



Speech by

**Mr DOUG SLACK**

**MEMBER FOR BURNETT**

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Hansard 17 September 1999

### 1999 STATE BUDGET

**Mr SLACK** (Burnett—NPA) (11 a.m.): In the area of State Development and Trade there is no doubt that there will be some interesting times in the lifespan of the 1999-2000 Budget. The international trading environment remains volatile and we now face the additional impediment of unfortunate events in our immediate neighbourhood that plainly carry the risk of creating a substantial downside in terms of some of Queensland's otherwise profitable commercial and political relationships. These are certainly times in which the prudent should be actively seeking out opportunities for profit as widely as possible. I happily acknowledge the promise of such prudence by the Government in relation to its proposals for more widely promoting international trade and facilitating investment. The key will be performance. It is performance that gives rise to the fear that, for all its rhetoric, the Government will not be up to the job.

State Development and Trade is a large department consisting of diverse interests— and they are all linked; nonetheless, they are diverse—that are not necessarily mutually supportive. This inevitably creates difficulties, something that we on this side recognise as elements that the Government must bring under control and that is particularly important in the build-up phase of a new department.

Some of the figures in the Ministerial Portfolio Statements relating to State Development and Trade are of concern. For example, in the critical State Infrastructure Planning and Coordination branch—in these days of New Age language it is now apparently not a branch but an output—both revenues and expenses were down sharply in unaudited actual terms against the 1998-99 Budget figures. Payments for outputs were down 48.1%, to \$8,068,000 from the projected \$15,572,000. Employee expenses were down by 16.2% on budget, expenses on supplies services were down by 33.7%, and grants and subsidies were down by a massive 72.8%. This adds up to one thing only: failure—failure of the department and its Minister to capitalise fully on the opportunities of the Budget.

If this was the case in 1998-99, what guarantees are there that 1999-2000 will see an improvement? There is no evidence that the landscape has changed. There is no reason for confidence that with the imposition of the Beattie stealth tax—the BST— departmental managers will start spending all that has been budgeted. They know—as we know and as I suspect the Government knows—that the 6% capital charge means that they have their budget less 6%.

However, I wish to pay tribute to the work the department has done in processing proposals and projects already on the drawing board. If we leave aside the rhetoric that so often blights the necessary political debate over economic development, everyone can see that project development is a continuing process that engages successive Governments. The political cycle guarantees this. In a democracy we have to accept the presence of partisan rivalry. But I do think— and I am sure the member for Capalaba also takes this view—that in matters of economic development, trade and investment, Governments have not only an interest in picking up the baton but also a duty to do so.

We applaud the Budget's continued facilitation of infrastructure and approvals for the Century Zinc project, including a slurry pipeline to Karumba, and the continuation of commitments to the Gulf Communities Agreement. We applaud the facilitation of the Millmerran Power Station project—a \$1 billion private sector boost to the Darling Downs—and the 230 jobs it will create. Several times in this House the Premier has claimed the credit for the Millmerran project. I give credit where it is due.

Certainly, the Department of State Development and the Premier deserve some credit in relation to finalising this project. However, I point out to honourable members that the project was in the making for a considerable period. The real thrust behind it was the Surat/Dawson development project, which was initiated by us. However, as I said earlier, these types of projects take some time to reach fruition and they are the responsibility of all Governments.

We applaud the full range of projects that State Development is processing and promoting. The coalition stands fully behind the Government in its determination to develop Queensland's economy to the fullest extent possible. However, we do not and cannot do so unquestioningly. Clearly, there are differences of opinion on spending priorities. There are differences of opinion on the success or otherwise of outcomes. A media spin does not automatically signal either success or a correct line of policy. I realise this will come as a shock to the spin-a-line merchants opposite, but it is the truth.

**Mr Welford** interjected.

**Mr SLACK:** I am glad the Minister heard that. He is particularly good at that in the area of water conservation. I will come back to that later.

As I have already mentioned, some of the outcomes reported in the Budget papers are very far from satisfactory. Some of these outcomes demand searching questions and require detailed and accurate answers. There is about this Government in the area of State Development and Trade as much as anywhere else the smell of underperformance. Its record of underspending, which is revealed in the Budget papers, makes a mockery of its claims to excellence. I am sure that in his more reflective moments the member for Capalaba understands that only too well.

