




Speech By
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MEMBER FOR EVERTON

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MATTER OF PUBLIC INTEREST

Queensland Economy

 **Mr MANDER** (Everton—LNP) (Deputy Leader of the Opposition) (2.15 pm): I rise in the House to once again comment on the economic situation in our state, which unfortunately is not very good news. Since we have been away from parliament, the Treasurer brought down the Mid-Year Fiscal and Economic Review and again it was very, very bad news. We get report after report from lobby groups and business groups that keep talking about how bad the Queensland economy is going. Unfortunately, this midyear review just confirmed that once again.

What were some of the 'highlights' of this midyear economic review? The No. 1 thing is that the debt that was forecast over the forward estimates will now go out to \$91.8 billion. That is an extra billion dollars more than was forecast just six months earlier in the budget. What does that mean? That means that we have interest payments over the forward estimates period of about \$13 billion. That is \$13 billion that is just being gushed down the drain. It is wasted money because of the interest payments that we have to pay on such a huge debt.

There was also a royalties blunder by the Treasurer who underestimated royalties—coal royalties and gas royalties in the main—by \$1.3 billion. How do you get a figure so wrong in such a short period of time of just six months? That is another \$1.3 billion hole in the budget.

Then I get to the unemployment rate. In the last couple of years, we have fluctuated from having either the worst unemployment rate in the country or the second worst unemployment rate in the country. There is great celebration in the Treasurer's office when we go from the worst to the second worst in the country, but those 170,000 people on the unemployment queue are not rejoicing because the new forecast now says that the unemployment rate will not be six per cent but 6.25 per cent. Economic growth has also been revised down 0.5 per cent to 2.5 per cent this financial year.

Then we had the great economic plan to pay down the debt. That economic plan to pay down the debt was to develop what the Treasurer has called a future fund. Where does the Treasurer get the money from for this future fund?

Mr Krause interjected.

Mr MANDER: I will take that interjection from the member for Scenic Rim. She will get the money for the future fund from the surpluses in the defined benefit scheme of public servants.

An opposition member interjected.

Mr MANDER: From the future; that is exactly right. The Treasurer will pull another \$3 billion and add in the \$2 billion that was already committed by the previous treasurer, treasurer Pitt, to use as a future fund.

Gene Tunny, one of the well-known economists in this country, said that this is not an economic strategy; this is a political strategy. What would people think the No. 1 objective of a government that had such a huge debt would be? It would be to repay the debt, to pay down the debt, but what is this Treasurer doing? She is simply swapping money from fund to fund thinking that that will deceive the public.

Dr Rowan: Smoke and mirrors.

Mr MANDER: I take that interjection from the member for Moggill. It is smoke and mirrors, but people will not be sucked in by it.

Then the Treasurer was asked, 'How much will you get from this fund each year?' She stumbled a bit in her answer. Eventually she said, 'Around \$400 million.' Even if that were right, it would take 230 years of that return from that fund to pay this debt down.

The midyear economic review showed very, very clearly that this Treasurer has lost control of the economy, that the debt is out of control and that they have no plan whatsoever. In the meantime who suffers? Everyday Queenslanders suffer as our unemployment rate increases, as the number of bankruptcies increase and as confidence in the business community plummets. It is Queenslanders who suffer because of this Treasurer's incompetence.