the LNP's in a full term.

Those on this side of the House are rightly proud of a budget that delivers for Queensland, that provides record spends in health and education and that delivers those services that Queenslanders need. They can be proud of a budget with a massive capital works program and job-creating programs such as Works for Queensland and Back to Work to generate more jobs across the state. Under our economic plan, business confidence is up, unemployment is down, debt is lower and our economic growth is higher. Through this budget, the Palaszczuk government is getting on with the job of creating jobs. I commend the bill to the House.