



Speech by

**HOWARD HOBBS**

**MEMBER FOR WARREGO**

---

Hansard 16 September 1999

### 1999 STATE BUDGET

**Mr HOBBS** (Warrego—NPA) (9.27 p.m.): I was interested to hear the member for Kallangur say that the Budget delivered some great things for the Caboolture and Pine Rivers areas. The member is very fortunate because it appears that that is one of the few areas of the State which has benefited from this Budget. I do not want to be negative about this—

**Mr Wilson:** Having said that—

**Mr HOBBS:** Having said that—that's right. I entered this Parliament in 1986. I guess the Budget has always been a highlight of the year. It is a time when one can look at what is happening throughout the State. One can see where roadworks are going and where schools are being built. One has an opportunity to see what is being generated in the State during the next 12 months.

A perusal of the Budget indicates that nothing is happening in the western parts of the State during 1999. Everything must be happening elsewhere in the State. The amount of money being spent in the western areas is reducing whilst it is increasing in the south-east corner of the State. At one stage we had 54% of available funds being spent outside the Brisbane area, but that figure has now reduced to 52%. That is quite a substantial amount in terms of the Budget.

This is the first time for many years that we have had a deficit Budget in real terms. Whilst those opposite might put the best spin possible on it—and it has been tried—the reality is that the Budget is about \$375m in deficit, blowing out to \$1.2 billion by July 2000.

Standard and Poor's have made that quite clear and I do not think that we can really argue against that, because the figures seem to add up, whatever the accounting procedure. Although the Government can put the best spin on it that it possibly can, it cannot say that accrual accounting is really going to make things different. I think that the cartoon in today's Courier-Mail summed up things fairly. It depicts a guy sitting in front his bank manager saying, "Peter Beattie has a \$350m deficit yet, through accrual accounting methods, he has a \$50m credit. What works for him works for me." The bank manager is depicted as sitting there twiddling his thumbs and looking very unimpressed. I would say that that is how the average person in Queensland feels about this Budget.

The reality is that, in Queensland, per capita tax collections are going up. Per capita tax collections in the other States of Australia are also going up, but not at the rate at which they are increasing in Queensland. For instance, per capita tax collections in Queensland have risen from \$1,330 in 1997-98—which was during the term of the coalition Government—to \$1,406 in 1998-99, which is an increase of \$76, and then to \$1,599 in this Budget, an increase of \$193. The last leap in per capita spending in the other States was \$41. So we are catching up to the rate of per capita taxes in the other States. That will reduce our competitiveness and the average mum and dad will be paying more in taxes and charges.

Tax revenue is up from 26% in 1998 to 29% under this Budget. So I see that there are some problems there. I also think that we need to look at what we call the BST—the Beattie stealth tax—in relation to the way in which it is going to work. As I understand it, the assets of each department will be assessed. They will be put into what will be called strategic and surplus assets. Those assets that are deemed strategic will receive a full refund. So at this stage we do not have to worry about those. However, for the assets that are deemed by somebody—maybe Treasury—as being surplus and not

really needed, the department will be charged 6%. That department has to either find the money for that charge or sell off the asset.

Previous speakers have given examples of what could happen because of this charge. In relation to small schools, the department could say that it would be cheaper to buy a bus and bus the kids to the next available school rather than pay a 6% levy on a \$300,000 school when, in reality, the building is worth only \$500 at best. The school could be given to the local football club or whatever the case may be.

The same charge applies to the Department of Natural Resources in respect of dams and NCP principles. I want to give a few examples. However, before I do that, I will go back one step and remind members that recently in this House the Premier stated that he could not build the off-stream storage at St George because the National Competition Policy had refused to support it. Therefore, the \$15m would not be available to build that dam. That was not quite exactly the story. The Premier should have said that there was a 25% holding back by the NCC of the total funds that were available to the State because of a number of water issues, which included the off-stream storage at St George.

I refer to the Walla Weir. The NCC people say that a fundamental flaw is in the analysis of the economic viability of the scheme. As someone who has been closely involved with that weir, I can say that one does not have to be Einstein to work out that, year in, year out, probably 120% of the water capacity is being used. It is one of those weirs that fills up all the time. In fact, its output could even be more than that. So in anyone's language, the weir's economic viability is very good. However, it is the process that has been undertaken.

