



Speech by

Hon. D. HAMILL

MEMBER FOR IPSWICH

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BUDGET 2000

Hon. D. J. HAMILL (Ipswich—ALP) (Treasurer) (5.54 p.m.), in reply: I thank honourable members from both sides of the House who were able to identify the services and enhancements to the capital infrastructure occurring in their electorates. The important point that I must make in that context is that members on both sides of the House did just that. This is a Government for all Queenslanders. We do not play favourites with respect to important infrastructure and services. We deliver services on the basis of need. Likewise, we will invest in infrastructure on the basis of need.

I thought the comments made in that regard by the member for Tablelands were noteworthy. He said that, in spite of the fact that his is not an electorate that favours the Labor Party—certainly it has not voted to return a Labor member in all the time I have been here—his electorate is doing better under this Labor Government, because it is concerned about quality of life, and particularly in the regions. That has been an important theme in this Budget—the delivery of services and infrastructure in Queensland's regions. Unless we build and facilitate the development of the regions, Queensland will be the lesser.

In that context, it would be remiss of me not to deal with certain comments made by the member for Gladstone, who expressed a concern that the contribution to the Capital Works Program being sought from the Gladstone Port Authority would somehow or other impact on the operation of the port and result in jobs being lost from it. Nothing could be further from the truth. On the record, I stress that \$576m of infrastructure is being invested by this Government in Gladstone and the region it serves. That is infrastructure in the port.

Under the Department of State Development there is an allocation of funds for a road to enhance the operation of the port—something that is outside the gates of the port but without which the port would not operate as effectively. There are multimillions of dollars for upgrading rail infrastructure. Were it not for the railway line to the port of Gladstone, the port of Gladstone would be minuscule. Most of the product that goes through Gladstone comes from the hinterland of the Fitzroy region. Its coal and grain comes by rail. The rail network is a vital part of the infrastructure.

Many millions of dollars are being spent on upgrading the yards at Callemondah. Why do I make this point? I make it for one simple reason. When I met with the board of the Gladstone Port Authority a few months ago, the board urged me to talk to the other Ministers who have a responsibility for infrastructure and urge them to see the upgrading of transport infrastructure which would enhance the competitiveness and effectiveness of the port of Gladstone. This Budget delivers fulsomely the very agenda being sought by the Gladstone Port Authority, yet all we have sought as a contribution is \$75m—\$75m that will not impact on the effectiveness and the operation of the port of Gladstone. Indeed, that is a condition of these funds being accessed. A \$567m return on a \$75m contribution is a pretty good return on an investment. This is the sort of investment that will continue to see the growth of the region and the port and also economic development in the hinterland of Gladstone and its region.

I give those assurances to the member for Gladstone which she sought, and I remind her of the comments made by the deputy chair of the board, who indicated that the board was now satisfied that the interests of the port and the region were being met. In fact, he made particular mention of the substantial Capital Works Program being delivered. Those comments were echoed in a direct and

personal meeting I had with another director of the board yesterday, Councillor George Creed, who came to talk to me about water matters. George also commented very favourably on the extent of the capital works being delivered in that region. That region is but one of the patchwork of regions that makes up this great State. As I said, the health of the State of Queensland is the health of our regions.

This Budget delivers a record Capital Works Program, 64% of which is being delivered outside of Brisbane. Just for the record, I point out that, in terms of the Capital Works Program, most of my electorate is actually regarded as part of the Brisbane figure. It is not just the City of Brisbane when we talk about Brisbane; it is a substantial part of the urban area of south-east Queensland. Our regions are important, and that is why this Budget delivers in the way it does.

It has been very interesting to listen to the debate and to hear some of the nonsense that has been peddled in relation to the key economic strategy that lies at the core of this document. A succession of shadow Ministers have hopped up and talked about the lack of spending in their areas of particular concern. I do not think I actually heard one person from the Opposition suggest that any area of provision ought to be cut back. Not one! It was always, "Please, sir, let's have some more."

I did hear, however, in what was perhaps the most ill informed response that I have ever heard in response to the Budget—it came from the Leader of the Opposition—of alleged deficits and that this Budget is somehow in the red. Can honourable members reconcile the calls from the Opposition frontbench for more spending with the claim by the Leader of the Opposition that it is a Budget in deficit? What in fact is the Opposition really saying—that we should have bigger deficits, more red, or is it going to advocate increases in taxes or bigger dividends from GOCs?

Opposition members cannot have it both ways. That just demonstrates how absolutely barren their arguments have been in criticism of the fundamentals of this document. They criticise us for our revenue; they criticise us for borrowing; they criticise us for spending too much; they criticise us for spending too little. Which is it? I think it is about time that Opposition members did some homework. After all, they probably have less than 12 months to pull together something which could be regarded as a coherent and respectable policy position to present to the people of Queensland.

Mr Bredhauer: Other than a State bank.

