



Speech by

Mr DOUG SLACK

MEMBER FOR BURNETT

Hansard 17 September 1998

**APPROPRIATION (PARLIAMENT) BILL
APPROPRIATION BILL**

Mr SLACK (Burnett—NPA) (9.27 p.m.): Obviously, the overall thrust of the Budget is very hard to criticise because, as the Treasurer himself acknowledges, it is based on the structure of the Budget presented by the coalition when it was in Government back in May. I will take the opportunity to make a couple of observations in relation to the new Budget, the amendments that have been made and the 5% unemployment target that was a commitment of the Labor Party prior to the election. Many people cast their votes for Labor based on its commitment to a 5% unemployment rate. As the Leader of the Opposition said, that commitment has been qualified since the lead-up to the election in that it has suddenly become a target to be achieved within five years.

A lot has been said about the Asian meltdown and the impact it may have on the ability of the Government to reach that target. Today the shadow Treasurer highlighted the fact that the Government is now placing emphasis on the economic problems that Japan is experiencing. From my experience from the meetings I have been at over a period of time, that is nothing new. The situation is not a lot different from when the coalition brought down its Budget in May. The same parameters existed. Many of the Asian nations were in financial crisis.

The Japanese economy was not looking good and was not expected to come good. That has been predicted for some time, based on the fact that Japan went through a horrific period some years ago. In the eyes of many leading world economists, Japan did not take the correct steps to overcome those problems in that it did not write off a lot of the debt it had. As a result of that, there was a lack of confidence amongst Japanese people, and the Japanese Government has been trying desperately to overcome that.

When the Treasurer and the Premier speak about the effects of the problems in Japan and the problems with the Asian meltdown, they should realise that those problems are not new, and they should not change the outcome of this Budget from what was to be the outcome of our Budget. In actual fact, Queensland is in a very good position in the context of what has happened in Asia and in Japan in particular.

Japan is our leading trading partner, and many of the Asian countries are very significant trading partners of ours, particularly Korea. Prior to the change of Government, the coalition was making many advances in trade with those nations. It was also diversifying its trade with other nations. The member for Logan will well realise that from the answer he received to a question on notice he asked of the Minister for State Development and Minister for Trade. He asked about the cost of setting up the Los Angeles trade office and the results of that office. As the answer stated, according to the Australian Bureau of Statistics, the greatest percentage increase in exports in 1997-98 was to the United States. The increase of 40.17% was the highest of any of the overseas offices. That is a tribute to what the then Queensland Government was doing to diversify trade outlets.

Prior to the Asian meltdown, the coalition also made moves to diversify into Europe. As the Leader of the Opposition said today, we strengthened our presence in Europe. Not only did we open many offices overseas but we also took other measures, which this Government will reap the benefits of, to ensure that Queensland's export trade as a percentage of overall Australian exports and its position in trade throughout the world, against the competition of other countries, would only improve.

Included in those measures was the provision to utilise the bilateral business groups by providing financial assistance to them with our overseas trade missions. We also established regional offices to promote trade and give confidence to people in the regions. We established the Education Advisory Council, which people involved in education had been asking for for many years. The Labor Government did not do that when it was in Government. We were seeing great advances in the area of export of education, with students coming to Queensland to further their education.

These are all measures taken by the coalition from which this Government will benefit. So when we see the Premier and the Deputy Premier get up in this House and make claims about what is happening in relation to trade and exports, we will remember that most of that will have been a direct result of the actions taken by the previous coalition Government.

I detect a certain amount of negativity on the part of the Treasurer, the Premier and the Deputy Premier when they keep referring to the problems of Asia and the effects those problems will have on our economy. When we were in Government we talked positively about what Queensland had to offer and about the opportunities in trade throughout the world. We were not negative about what was happening in Asia. Whilst there would be winners and losers, it did provide some opportunities in other fields where we are competitive. We are competitive in Europe. We are competitive, as I have outlined to the House, in the United States. We certainly will see some opportunities out of Asia.

Asia will not be on its knees forever. No-one can tell what the overall effects will be, but at the end of the day Queensland has so much going for it—our geographical position, our competitiveness, the quality of our products, our natural resources, our low tax State and our environment. We have so much to be positive about. The trade figures for the first 10 months of the financial year before the coalition went out of office only prove that—even during the Asian meltdown and post-Asian meltdown. We had an 18.6% increase in our trade figures, which is phenomenal, and we were increasing as a percentage of the Australian cake, which was against the trend of what was happening when Labor went out of office two and a half years ago.