I refer also to the Moura off-stream storage. The NCP assessment council claimed that the environmental assessment was not done by an independent group and, therefore, there was no independent appraisal carried out. The NCP assessment council referred also to Stage 3 of the Dumbleton Weir and Stage 2 of the Bedford Weir and stated that the department did not carry out a robust analysis of those weirs and that some independent assessment was needed. The criticisms are just in terms of the administrative arrangements.

So does a Treasury official look at those assets and say, "Yes, these are what we call a surplus requirement. Let us try to flog them off, pull them down, or whatever."? I will take this issue a step further and refer to another matter, and this is a beauty. The council had not received information concerning Stage 2 of the Bingegang Weir, the Warrill Creek Diversion Weir and the Mareeba-Dimbulah irrigation area and will review the information prior to finalising the supplementary assessment. Although someone may say that certain assets may not be entirely viable, one has to question their ability to understand the real situation.

I turn to other issues in the Budget that concern me. For quite some time, work to the Charleville Police Station was on the books. It seems to have been pushed down and down and down the agenda. When the coalition was in Government, work to the Roma Police Station was announced. That work also seems to have slipped off the books. We need to make sure that, when such commitments are made, there is some understanding on both political sides that we will build on the resources that are there. Obviously, the need for them has been assessed and so it is important to deliver those assets to the communities no matter who is in Government.

Another point that just crossed my mind in relation to these police stations is that often people have come out and assessed some of those smaller stations, such as Eulo, Cooladdi, Thargomindah, Boulia and Bollon. Those people could say that those areas could be serviced by police stations in larger towns, such as St George, Cunnamulla, Charleville and others, and that those smaller police stations are not needed. Therefore, those small police stations could be regarded as surplus assets as well. That scenario in itself is quite frightening.

Another issue that is pretty important to people in my electorate is airconditioning in schools. At present, schools in the northern areas are being airconditioned under the Cool Schools Program. However, no assistance is provided for those schools in the south-west. All they really need is evaporative airconditioners; they do not want the reverse cycle airconditioners. That would do for a lot of schools in my electorate. I think that it is pretty unfair that, although a lot of those schools are located in the hottest and driest regions in the State, they do not happen to be located in the area extending from the north of the State that is covered by the Cooler Schools program and, therefore, are not eligible to receive airconditioning.

Recently, the Minister for Public Works and Minister for Housing announced the allocation of \$4.5m to aircondition Housing Commission homes in the west. I have no problem with airconditioning people's homes. Everyone who lives in the west should have airconditioned homes. However, I really think that the kids need to be considered first. I think that most of those people in that area would agree. I would be happy to talk to any one of them about it. Everyone should have airconditioning and all Public Service houses should be airconditioned. However, it is not really fair if groups are jumping the queue, especially when we are talking about the future of the kids. They have to be able to learn in a

healthy environment. It is worth considering. I hope the Minister might be able to do some work on this issue.

**Mr Pearce:** Why didn't you support central Queensland when we were pushing for it when you were in Government?

**Mr Mickel:** We couldn't get our schools painted in Inala in the 70s and 80s.

**Mr HOBBS:** The electorate of the member for Logan is not in that hot zone.

**Mr Mickel:** So the kids in Inala didn't matter?

**Mr HOBBS:** That is not true. Just as this Government has done, we drew the hot zone on a map of Queensland. The area of the member for Fitzroy is included in the hot zone, as it should be; he is quite right. However, at this stage the area of the member for Logan is not in it.

**Mr Mickel:** It certainly wasn't in it when you colour-coded it.

**Mr HOBBS:** It is not in it now under the member's Government.

**Mr Mickel:** I'm talking about basic maintenance wasn't in it.

**Mr HOBBS:** No, I am talking about airconditioning. We need to have a system in place—

**Mr Fenlon:** Airconditioning was a luxury.

**Mr HOBBS:** Absolutely. It was in some areas, but it is essential now. In this day and age, the kids hop on buses that are airconditioned and sometimes their homes are airconditioned, but the schools are not. The kids need a fair go. This is not a social issue; this is about trying to help kids in the future.

One good feature of the Budget is the incentives that are provided for IT. The incubator plan to try to develop and expand information technology in Queensland is good. The aim is to have one computer for every seven school kids, and that figure will be reduced to five in due course. We need to do that.

