



Speech by

Mrs J. SHELDON

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1999 STATE BUDGET

Mrs SHELDON (Caloundra—LP) (11.40 a.m.): On the eve of the new millennium, Queenslanders are looking for vision, they are looking for foresight, they are looking for commitment, and they are looking for a bright and prosperous future to kick off the next 1,000 years. Unfortunately, this year's State Budget provides none of that.

I would like to quote from the Australian, which says it in better words than I could. I refer to an article in the Australian on Wednesday, 15 September 1999, which was, of course, the day after Mr Beattie delivered his Budget. The headline says it all: "Beattie sends State into red". That is the first time that I have ever seen a headline like that in the State of Queensland for as long as I have been reading newspapers. The article states—

"The Beattie Government sent Queensland into the red yesterday for the first time in more than two decades, handing down a Budget deficit of \$350 million as it targeted spending.

...

Under the new accrual accounting system there is a small surplus of \$21 million, but on the traditional measurement of the Budget bottom line, Queensland has a deficit for the first time since 1977-78.

That \$350 million figure for 1999-2000 would have been far worse if the Government had not factored in \$568 million of what it called 'lazy money'— predicted underspending on its capital and recurrent accounts."

Further, I quote another article in the same newspaper written by Alan Wood, who has written about Budgets throughout the nation for many years. He says—

"Can you believe it? Queensland, financial paragon of the federation, brought to the verge of bankruptcy?

That was the story Queensland Premier Peter Beattie was telling at his Budget lock-up yesterday.

Naturally it was the fault of his Nationals predecessor, Rob Borbidge. And of course Beattie has saved the day, bringing down a Budget he described as the one Jeff Kennett would have liked to deliver but couldn't.

All nonsense"—

Says Alan Wood—

"Kennett really did inherit a State on the verge of bankruptcy, with debt of more than \$30 billion and borrowing to pay the interest."

Again, speaking of Beattie, Alan Wood said—

"He has not made a great start on getting things under control, with his Budget delivering a meagre surplus of \$27 million, after projecting one of about \$400 million.

In his second Budget, Beattie has the dubious distinction of bringing down the first effective deficit in Queensland for two decades.

This isn't immediately apparent, because like the Commonwealth and other States, Queensland has switched to accrual budgeting, and that basis shows a projected surplus of \$21 million.

But the old cash measure still has its virtues"—

and this is where we are judging apples with apples—

"... when judging a government's fiscal performance, and on a cash basis the deficit is \$350 million.

It would be substantially higher if the Treasury hadn't decided to bring to account a few hundred million dollars unspent the previous year"—

That is called a capital carryover, which I notice the acting Treasurer, Mr Beattie, tried to hide in his Budget accrual figures. But it was there, and it is incredibly substantial. I said in a letter to the editor that there would be a massive underspending on capital works and, indeed, there has been. I repeat that figure: \$568m. That must set a new world record.

I think the Australian very clearly sets out the current position that Queensland is facing financially. As the former Treasurer of this State, I feel very sad to see that, because the finances of Queensland have been well governed over the past 20 years. We can thank many people for that, including the former Under Treasurer, Sir Leo Hielscher, and Dr Doug McTaggart, who was the Under Treasurer when I was Treasurer. I acknowledge the great job that he did for this State.

Queensland is a great State. We do have a great future—provided Labor does not run us further into the red, as indeed it has the southern States. Victoria used to be very financially sound. And when Kennett finally came to power it was bankrupt and in a huge financial mess. It is to his credit that he has turned that around. The same happened in South Australia, Tasmania and Western Australia. It makes me very sad to see that we are on the slippery slope here in Queensland.

Further, under the Beattie Labor Government, Queenslanders will step into the next millennium with a new 6% tax. And that is what it is. Mr Beattie can call it whatever he likes, but it is a tax. And it is a tax that will be added to every school, every hospital, every road—indeed, every single construction and piece of equipment that the Government provides.

This is not a Budget for the next millennium, and it is certainly not a Budget for Queenslanders. Instead of building on the prosperity and the foundations which were put in place under three consecutive Budgets of the Borbidge/Sheldon Government, this State Government has indeed decided to dismantle Queensland's sound economic base. Stepping into the next millennium, Queenslanders have been told by Mr Beattie that they can expect to see slower job growth, slower economic growth and less investment. And they have been told by respectable accounting firm Standard and Poor's that they will carry the burden of a \$1.2 billion deficit which, quite remarkably, neither Mr Beattie nor any of his Ministers chose to mention in all the pre-Budget hype or in any of the carefully crafted embargoed press releases.

Having presided over three Budgets that boosted capital works and services to record levels in this State, I am now very sad to see that that work is being undone. Last year, the Beattie Government delivered Queensland a Budget with a \$0.4 billion deficit. This year, Mr Beattie seeks to build on that mismanagement with a \$1.2 billion deficit. And Mr Beattie expects the State Parliament to help him pass such a Budget. All I can say is that the people of Queensland should be well aware of the financial hardship that they will have ahead of them if this continues.