This Labor Government—this Government of the unions and for the unions, of the mates and for the mates—has begun cutting back sharply on the proportion of funding directed outside the Brisbane statistical region. When we were in Government—and I remember this well—59% of capital spending was budgeted outside Brisbane. That figure has shrunk to 54% under this can't do Beattie Labor Government. To borrow from Sir Humphrey, only the exceptionally courageous would bet on a reversal of that trend while this Government is in office.

Then there is this Government's single-mindedness in terms of picking winners. The focus on biotechnology is fine so far as it goes. But it comes at a price which those opposite have either decided to ignore or which, with the eternal optimism of those who are not quite up to the mark, they hope will go away. A successful economy is an economy that encompasses—that is, includes and cares for—every community. What is at risk from the high-tech biomass the Government expects to be produced through embracing biotechnology at public expense is the family farm—the basic building block of rural Queensland and the bedrock of our community. That is not to say that there is no place for agribusiness or that in the new millennium big business is what was once the bush. It has a place. But as a community and in Government policy we need to recognise that small farmers need support.

This is a developing State, a place that is bigger in size than many developing countries. We are nowhere near completing the story of Queensland's development. That might strike many city people as odd, but it is true. Similar to every Government, this Government needs to understand how important it is. It is literally vital that we reverse the flow of population to the coast and the south-east. It is crucial that we understand that our best use of tomorrow's technology is to be found in harnessing it for the protection and development of the inland population.

In the same vein, the \$50m set aside for local authorities is a great idea. However, it is not enough if the Government is genuine about giving communities a real say in how they live and work, and it is deficient in cutting out at the 15,000 population level. That cut-off cuts off a great many Queensland communities. There are concerns that this Government is not pursuing real options with the degree of energy it should. Only yesterday we saw that Comalco is now actively investigating the Malaysian option for its planned new smelter, and that is an option using gas that might well be cheaper than that which might eventuate from the Chevron pipeline from Papua New Guinea. High-tech jobs in the south-east corner—even large numbers of them—will not help Gladstone or central Queensland if we lose the Comalco project.

The fact is that the best development policy of all is, as it has always been, to promote private sector investment. Stinging large employers who fall into the newly expanded payroll tax base—they will not be fooled by the cut in the rate from 5% to 4.9% or even to 4.8%, because bringing superannuation into the computation will put up their bills, not take them down—is a counterproductive move. It is a tax on jobs. We can throw public money at all sorts of public sector and education-based R&D schemes, as this Government is doing, but it will not end up picking any winners there. The essential approach is to widen and deepen the private capital wealth base. That has to be the idea. Nothing else will do the job.

The Minister for Natural Resources is in the Parliament, so I turn now to some of the initiatives in my electorate, or the lack of them. Under irrigation and water conservation in the Budget documents, reference is made to the Walla Weir. I do not need to stress to this House the importance of that

particular weir to the economy of Bundaberg and to the conservation of water for irrigation in the area. It is acknowledged, as I mentioned in the debate last night, that there is need for additional storage.

There is a very quick way of providing some additional storage that can alleviate the needs of the area. One of those ways is, as we provided for in our Budget, the provision of a bag or the raising of the Walla Weir. I acknowledge that the Budget has made mention of that, but it has not allocated any funds for it. To me that means that it is not going to occur in the next 12 months, which is sad. I hope that the Minister can allay those fears.

**Mr Welford:** It is in the funds that were allocated in the previous year.

**Mr SLACK:** It is in the funds that were allocated.

**Mr Welford:** That's my understanding.

**Mr SLACK:** In relation to that, I have been informed that the bag itself—if it is to be the bag option—would be ordered from overseas and there will be a nine-month wait.

**Mr Welford:** There are a number of options being considered with the bag. We have recently had a proposal put to us by an Australian company. So it is not concluded as to where the bag will be purchased from. That will be resolved once we have finished the supplementary estimates.

**Mr SLACK:** I appreciate the bipartisan way in which the Minister is accepting this question. I follow that up in relation to the Bucca Weir and the proposal to raise it because it ties in with the ground water rescue package in the Bundaberg/Burnett area, which is very vital in that we have salt intrusion there. The feedback that I am getting—and genuinely getting—is that something has put it on hold or it is not going ahead as fast as the canegrowers, the vegetable growers and the industry in Bundaberg would like. My understanding and advice is that it does not involve any additional environmental studies; it does not involve WAMP. Therefore, why should there be a hold-up, if there is one?

