

Public Sector Assets Sales Should Be Stopped - Government's Forward Estimates Have Actually Improved

The Queensland Government must stop the public assets sell off as its own forward estimates now prove that its coffers are actually \$1.9 billion better off.

"On the government's own mid year figures, the net operating balance has substantially improved by \$1.9 billion. Analysis of the documents shows Queensland's annual forecast deficit is now tracking at between \$2.5 billion and \$3.3 billion,*" QPSU General Secretary Alex Scott said today.

(*source: State Budget 2009-2010 – Mid Year Fiscal and Economic Review, page 8, paragraph 6).

"In actual fact, there's an extra \$1.9 billion expected in the coffers for Queenslanders over the next 3 years, an improvement on the previous deficit forecasts of between \$3.3 billion and \$4.1 billion, which is good reason to stop the public sector asset sales.

"The Government's own figures show windfalls for Queensland across taxation, royalties, and GST revenue of approximately an average \$540 million per year for the next three years which is why we are calling on the government to halt the sale of public sector assets.

"The Government is trying hard to present a negative perspective to justify their flawed asset sale process. They claim the Commonwealth Government has changed their mind and will now make their \$365m contribution to the Gold Coast Rapid Transit Project as equity[^]. They claim that this will see a reduction in revenue for the State of \$365m while in fact, Federal budget papers reveal the Federal Government has not changed it's mind and only ever committed to a possible equity contribution of \$365 million~.

([^] Source: State Budget 2009-2010 – Mid Year Fiscal Review, table on page 9, footnote 8)

(~Source: Federal Budget Paper Number 2, 2009-2010, released May 12, Part 3: Capital Measures, Page 415)

"The reality is that despite the challenging times, Queensland's financial position has improved significantly since the budget and is forecast to continue to improve.

"The budget detail exposes the government's flank in 2009-2010 alone. Excluding the \$265m writedown as a result of overcommitting to Traveston Dam# and the State's inability to read the Federal budget properly (\$365m Gold Coast Rapid transit reduction), the net operating balance should actually be reported as \$233m better off than originally forecast."

(# Source: State Budget 2009-2010 – Mid Year Fiscal Review, page 8, paragraph 4)

“The government wrongly wants to sell important public sector assets for \$15 billion – that’s if the market actually wants to part with that much,” Mr Scott said.

“The government’s prepared to forego at least \$320 million in annual revenue as a result and yet our government’s financial position

is actually improving to the tune of \$1.9 billion in the next 3 years – the government’s simply got its priorities plain wrong.

“The government should be upfront, tell Queenslanders the truth about the \$1.9 billion improvement to the state’s coffers, and take this opportunity to stop the asset sales today,” Mr Scott said.

“If it won’t stop the asset sales then it will have to explain to Queenslanders now and before the next election why it insists on knifing the heart of the public sector services that every single Queenslanders depends on.”

Media Resources

State Budget 2009-2010 – Mid Year Fiscal and Economic Review

<http://www.treasury.qld.gov.au/office/knowledge/docs/mid-year-review/mid-year-review-2009-10.pdf>

Australian Government Budget 2009-10 – Part 3 – Capital Measures

http://www.budget.gov.au/2009-10/content/bp2/html/bp2_capital-09.htm

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