It is ironic in the extreme that the Premier and acting Treasurer has decided to wrap up the Budget papers in a slogan called Smart State. It certainly is not a smart Government. I ask: what is so smart about a State Budget which forecasts that economic growth is going to drop from 4.75% to just 3.75%? Is this the Smart State? What is so smart about a State Budget which forecasts employment growth to drop from 2.7% to 2.5%? Is this the Smart State? And how ever is Mr Beattie going to reach his fictitious 5% unemployment target on that figure? These are his own figures that I am quoting from the Budget.

What is so smart about a State Budget which forecasts job growth in real terms to drop from the coalition's 50,000 new jobs created a year to just 40,000 new jobs? Is this the Smart State? And what is so smart about a State Budget which forecasts business investment to drop from 10% in 1998-99 to just 4.5%? Is this the Smart State? And what is so smart about a State Budget which forecasts that the average family or average household will be slugged with an extra \$1,000 in taxes? Is this the Smart State?

I do not think that any Queenslander sees anything smart in any of that, and I do not think that any Queenslander sees any vision in that sort of so-called economic blueprint. Instead, Queenslanders see a Government accepting of its failure to perform, and they see a Government content to forecast even more failures.

Where the previous coalition Government was able to have a Budget surplus in both cash and accrual terms, this Government delivers a deficit. Where the previous coalition Government was able to deliver job growth of 3.2% in its last year, this Government's first year is marked with just a 2.5% job growth rate. This Budget is not a blueprint for economic growth but, rather, it is a blueprint for community pain and suffering. It delivers very little to Queensland families, it delivers very little to Queensland industry, and it delivers very little to Queensland's unemployed.

In the 1999-2000 Budget, transport infrastructure—vital to a big centralised State like Queensland—will be cut by \$174m. In a decentralised State such as Queensland, that sort of cut simply cannot be sustained. And of course, rural and country people will feel the pinch, as will the fast-growing areas of our State which need adequate roads. How are we, as a State, supposed to attract new industry and new investment when such crucial infrastructure is going to be slashed? How are we, as a State, supposed to reap the rewards of our export industries when the State Government is refusing to play its part to ensure all Queenslanders enjoy an efficient transport and road network? Any Government with any vision for the next millennium would be focused on growth and opening up our State even further, but not this Government. In Queensland, we have a Premier and acting Treasurer who is short-sighted when it comes to real vision.

In my own local area there is a great need for further roadworks to build on those delivered by the previous coalition Government. In my electorate of Caloundra there is a great need to upgrade the turn-off from the Bruce Highway to Pierce Avenue to four lanes. We upgraded it to Pierce Avenue, and it makes obvious commonsense that, if the road needed four lanes to Pierce Avenue, it certainly needs four lanes to the highway. Under us, the Department of Main Roads investigated where the road would go. In fact, the whole road was set down. Departmental officers interviewed all the people whose properties might have to be resumed. The department had done the deal with the council and had spoken to the Department of Environment. Everything was ready to roll, but I notice that there is not a cent allocated in the State Budget to enable this project to be completed.

As I looked through the capital works papers for the Sunshine Coast area as a whole, I saw very little in the way of capital funding at all. What I did see was generally money to complete projects which had been put in place when the coalition was in Government.

Out of a capital works program which provides \$728.6m for the Moreton region, which covers the Gold and Sunshine Coasts, the Sunshine Coast certainly came out as the poor relation. Only \$48.7m of this amount is to be spent on the Sunshine Coast. In other words, only 6.6% of the funding allocated to the Moreton region will go to the Sunshine Coast. The Sunshine Coast is one of the fastest growing areas—if not the fastest growing area—in the State. This shows how biased this Labor Government is against the Sunshine Coast region.

It is interesting to note that of that \$48.7m, a massive \$38.6m was recycled money—in other words, not new money at all. Of the \$48.7m identified, it is well worth noting that \$17m of it is for the upgrading of the Yandina-Cooroy main Bruce Highway from two to four lanes. Of course, that is Federal money.

The estimated expenditure per capita for the Moreton region is \$1,109—which even in the Budget's words is the lowest per capita funding for any region in Queensland. The average for the Sunshine Coast area of the Moreton region is obviously considerably less again. My electorate of Caloundra's only new capital works related to a general learning area block at Talara Primary College. The amount involved was \$334,000, of which \$113,000 will be spent in the first part of the budgetary year. The rest of the money will be spent later on.

While I welcome that funding—and Talara is a great primary school which the coalition built—it shows little respect for a steadily growing urbanised population which is in need of adequate capital infrastructure. The \$100,000 for the Caloundra Regional Art Gallery, the \$15m allocation to the Caloundra Hospital—which is still in no way completed; in fact four years down the track the roads are still being graded, and this represents a great commitment by Health Minister Edmond to look after the people in my electorate, I do not think—and the \$3.8m allocation for the Currimundi Recreation Centre were all moneys which were allocated under the coalition Budget and have simply been recycled in this year's Budget. It is not bad, putting money in four Budgets in a row, is it? In other words, it should be noted that the only real capital funding allocated to the Sunshine Coast in the past 10 years occurred during the coalition's term in office.

