



Speech by
**Hon. BRIAN
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MEMBER FOR WESTERN DOWNS

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1999 STATE BUDGET

Hon. B. G. LITTLEPROUD (Western Downs—NPA) (12.19 p.m.): I welcome the opportunity to take part in this debate on the Budget. I want to comment on Budget Paper No. 3, which deals with the economic and revenue outlook for Queensland. As a person who sat in Cabinet on two occasions in two Governments, I have an understanding of what goes into putting a Budget together. First of all, it depends upon the total economy of the State.

I was listening with great interest when the former Treasurer and member for Caloundra was speaking about her reading of this year's Budget. It is interesting to note, of course, that the assessment is that the economy of Queensland is still solid, but there are warnings. Those warnings are things such as the growth rate, which has gone from 5.7% to 4.75% and is forecast to go down to 3.75%. We have talked about public demand. It was at 7% in 1998-99. It is now forecast to go down to only 2%. Economic growth is not as good as it has been and, in relation to employment growth, while the Premier was extolling how great it was to create 40,000 new jobs, it slipped from 50,000 jobs.

I know that circumstances outside Australia have had a bearing on the state of the economy of Queensland, but I think it would have been more appropriate if, when he delivered the Budget as the acting Treasurer, the Premier of Queensland had paid a bit more attention to telling the people where the Queensland economy is and what lies ahead, instead of trying to gloss it up and say that we are the Smart State. There is nothing wrong with trying to change the nature of some of our industry base, but it is also important that the people of Queensland should get a report card on exactly what state the economy of Queensland is in.

The other thing that disturbed me, knowing that the Queensland economy has been solid and that there are warning signs out there that we have to do something about, is that the sharing of the good state of the Queensland economy around the State is spotty. I happen to represent a part of Queensland that is in population decline. It is a part of Queensland where the people have raised their productivity, yet the profitability is not rising at a commensurate rate. It has concerned me for quite some time and I was trying to make sure that our part of Queensland, which has industrious people, fertile land and unused resources, is able to lift its game.

I was successful to some degree when I was part of the Borbidge Government to have some water infrastructure programs listed for development and, with the help of the member for Burnett, to also try to develop those Surat Basin coal reserves. The people of that part of Queensland recognised that, while we are going to continue to have a high dependence on primary industries, to bring real new growth to our area to get away from the declining importance of primary industries we had to generate new industries. It is sad for me to go through the Budget papers and see that lots of those things that had, in fact, been coming on stream are now dismissed altogether or put aside for a while. That worries me.

Having read about the state of the economy of Queensland in that Budget paper and recognising that there are warning signs there, I went on to other Budget papers. It perplexed me as I sat up late that first night and read through the papers. I can tell honourable members that they were very strong on words but not a lot of detail—not a lot of figures. We are now changing to accrual accounting and a different format has been used. I think that perhaps good figures and lots of detail has been brought forward by the various departments and also by Treasury, but then the Department

of the Premier and Cabinet has made sure that they have been pretty well worked through the word factory to make sure that a bit of gloss that was not really there was put on it.

I have been ringing around various Government departments in my electorate since the Budget was brought down, trying to get more detail that was not in the Budget papers. It was all very sketchy. Even now some of it is still not available. It still has not been disseminated out through the regions. However, I am sure the people of Queensland are now starting to become aware that the Premier was pretty successful in putting a fair bit of a fancy spin on a situation that is not quite as good as it has been.

I have sat around the Cabinet table as a Minister and have been before the Budget committee trying to work out what share I should get and what should happen in the department for which I had responsibility, and I know how difficult it is. I have also questioned the Under Treasurer and under secretary to work out whether we could do something about changing the revenue base of Queensland.

When we first came to power as the Borbidge Government, we put together an independent audit of the economy of Queensland, and that was one of the underlying weaknesses, that our revenue base was too narrow. I appreciate that that problem cannot yet be properly addressed. However, next year, when the GST comes into effect and all the money raised through the GST goes to the States, I would certainly hope that Treasury would be able to give good advice and that that advice would be taken by the Government of the day.

We have to broaden the base from which we raise the revenue for the State, because there were real difficulties in trying to gee up a State that had run down pretty badly in terms of unemployment and the construction industry. We had to sit down and work out things we could do and, of course, we privatised QIDC/Suncorp/Metway. Governments cannot keep on doing all those sorts of things. We were successful in generating more jobs and in getting construction going out there and all the things that hang off it—the subcontractors, the white goods and all those other things. It saddens me a little to see that that impetus that we created has now been lost to some degree.