The Premier made a statement that I was going to take issue with, but I think he was quite genuine in making it. He said, "We do not want to be a farm or a quarry anymore; we want to be a part of the move to new technology." However, one cannot just drop one activity and take up another. One has to keep them all going, while perhaps giving a bit more help to one field. While we are helping the IT area, we must not forget about the farm and the quarry.

**Mr Pearce:** You speak with some authority on that.

**Mr HOBBS:** The member would know about the quarry and I know a bit about the farm.

**Mr Pearce:** I'm talking about IT. You're speaking with a bit of authority.

**Mr HOBBS:** That is right; I am speaking with a bit of authority. A lot of issues involving local government need to be talked about. Unfortunately, this Budget does not progress local government issues. I do not believe that councils will be able to meet the challenges of the new millennium as things stand.

Essential services such as water, sewerage and waste, which are so important to a growing Queensland, have been ignored. The waste landfill remediation area has been capped at \$7.5m for two years. Councils in Queensland need \$500m. I know that they have not taken it all up at this stage but they will need it to develop those services, and that will happen. At least \$200m needs to be provided over a number of years for councils to really get a handle on Queensland's waste problem.

The Regional Centres program, with its provision of \$50m over four years, is welcomed. Of course, there are a few smoke and mirror tricks in there as well, as no doubt the Minister would know. It does not really start until later on.

**Mr Mackenroth:** This is not smoke and mirrors. The reality is that we will set the guidelines out for councils. By the time they make their allocation, no moneys will be budgeted until the next financial year. That's the way that any new scheme operates. There's no smoke and mirrors.

**Mr HOBBS:** That is July 2000. They should be able to start now. That is 12 months. They should be able to apply for it now.

**Mr Mackenroth:** It's just how the system works.

**Mr HOBBS:** But they will not be able to get money until next year.

**Mr Mackenroth:** They will be able to. From the time they apply and get something into their own budget, they won't do the work until the next financial year.

**Mr HOBBS:** That is the point that I was making.

**Mr Mackenroth:** That's the way councils work. There is no sense trying to use smoke and mirrors.

**Mr HOBBS:** The reality is that it does not have to be funded this year.

**Mr Mackenroth:** But we haven't said we are going to.

**Mr HOBBS:** It is in the Budget. It is announced.

**Mr Mackenroth:** We put in place a new system.

**Mr HOBBS:** Yes, but the reality is that the Government is really legitimising the Cairns foreshore, the Townsville Esplanade and the Bowen project, because those programs need somewhere to sit.

**Mr Elder:** There's a budget for that now.

**Mr HOBBS:** How can the Government justify the allocation of funds to Bowen? While I think it is great that money has gone to that area, other councils would love to have a bit of a crack at the \$10.8m that has gone to Bowen. Other shires would love to receive funding along those lines. For example, the Murgon meatworks received \$300,000. I know that Murgon does not have the same population, but as a district it would probably be close.

**Mr Mackenroth:** Are you suggesting that we move the money from a One Nation electorate to a National Party electorate? Is that what you're suggesting?

**Mr HOBBS:** I am suggesting that Whitsunday is closer to the seats that the Government wants to win. The Government promised to put big money into Bowen before the last election. Government members know that as well as I do.

**Mr Elder:** But the point was in relation to that project that all the planning work had been done and the council had locked in their contribution to this year's Budget. That's what they have to do with this here.

**Mr HOBBS:** That is fine. Any council could have done that. However, the meatworks closed down. The council has done well, and good luck to it. It has done extremely well.

**Mr Mackenroth:** I might do a press release that says that the council's got nothing new but there is a new \$50m program.

**Mr HOBBS:** The program is welcomed, but all the Government has done is to legitimise its program.

Funding for the RLIP program is continuing and the small communities assistance package is fine, although it would have been good to boost it a little. The Security Improvement program is also quite welcome.

Concerns about road funding need to be taken into consideration. The five-year Roads Implementation Plan has received a bit of a dint recently. We have asked the Minister to clarify the position in regard to that plan and he has done so. We are told that there is a cutback in relation to some road funding. We need to watch that very carefully to make sure that that funding does in fact get through to all the local authorities as well as to the RTCS group. Apparently, the RTCS group is running out of money and it seems to be sucking up a bit of the Main Roads funding that has been made available.

Time expired.

---