



Speech by

Mr D. BRISKEY

MEMBER FOR CLEVELAND

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1999 STATE BUDGET

Mr BRISKEY (Cleveland—ALP) (5.09 p.m.): I am delighted to speak in this debate on the Beattie Government's second Budget. The 1999-2000 Budget is a balanced Budget that lays the foundations for building Queensland into a Smart State. It creates jobs, it provides record levels of capital works spending on infrastructure and it delivers on our key priorities. The Beattie Labor Government has achieved this without selling off capital assets to fund recurrent spending, without resorting to increased State Government charges and without mortgaging our future.

The Budget contains record spending of \$16.8 billion—up \$200m on last year's Budget. In two Budgets the Beattie Government has reordered the State's priorities so that they reflect the needs and challenges of our time. The Budget documents illustrate that this Government's efforts are firmly focused on achieving the following seven priorities: more jobs for Queenslanders; building Queensland's regions; skilling Queensland, the Smart State; safer and more supportive communities; better quality of life; valuing the environment; and strong Government leadership. These seven priorities embrace the aspirations of all Queenslanders. This Budget provides the framework through which all Queenslanders can participate in their State's growth and have confidence in their shared future.

The Budget forecasts that we will create 41,000 new jobs for Queenslanders this year. This expected boost in Queensland jobs is on top of the major improvements in the labour market that the Government achieved in its first 16 months in office. Between June 1998 and August 1999, 49,000 new jobs were created, of which over 73% are full-time; employment grew by 3.1%; employment in the 15 to 19 year age group increased by 6.5%; employment in the 45 and over age group increased by 5.6%; the number of people unemployed fell by 11,400; and the unemployment rate fell to 7.9%, which is 0.8% lower than the rate we inherited from the previous Government.

These exceptional results have been achieved through policies and programs that promote job creation and through innovative labour market programs such as the Breaking the Unemployment Cycle initiatives, which receive \$80.8m in this Budget—an increase of \$38m over the previous Budget. Queensland's average unemployment rate for the last year actually came in at 8.3%, and last month we smashed the 8% barrier with an unemployment figure of 7.9%. This is the lowest level of unemployment in Queensland for a decade. The Budget indicates that unemployment is expected to fall further this year to about seven and three quarter per cent.

Employment will also be boosted by continuing strong levels of business investment and another record Capital Works Program. As the Premier and acting Treasurer said on Tuesday, this Government and this Budget are about jobs, jobs and more jobs. The 1999-2000 Budget contains projected capital works spending of \$5.4 billion. Of this we expect some \$200m to be carried over as a result of factors such as bad weather, leaving an end target of \$5.16 billion. Some \$1 billion of this relates to energy projects.

Last September the Government budgeted for a \$5.1 billion Capital Works Program, of which it expected to deliver \$4.8 billion after carryovers. In fact, the Government delivered \$4.9 billion—the biggest capital budget ever delivered in this State. The capital budget includes \$585m for Health, \$328m for capital outlays in Education, and \$304m for law, order and public safety.

Fifty-four per cent of this capital budget will be spent outside the Brisbane region. All of these projects underwrite job creation while also providing new infrastructure for Queensland.

The Beattie Government has also reduced the tax burden on business in Queensland by \$27m. The tax concessions include a substantial reduction in wagering taxes as well as a tripling of the rebate available on land tax, from 5% to 15%.

The Government has also moved to close off a growing avenue for tax minimisation in relation to payroll tax. This Budget brings Queensland into line with all other Australian States by including employer contributions to superannuation in the payroll tax base and it compensates for this broadening of the base by a progressive reduction in the base payroll tax rate from 5% currently to 4.8%. The cost/revenue estimates on this reform are still fairly rough. At present, the Government expects a net impact of \$30m, which is negligible given total payroll tax receipts of some \$1.3 billion. Once the Government has a better picture of the revenue impacts of this move, it will review the base rate of payroll tax to ensure that the changes remain close to revenue neutral.