I talked about the Budget papers being presented as part of the Premier's spiel. I just want to talk now about the Budget paper Delivering for Queensland—the Government's Seven Priorities. It lists the seven priorities for building Queensland into a better State. The one I want to talk about is building Queensland's regions. I thought, "I am part of regional Queensland. I will look through this." It states—

"The Government's balanced approach will:

increase Statewide development so that Queensland's regions prosper;

build and encourage infrastructure to support Statewide development; and

expand export markets and encourage value-adding industries."

They are all to be congratulated. We will accept all that. On the same page it goes on—

"Therefore, the 1999-2000 Budget includes:

\$7.5 million (\$27.5 million over four years ... to support eight Ministerial Regional Community Forums."

I have to be critical of that. We have done all the talking. The chambers of commerce in all the towns in my electorate, local government people and various other people were brought together to discuss the future of the western downs area. They have gone through all the talking.

Mr Seeney: You used butcher's paper.

Mr LITTLEPROUD: Yes, we used butcher's paper. We have talked to Government departments and we have talked among ourselves. We had specific ideas that I mentioned before: water, coal and electricity, and perhaps a rural jail. I questioned the Premier in the House about what he is going to do about all that. It is extremely disturbing for us to think that the Government is going to spend \$7.5m this year and \$27.5m over four years for more talk. What a lot of rot! The people in the regions are going to be part of the decision making! What rot! It has all been done. What we want is some money to put infrastructure in, not another talkfest.

The next dot point states that the 1999-2000 Budget includes over \$50m over four years for the establishment of new regional centres under a Regional Centres program. I can tell honourable members what that means for us. We sit west of Toowoomba and every time a CBD is created under a regional program, it is all going to go to Toowoomba. It will not go to our region. All our small towns miss out. All the Government services go into Toowoomba. It is very good for Toowoomba. It has 100,000 people. They are doing very well, thank you very much. However, Dalby—a town of 10,000—a big regional inland part of Queensland is being sucked dry, because all the services are going into Toowoomba. In places such as Chinchilla and Miles, when the people want to access Government services, they take their shopping dollar with them.

So when we are talking about spending \$50m over four years for regional centre programs, I can see nothing in here; it is just a waste of money for the people of the western downs. I implore the Government to once again recognise the three options that the Borbidge Government came forward with. We had them in train, but they have been ignored and now we have to go back to a talkfest. The people up there have had enough talking. So I am most disappointed in that regard.

The third dot point states—

"\$250,000 (\$750,000 over three years commencing in the 1998-99 Budget) to support the establishment of economic development corporations in Rockhampton, Mackay/Whitsunday, Cairns, Gladstone and Townsville ..."

Do honourable members know what they all have in common? They are all east of the range; they are all along the coast! What about the people of rural Queensland? Honourable members can understand why I am so disgusted when I talk about these things going on—this glossy presentation. However, when it comes to how it fits into the part of Queensland I represent, it is most disappointing.

The next point that I raise is the superannuation funds. The Government has stated that it will drop the Government's contribution rate to the Public Service superannuation fund from 14.55% to a maximum of 12.75%. I find it very difficult to accept that the public servants of Queensland will take that lying down. I understand that some sort of negotiations have been going on with the State Public Service Union and the Queensland Teachers Union, but I do not think that the rank and file will take that too well. Already I have been putting together statements that I will send throughout my electorate, warning all the public servants that they should watch very carefully what might happen.

The Premier has said that we have lazy capital, but would it not be better if that capital stayed in the dedicated superannuation funds and was invested in such a way as to help the development of the Queensland? To suggest that the money should not be put into the funds in the first place because it is lazy capital sends a warning signal. As the Leader of the Opposition has said, honourable members should remember what happened in Victoria under Cain and what happened in South Australia under Bannon. I express my dissatisfaction with this proposal. I hope that the public servants of my electorate will rise up and ask questions of their union leaders about this. I hope that they will be critical that the financial status of the Public Service superannuation funds, which is the envy of all of Australia, should be in danger because the Government has gone on a mad economic drive to rid the State of poor capital.