It is no wonder that the now Premier and the now Government when in Opposition gave us bipartisan support, because we were kicking goals in trade—no ifs, buts or maybes. People were starting to put Queensland on the map as a destination for investment, increasing the number of headquarters of major companies being established in Queensland. We were seeing increasing numbers of delegations. We were also seeing more business delegations to overseas countries from which we are reaping the benefits, as exemplified by the trade figures themselves. I certainly do not want to see that put in jeopardy. I do not believe that the Government wants to see it put in jeopardy either, so I would like to see a more positive approach to the future of our trade with other countries and overseas partners than has been shown by this Government.

I really think this Government is creating a safety net for itself by conditioning the people to think that if it does not reach the 5% unemployment rate it is because of issues beyond the Government's control—the Asian meltdown and the Japanese economy. As I said, that is not the reality at all, because we were in exactly the same position when we brought down our Budget. That is one of the reasons we were a little cautious when talking about unemployment figures—we preferred to be on the conservative side—but no-one can accuse us in any sincerity of not being for jobs as much as anyone else in this economy is for jobs. That is what every one of us in this Parliament is all about. There is no reason the Government should have a monopoly on job creation.

I will mention some issues relevant to the area I represent, that is, the Burnett electorate and the Bundaberg area. In the Budget, which is essentially the same as our Budget, as the previous speaker mentioned, there is an increase in the provision for the capital works program for the Wide Bay/Burnett region at around \$21m. We made provision for \$299m, if my figures are correct. That has been increased to \$322m. That is slightly misleading. While there are some gains, there are also some losses in that area.

Some commitments made by us did not appear in the Budget papers in black and white. There are a few areas of concern that I have in relation to those figures. I accept the figures and recognise that those figures should be honoured and met. There is increased provision for fast tracking the capital works program at the Bundaberg Hospital. The provisions in relation to the commitment of \$1.1m for mental health we made are unclear. I can see that the overall figure for mental health is down by \$6m on what we had provided.

Mrs Edmond: In the total mental health.

Mr SLACK: In the total mental health bill.

Mrs Edmond: Capital works has gone down. It is a \$28m increase in recurrent funding.

Mr SLACK: I would like an assurance from the Health Minister that the health program we had committed to in relation to mental health——

Mrs Edmond interjected.

Mr SLACK: I am pleased to hear that, but I would like the assurance that the \$1.1m will be provided. That is the figure we committed to. There was another \$300,000 for renal support in the Bundaberg Hospital. These are issues that were unclear to me when I read through the Budget.

We made a \$500,000 commitment for the dredging of the Burnett Heads harbour. The current position with regard to that matter is unclear. The dredging of the harbour has been one of the goals of the people of Burnett Heads. There is no doubt that there is a pressing need for the dredging of the harbour in the interests of the area's economy. I would like to be assured by the Government that the coalition's commitment will be acted upon.

I want to mention provisions for water. The member for Bundaberg is in the House and I know that she will acknowledge that the provision of water storage in this area is extremely important. Probably the No. 1 priority in our area is to ensure that we have sufficient water, which will lead to increased opportunities for jobs. When the coalition was in Government water was our No. 1 priority. We made commitments for the delivery of \$1 billion worth of water storages. This figure could have increased to \$2 billion over a 15-year period. The Bundaberg scheme entailed additional storage in the Burnett catchment and came within the No. 1 priority classification. The coalition was in the process of fast-tracking all the studies that were required to deliver additional major storage in the Burnett catchment.

In the meantime, because of the acute shortage of water and the severe economic effects that that was having on farmers and the rest of the community, we were also fast-tracking the provision of what we call the bags on the Walla Weir, the Bucca Weir and the James Weir. Prior to the last election Cabinet had made a commitment to fast-track the studies. Provided the outcomes of the studies were favourable—and we believed that they would be—the coalition was looking to add those additional bags in the coming year. Cabinet agreed that the money would be made available. We made provision for \$30m for Category 1 storages throughout the State. Cabinet made the decision in relation to the bags on those weirs with the realisation that the money would be made available provided that the all clear was given both on environmental and economic grounds. We had no reason to believe that the all clear would not be given. We believed that the all clear would be given in the shorter term rather than the longer term.

As I understand it, this Government's Budget has reduced the amount allocated for the Category 1 priority from \$30m to \$7m. We would like an assurance from this Government that the provisions which were made by the previous Government will be honoured by this Government. However, I do not see any provision for that in these Budget papers.

The other aspect of some concern was mentioned by our spokesperson on water resources. I refer to the abolition of the provision that we had made for a subsidy of 22.5% for on-farm storage. This subsidy was a big incentive to farmers in the area to provide off-stream storage and utilise the water that would otherwise run out to sea. The saving of that water would be of assistance to the economy of the Bundaberg area. It would also assist in obtaining jobs for people in Bundaberg. I would like this Government to clarify those matters. Unless these things are clarified positively, the commitment by this Government to the Bundaberg area will be less in real terms than what was being provided by the coalition. With that contribution, I support the Budget.