Just as Sunshine Coast residents will be disappointed by this Government's failure to commit to real funding in the region, so have they shared the disappointment of so many other tourist centres about this Government's lack of commitment to the tourist industry. In a lot of pre-Budget hype I noticed that the Minister for Tourism was able to bluff some industry leaders into thinking that Tourism Queensland was set to receive a \$6m increase in funding. That would have been welcome if it had been true. The coalition increased its funding to tourism and the QTTC every year while we were in Government.

Luckily, not all tourist leaders fell for this propaganda that was promoted by the current Minister for Tourism, and they have certainly let him know. The Budget papers are quite clear that funding for Tourism Queensland will this year be cut by \$1.3m. This, of course, must affect areas such as the Sunshine Coast. A large percentage of our economic dollar is based on tourism.

Last year the industry benefited from \$47.3m in funding, but this year the industry is set to receive \$46.01m. I ask: how can it be that the Budget for tourism—one of the most important industries in our State—has been cut at a time when there is an urgent need to promote our State nationally and internationally? I do not know how the Minister works his abacus in order to come up with the claim that the figure represents a \$6m increase when anyone can see that it is an obvious decrease. I certainly hope he is not the same Minister who is going to cost the proposed superstadium. But I guess he is. So we will have another financial disaster.

It is an indictment on this Government that it has chosen to take the axe to such a crucial industry as the tourism industry. Tourism is one of the largest employers in this State and is one of our fastest growing industries. For many tourist operators and their families where I live on the Sunshine Coast—and indeed in many other major centres across the State—this year's Budget is nothing but a fob-off.

It is also a fob-off for the many people in this State who are seeking fair access to our justice system. We have often heard the Attorney-General carrying on about the Federal Government and its commitment, or lack of commitment, to legal aid. I believe that we should look at the legal aid section of this Budget because a lot of people in my area need legal aid.

Let us have a look at who decided to slash staff numbers at the Legal Aid Office. Let us look at who has tried to defend his actions by claiming that cuts could be sustained because of greater efficiencies within the office. I know the sort of waiting times that people have to endure in order to get into Legal Aid and the very great restrictions on their being able to access it.

This Budget seeks to strip two lawyers from the Legal Aid service along with another four support staff. In other words, this Labor Government has put yet another hurdle in front of low income earners wanting to access a fair justice system. There is nothing fair about it when the Budget papers themselves confirm that improvements to courthouses across the State will be stalled because of a \$3.3m cut to the Justice Department's capital works budget.

What is so fair about a State Budget which seeks to remove victims of crime from our justice system and put them into the welfare system? When the coalition was in Government we actively listened to the victims of crime. We funded them and we put in place programs to adequately help them. These were programs which could be built on. Now they are put into a welfare system which is already overloaded.

We see that Minister Bligh could not supply the money that was required as a result of the Forde inquiry to address the terrible situation of abused children. This was money that was definitely needed to see that abused children—indeed any children in a State institution—are well looked after. If the Minister cannot provide that sort of money, how is she going to be able to look after Legal Aid? It really is a nonsense. There is certainly nothing fair about it. I think the Victims Support Group and the victims of crime have every right to be very upset about what is happening to them. Former Governor Leneen Forde brought down a wonderful report. She is not a person to make wild statements. That \$103m was needed. It is not needed over a period of four years; it is needed now. This Government talks a lot about its commitment to the underprivileged in this State, but it fails when it comes to performing and putting dollars forward in place of words.

We are recruiting fewer police in Queensland. This is a matter of major concern. We are recruiting fewer police because there are cuts in intakes into the police academy. When in Government the coalition announced the establishment of a new academy in Townsville. Trained people would come out of that academy and it was our hope that a lot of them would stay in north Queensland and go out to the north-western areas where it is sometimes difficult to get policemen and women.

Under this Budget we will see a cut in police numbers in future years. We will see fewer police cadets coming through the system. The October intake of police recruits is to be slashed from 147 to 100. The January intake is also to be slashed by exactly the same number. In anyone's terms, this means fewer police. On a per capita basis, the Sunshine Coast receives fewer police even now. We are not treated fairly. All I can say to people who are concerned about the rising incidence of crime is that we will have fewer police in the future, not more.

I do not know what sort of financial basis the Minister uses to project his so-called police figures that we are currently hearing about in the House. However, I can assure the Minister that he will not increase police numbers if he is cutting the number of police recruits. That is exactly what the Minister is doing.

We also have a cut of \$40m in capital works in the Education budget. That will not improve school facilities. We know that the Teachers Union is very upset about what has happened to education in this Budget. We must remember that this is a Government which prides itself on promoting fair and equal education for all Queenslanders; yet it is cutting its own Budget allocation in the area of education. So it is saying one thing but, by its own actions, it is denying what it is trying to do.

Mr Littleproud: Try environment.

Mrs SHELDON: In relation to the environment, the conservationists and green vote help put Labor where it is. That is an absolute disgrace.
