



Speech by

Hon. MERRI ROSE

MEMBER FOR CURRUMBIN

Hansard 5 August 1998

MINISTERIAL STATEMENT

Queensland Fire and Rescue Authority Trust Fund

Hon. M. ROSE (Currumbin—ALP) (Minister for Emergency Services) (10.06 a.m.), by leave: The Queensland Fire and Rescue Authority Trust Fund is heading towards financial crisis. The damage inflicted by the coalition Government's refusal to heed constant warnings about the rapid decline of the fund gathers momentum each day it is left to haemorrhage. The previous Government mortgaged this State's fire services for the sake of political expediency. By their inaction, the members of the Borbidge Government left the people of Queensland exposed. The former Treasurer showed earlier this year that she was willing to mislead the House to cover up that inaction.

The coalition knew more than 12 months ago when the Masters report was delivered that immediate action was required. They commissioned a consultant to prepare a report on the state of the fund and to recommend options to boost the revenue base of the QFRA. All of this was ignored and the bill faced by the people of Queensland continues to grow. The result: the fund will be flat broke by the end of this financial year. But that is just the start.

Mr VEIVERS: I rise to a point of order. What the Minister is saying is quite untrue. I ask for it to be withdrawn. Emergency Services and the Queensland Fire and Rescue Authority are in the black to the point of \$18m at this time.

Mr SPEAKER: There is no point of order.

Mr VEIVERS: I ask that the Minister withdraw.

Mr SPEAKER: There is no point of order.

Mrs ROSE: But that is just the start. Preliminary indications are that the situation will deteriorate to the point at which the fund will be an estimated—

Mr VEIVERS: I ask the member to withdraw it.

Mr SPEAKER: Order! There is no point of order.

Mrs ROSE: Preliminary indications are that the situation will deteriorate to the point at which the fund will be an estimated \$34m in the red two years from now, climbing to a staggering \$100m debt within six years— \$100m. This is the stark reality of the shameful legacy that those opposite from the previous Borbidge Government left us. If we do not take immediate action, the QFRA will be bankrupt. When one considers that the urban fire levy, which represents the majority of the QFRA's revenue, raises about \$139m a year and is capped to increases in line with the CPI, the potential enormity of the crisis is evident.

I will not betray the people of Queensland in the same way that the members of the Borbidge Government did. I became aware of the problem within days of being sworn in as Minister for Emergency Services. On 2 July, I directed my department to conduct an independent audit of the trust fund and to come up with options to lift the fund out of the financial mire. One week later, the Department of Emergency Services invited accountants to tender. On 17 July, Price Waterhouse Coopers was selected.

The financial audit is tasked to report on: the current and prospective state of QFRA finances over the next three to five years, taking account of the adequacy of its finances and capital to effectively deliver fire and rescue services in the immediate and longer term; the main causes of the deterioration of the financial position of the QFRA; the impact of recent attempts to increase revenue

and/or reduce expenditure to rectify the situation and turn around the financial position; the adequacy or otherwise of capital replacement and asset management; and any unfunded liabilities or other significant financial risks faced by the QFRA over the next five years.

It was scandalously irresponsible for the former Government to mortgage the fund in the knowledge that there was only one way it could go: further down the gurgler. It refused to take the necessary remedial action to ensure that the QFRA remained on a sound financial footing and placed in jeopardy the ability of firefighters to provide the highest possible level of service to the community. I will not make this same mistake. I intend to prevent the fund from plunging into the red.

This Government will drag the fund back into the black to ensure its continuing viability and to ensure that the community can depend on its fire service. A range of options will be considered. We must have an immediate plan to halt the slide. There must also be a medium- to long-term funding strategy, which I will be discussing with the Premier and the Treasurer. The people of Queensland expect a properly funded fire service and I am determined to deliver. Unlike the previous Government's Treasurer, I am determined to deliver without a decline in QFRA operational capacity or a shedding of any firefighters' jobs.
