



Speech by

**Mr J. HEGARTY**

**MEMBER FOR REDLANDS**

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Hansard 28 October 1999

**APPROPRIATION BILL**  
**Estimates Committee E**  
**Report**

**Mr HEGARTY** (Redlands—NPA) (12.21 p.m.): I note from the Hansard record of Estimates Committee E that some concerns were expressed in relation to the Health portfolio. I refer specifically to the 6% equity return on assets, which will impact on the annual budget to the tune of almost \$200m per annum. That will put enormous pressure on the system, which is already under strain through increasing demand. This further impost will only make matters worse.

I am concerned that the bureaucrats who will have to meet this budgetary requirement each year will look for ways of minimising their liability to that tax. For example, some regional and outer metropolitan hospitals have large areas of land surrounding them. For example, a substantial amount of curtilage surrounds the newly built Redland Hospital, adjacent to my electorate, that will probably not be required for many years until it needs to be utilised for additional buildings. The hospital is in a fast-growing area. When bureaucrats in the Department of Health look at the Bayside Health District, they may think it appropriate, because of the increases in the value of the large amount of land on the Redland Hospital site, to address the budgetary requirements by selling part or all of the land that is not currently in use. That would have a disastrous effect on the amenity of the hospital. The area is a notable example of low-density development. Patients are encouraged to take advantage of the hospital grounds as the favourable environment created through the hospital's design is conducive to recovery. I would not like to see that hospital being pressured, because of this new budgetary requirement, into disposing of some of the land on its site. The city hospital sites are not under threat as they are already at their capacity and the current redevelopments will mean that no vacant land will remain on the sites.

As a comparison, I cite the Logan and Redland Hospitals. The site of the Logan Hospital, which is also undergoing expansion, is fairly constrained and any future expansion will have to be upwards. However, in respect of the Redland Hospital and other hospitals in similar circumstances throughout the State—and I think the Townsville Hospital was on a new greenfield site—there might be pressure to reduce the size of the land-holdings of those hospitals so as to meet the demands of the equity return. I am very concerned about that. It is wrong to impose a tax of this type on particular portfolios. The Health portfolio is probably one of the portfolios that is under the most pressure in terms of future expectations. I ask the Minister not to consider any disposal of assets in trying to meet her budgetary requirements in the coming year. That would be a retrograde step, because the hospitals in fast-developing areas of Queensland—the south-east and the northern regional cities—may need to utilise their additional land-holdings at some point in the future. If those holdings were sold off now, in the future they could expand only at considerable cost by acquiring other sites at an appreciated price. That would reduce the funds available to the Health Department in the years to come.

Time expired.

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