



Speech by

Hon. PETER BEATTIE

MEMBER FOR BRISBANE CENTRAL

Hansard 14 September 1999

MINISTERIAL STATEMENT

State Budget

Hon. P. D. BEATTIE (Brisbane Central— ALP) (Premier) (9.36 a.m.), by leave: Later today I will present to this House my Government's second Budget. However, given the short time frame between last year's election and the September 1998 Budget, this will be in reality the first full financial blueprint delivered by my Government. And it is a blueprint—a detailed strategy that not only addresses the needs of all Queenslanders now but also lays the foundations to build a stronger, richer, more equitable Queensland. It will build Queensland as the Smart State, creating long-term, New Age jobs for the next century.

Today's Budget will also offer departments a 6% bonus to better manage what is now lazy money or idle assets. Past Governments have allowed capital assets such as hospitals to run down, which meant that a 10-year hospital rebuilding program became necessary to fix the problem. I am determined that this will never happen again. Departments will be given an extra funding carrot of 6%. I stress "extra"—a bonus of 6%. Departments which work hard and succeed in managing their assets efficiently will keep the benefit of the efficiencies generated. This bonus is designed to encourage departments to maintain an efficient capital structure for the delivery of services and to dispense with surplus assets such as land so that there will be extra money for hospitals, schools and other essential infrastructure.

The Opposition is seeking to turn this positive bonus into a negative. The coalition is trying to equate it with its sneaky 5% hospitals capital charge, which was in fact a tax on the health system. It was a tax because, unlike us, the coalition Government did not appropriate the 5% and then take it back over the course of the financial year. It simply directed hospitals to achieve efficiencies equating to 5% of their capital assets with the intention of seizing those savings and putting them into the Consolidated Fund. What we are doing is completely different. We are not taxing departments; we are giving them an incentive to manage their assets in a better way.

No department will be worse off as a result of this measure. I repeat: no department will be worse off as a result of this measure. They will receive in this Budget extra funding equivalent to 6% of the value of their capital assets. Departments will actually keep the bonus of extra funding if they succeed in improving the way in which they manage their assets.

I have to admit that this is not a scheme that this Government has dreamed up. I have to confess that we are merely copying a system which has been found to be highly effective elsewhere. So where has this system been introduced? Who has put this bonus system into operation without any criticism from the Liberal or National Parties? This very same bonus system has been adopted by the Commonwealth Government and most other Australian States. The coalition, at a Federal level, has had no qualms about introducing this measure because they know that it makes sense. It is all about good management and ensuring that the public gets the best value for the taxes it contributes. Because it had been introduced at a Federal level, the Borbidge Government planned to introduce this very same system. Not only did the coalition plan to do so; they started the process of introducing it. I left the best to last. Come in spinner!

There is no adverse budgetary impact as a result of this measure, only potential budgetary benefits for departments. Let the record show that the Government that started its introduction was the Borbidge Government.