**Mr Welford:** There are parallel studies. One is planning for the contracts and construction specification groups and the other is some preliminary and lower level environmental assessment. I have asked, because the Bucca is being considered as one of that bundle of small weirs, that they consider the cumulative environmental impacts of them together so we do not just build them one at a time and then find that we have overshot the runway. It is still on track and I expect we will have the review before the end of the year.

**Mr SLACK:** I take what the Minister has said, but I just point out that the Bucca Weir is on the Kolan system, which is basically independent of the Burnett system. I take the point that there can be a cumulative effect of raising weirs on the Burnett system, although it is fairly infinitesimal relative to the amount of water that flows through the Burnett and what is already in storage and what is proposed to be in storage relative to those bags. But the Bucca has a special significance because of that ground water situation. Therefore, there is an argument to have it in isolation and be treated as an absolute priority to provide that bag or that raising because there is some question about the bag itself.

I take it in good faith that the Minister will accept that as a priority and see to it that we get that if it is possible. I take the point. When people argue in this House about the environmental and economic studies that are required, I acknowledge that. There is no doubt about that. In acknowledging that, I also point out that when I was Minister, from the information I received from various parties, including the private sector and the public sector—the department, it seems that these studies can be fast-tracked to a point at which they can be done in conjunction. Bearing in mind the urgency, we did make the decision to fast-track them.

We quite genuinely believed that we could put together, if the studies were favourable, a major storage on that particular Burnett system within the five-year period. I sat through the meetings that assured me that that was possible. That is why we have been raising these issues and questioning the Government's commitment to it and genuineness in providing it. I can assure the Minister that farmers and industry in the area are desperate for the additional storage. The Minister has seen the projections of what is required. I can say only that I hope that he is following through in good faith the commitments that he and his Premier made at various stages. I appreciate the Minister's preparedness to answer the questions that I have raised. It has given me some new heart in relation to the future for water storage in the area. I compliment him on doing that.

The other issue that I will turn to now is the issue of health. This Budget made provision for an additional \$2m for the operating expenses of the Bundaberg Hospital. I have a direct interest in the operations of the Bundaberg Hospital in that I represent part of Bundaberg. That hospital services a large area of my electorate, and I am pleased to see that the member for Bundaberg is in the House. I do not believe that the Government can fairly deny it; there have been problems with the finances of the Bundaberg Hospital in underfunding; there have been problems in relation to the closing of the general outpatients service. I have never tried to give the impression of anything else, although the member for Bundaberg may disagree with that.

This morning in the House I tabled a petition containing 370 signatures. That would bring to over 6,000 the number of people who have objected to the closing of the general outpatients section of the hospital and who have actually signed that petition. One of the reasons for the objection is that there have been inadequacies in the bulkbilling by doctors in Bundaberg. I understand there is also a shortage of private doctors developing within the Bundaberg area, and that adds to the problem. Having said that, I believe that those people who have signed the petition have also signed it to express their unhappiness about what has been a continuing underfunding of that hospital.

The Minister came to Bundaberg in February and made a funding commitment to the extent of \$1m. Unfortunately, \$200,000 of that came out of the mental health budget. Also, \$700,000 of that was tied to elective surgery that was unable to be performed. It was an impossibility which meant that that \$700,000, in essence, was taken away from the hospital and was not able to be used for what the general public of the area thought was a commitment by the Government to provide \$1m to the servicing of the chronic underfunding of the hospital for its everyday working.

I can say quite honestly in this House that there has never been any question about the services that the nursing staff and the people at the Bundaberg Hospital provide, the genuine commitment that they have to their profession or the quality of their work. They have been under considerable pressure because of the funding issues and the proposals to downgrade numbers at the hospital and, of course, to remove some of the services. I am pleased that the Minister has responded, no doubt, to the people power that has come about through the media; to the signing of petitions, including the 6,000 signatures that I referred to; and to the representations from myself and, no doubt, the representations made behind the scenes by the member for Bundaberg. I do not doubt that for one minute. It is pleasing to see. Considering the experience that we had in February, I will be watching very closely to see that that \$2m is made available and that the \$800,000 component of that growth factor is delivered.

I can see that my time is about to run out. Once again, I thank the Minister for Natural Resources in particular for the contribution he has made during my speech on the Appropriation Bill.

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