It is a known fact that, in New South Wales and Victoria, the Public Service entitlements do not come out of a dedicated fund that is financially sound; they come out of consolidated revenue, which does not instil great confidence in the people who dedicate themselves to the Public Service in the various States. We have something in Queensland that has been tremendously successful and is financially sound. We have funds that we can invest in things such as the QIDC and the old agricultural bank, which the previous Borbidge Government did. If we needed venture capital, we could take it from the fund. We did not just bypass the fund itself.

I want to talk about Environment, my former portfolio. I worked with the previous Minister, Di McCauley, who represented the seat of Callide, on a plan to insist that the local governments of Queensland ensured that their rubbish dumps and landfills were environmentally well managed. Di McCauley promised to provide something like \$500m over a 10-year period.

Mr McGrady: Where is Di these days?

Mr LITTLEPROUD: She has retired voluntarily, but she has done her service. She made the money available.

Mr Seeney: She was well replaced.

Mr LITTLEPROUD: She is well replaced. The present member puts the spurs in a little as well.

Representatives of the Local Government Association of Queensland came to see Di McCauley and me. They said, "We don't mind being environmentally responsible, but we are going to need some sort of help." We recognised that need. However, this Budget provides only approximately \$20m instead of the \$100m a year that was promised. Very poor funding has been allocated to local government.

I can understand the situation. They would have been sitting around the Cabinet table and they would have said, "We have a fair few responsibilities environmentally that will cost money. We will put the standards up and get the local government fellows to fund themselves." That is greatly different to what we did. We understood that the proposal would have cost the local governments a lot of money and we were prepared to help them out with funding.

The member for Gladstone spoke about national parks and the 6% equity tax. When I was unfortunate enough to inherit the portfolio of Environment, I became responsible for national parks. Under a former Minister for the Environment, Pat Comben, the Labor Government of the Goss era acquired an enormous amount of land across Queensland to dedicate to national parks. The area of

some of those national parks in the north-west part of Queensland was as much as 250,000 acres. Part of those national parks were places of specific environmental interest that we wanted to preserve. However, probably about 200,000 acres were plain old grassland, just like the hundreds of thousands of acres surrounding them.

The Government has now adopted a process where it will charge 6% equity on national parks where only part of the park is a dedicated national park because it was designated along property boundary lines rather than being surveyed. That will be an impost on a department that was already strapped for funds. I was amazed that in the budget I inherited for the management of national parks, 80% of the funding was allocated to wages. Fellows got dressed every morning, hopped in their LandCruisers and drove around the parks a bit and perhaps noted a couple of weeds. However, they had no money to buy any fencing material, get rid of feral animals or noxious weeds, or put in new resources. I reduced that figure from 80% to a little over 60%. We were winding the figure back so that we could buy more equipment and do something. We also enhanced the capital works program for national parks. Now the Government has decided that a department that looks after public assets and is already strapped for cash is going to be taxed 6%. That will be crippling for the department.

I have had a private conversation with the present Minister for Environment and he is pretty disappointed. Obviously he was rolled at the Cabinet table. He is probably dedicated to the task that he knows has to be done and he has some pretty able people in his department who can readily spend the money if it is given to them. He extolled the environmental virtues of the Beattie Government and conned a few of the people in the conservation movements by saying, "This will be all right, we will help you like never before." However, his budget has been run down to blazes. The Minister is holding his head pretty low. I saw in the paper the other day that the news media wanted to interview him—

Mr Veivers: He got laryngitis.

Mr LITTLEPROUD: He did get laryngitis. At the door they said that he had a raspy voice and was not available for interviews. I do not blame the Minister for being a little disappointed. There are great needs to be met in his portfolio, he is short of funds and now he has to cough up 6%. He is probably the biggest Crown land holder in Queensland.

I reiterate that this Budget must have been difficult to put together. The Premier has tried to put a spin on it to make Queensland think that all is wonderful. It would have been better if he had given some warning of the underlying problems of the revenue base of Queensland. I have noticed that people on the other side of the House have not shown much enthusiasm for talking up the Budget because they know that it does not contain much for their own electorates.

Standard and Poor's and former Treasurers have pointed out that some things in the Budget are not quite what they seem. I hope that we can reshape things so that the people of the State are treated in a positive way. We have good development potential in Queensland, but I hate it when Governments try to dupe the people. The Budget should be a report card of what has happened in the past. It should show the state that we are in. It should be about spending our money wisely, rather than putting a political spin on things.