The Budget parameters have been achieved at the same time as maintaining Queensland's record of impeccable financial management. The Beattie Government has implemented and fully funded all its election commitments while at the same time maintaining a Budget surplus and ensuring that there are no new taxes or increases in taxes and charges above CPI. The Budget this year will be in surplus by \$21m. Queensland will maintain its AAA credit rating and is the only Australian State with a negative net debt position.

This Budget continues to provide a competitive tax environment. The tax burden for Queenslanders remains nearly 26% less than the average tax level for all other States and Territories. Based on the 1999-2000 estimates, Queenslanders pay \$653 a year less per capita than a New South Wales resident and \$288 a year less per capita than a Victorian resident.

The Budget forecast economic growth for the year ahead at three and three quarter per cent. Although this represents an easing on the four and three quarter per cent achieved in the fiscal year 1999, it remains historically strong and ahead of the forecast national growth rates.

The Budget also builds on the intellectual assets of Queensland. This is a Budget for a Smart State. This Budget is a pioneering Budget because, for the first time in Queensland's history, we have taken a truly whole-of-Government approach to skilling and advancing Queensland's human capital. The Budget nurtures emerging knowledge based industries such as biotechnology through historic investment in the research infrastructure of Queensland.

The 1999-2000 Budget enhances the effectiveness of Government service delivery to Queenslanders through the use of new technology. This will be achieved through increased funding in areas including telecommunications, biotechnology, information technology and far-reaching education initiatives.

The Government's \$270m 10-year plan for investment in bioindustries aims to establish Queensland as a leading hub for bioindustry development in the Asia-Pacific region. This Budget commits the Government to \$3.75m in 1999-2000 and \$77.5m over 10 years towards an Institute for Molecular Bioscience at the University of Queensland. This will be the largest biological research centre in Australia. \$8m has also been provided over four years for the Centre for Biomolecular Science and Drug Discovery at the Griffith University's Gold Coast campus.

The Smart State Budget also includes \$5m in 1999-2000 and \$20m in total to support the new Comprehensive Cancer Centre at the Queensland Institute for Medical Research, which will be at the forefront of international cancer therapy. A new biotechnology office has also been established. This will work closely with the Commonwealth on genetic modification issues. The Government is also providing tailor-made assistance for IT & T industry investment, and Queensland will host international conferences in the field. The State's 1999-2000 Budget delivers on the seven priorities I outlined earlier while ensuring that the unsustainable spending increases of the previous Government are reined in without cutting services, jobs or infrastructure investment.

The Beattie Government is the first community-oriented Queensland Government. One of its key priorities is to focus on communities and their needs, including safety, family vitality and equity and reconciliation for Aboriginal and Torres Strait Islander people. The Beattie Government places great emphasis on communities and their needs, because it is at this level that a progressive, caring and efficient State Government can make a real difference to people's lives.

Following the Forde Commission of Inquiry into Abuse of Children in Queensland Institutions, the Government will increase child protection spending by almost 50% over the next four years. This will amount to \$100m over four years, including \$10m this financial year, and represents one of the largest recurrent funding initiatives of the Budget. The funding will improve protection and support services for children who have been abused or neglected, and their

families. In 1999-2000, an extra 70 professionally trained child protection workers will help in this effort.

The 1999-2000 Budget is addressing the wrongs of the past by providing \$25.4m over three years, including \$6.3m in 1999-2000, to compensate Aboriginal and Torres Strait Islander people who worked for the Queensland Government between 1975 and 1986 for less than the award wage.

The 1999-2000 Budget also contains a range of crime prevention programs, including \$15m—\$52.5m over four years—for the Community Renewal program. The program is a key component of the Government's Crime Prevention Strategy, which seeks to address the causes of disadvantage and crime through education, training, family support and improving the built environment. \$5m is also provided in 1999-2000—\$39 million over four years—for the Safe Station program, which is progressively upgrading facilities to make railway passengers feel safer as they travel.

These are just a sample of the numerous initiatives contained in the 1999-2000 Budget. It is a landmark Budget that enhances the future prosperity and quality of life of all Queenslanders. Through this Budget, the Beattie Government has clearly articulated its seven priorities and, in partnership with community, non-Government, private sector and other levels of government, is leading Queensland confidently into the next century. I commend the 1999-2000 Budget to the House.