Mr HAMILL: Other than the State bank.

In fact, this raises a very interesting point indeed, because the only other strategy which would be available to the Opposition to deliver the sorts of things that its members talk about would, in fact, be a fire sale of assets. The reason we saw expenditure ratcheted up to such a degree in the too long but nevertheless short years of the coalition Government was the sale of Suncorp and the QIDC. We know only too well that the State's power assets were the next lots to come up on the auctioneer's block. Only through those sorts of asset sales could a Government seek to achieve the sorts of things that shadow Ministers talked about today. Mind you, in achieving the sorts of things that they talked about today, they would have been guilty of the same folly when it came to their raid on capital assets in the electricity industry, when they took capital assets and converted them into operating expenditure for departments as well as capital investment. As I said before, that is absolute folly in terms of the economic management of the State.

I am understanding of the embarrassment that must be felt by the honourable members opposite. However, I thought perhaps the most telling commentary on this Budget was, with due respect, not that delivered by the honourable member for Moggill nor, indeed, the member for Surfers Paradise; the telling commentary on the Budget was delivered on the one hand by the people of Queensland through the various commentaries around the State. The Wynnum Herald, for example, said "State Budget funds most welcome"; the North West Star, "Budget boon for area"; and the Townsville Bulletin, "Funds Flow North—Townsville region in Budget splurge". "Good budget", said the Cairns Post praising the document. "Budget earmarks \$545m for FNQ", said the Cairns Post, fulsome in its praise. This next one is a goody. The Warwick Daily News, again not all together a major concentration of Labor support in this State, said that the schools and emergency services have been big winners in the State Budget and listed a whole range of projects undertaken on the southern downs. The Warwick Daily News said "Budget bonanza—But Springborg says Budget is 'ho-hum' ". I think the indictment there was that they thought the local member was pretty ho-hum.

The Gold Coast Bulletin, in the backyard of the Leader of the Opposition, praised the Budget. "Thanks for the \$130m", the Gold Coast Bulletin said. It said that there are major benefits in terms of the capital infrastructure that is going to the region. Even my friends on the Courier-Mail offered the view that there were business plaudits for the capital works spin-off in the Budget, and I might say the QCCI and the Australian Industry Group both praised the strategy in the Budget.

Mr Lucas: What did Direct Action say?

Mr HAMILL: Direct Action? Is that an organisation associated with Queensland Country Life perhaps, which praised Labor's \$5.3 billion promise to the bush? That is, of course, the Capital Works Program.

Even good old Inala thought it was a great Budget. The southern suburbs of Brisbane thought it was a great Budget. The Central Queensland News praised the Budget. My local rag—very loyal as it is—praised the Budget. And the word spread. The Adelaide Advertiser stated very clearly in print which matched the colour of the Budget bottom line—big black print—"Queensland Budget still in the black".

I thought perhaps the other telling commentaries were to be had from financial writers such as Terry McCrann writing in the Herald Sun in Melbourne. He talked about the Queensland Budget as being a fine Budget. He talked about our bottom line, that our State has its superannuation, State debt and everything else more than covered by our financial assets alone, and he talked about how this was the consequence of highly desirable fiscal prudence. That is not bad praise coming from a finance writer.

I thought the most telling commentary of all came from the ratings agencies. It disappointed me greatly that the Leader of the Liberal Party would seek to run around and misrepresent what the well-renowned ratings agency Standard and Poor's had to say about Queensland. He may not understand that there is an appropriate role for borrowings. He may not understand that we can actually enhance our capital assets by borrowing for that capital. I think that, as a former professor of accounting, he would probably have lectured to his students, who may well have become captains of industry. I just hope that he did not fail his students because they believed they could actually borrow appropriately for capital expansion.

This Government has a very firm policy with respect to borrowings. We borrow only with respect to capital formation and, as I have said on repeated occasions, our borrowings will extend only over the economic life of those assets. We properly depreciate those assets over their life. What did Standard and Poor's say? It said—

"The budget for the Australian State of Queensland, which was brought down yesterday, shows the Queensland government's ongoing finances to be in good shape, although significant borrowings will be required to fund its large capital program ... "

It went on to praise us because of our full provision for our superannuation liability. It talked about how other States did not achieve that. It said—

" 'This is the opposite of the approach by the other states,' said Rick Shepherd, director, Public Finance Ratings. 'The other states are focused on reducing borrowings, but are not yet fully funding their accruing superannuation liability.' "

However, here comes the damning bit of evidence for the Leader of the Liberal Party after he tried to misrepresent this glowing report. Mr Shepherd stated—

"The general government sector is in an extraordinarily strong financial position to take on the additional borrowings ... All liabilities are more than covered by financial assets alone."

I had the pleasure of consulting with the chair of the Queensland Treasury Corporation, Sir Leo Hielscher, the morning after the Budget. Sir Leo came up to me and said what a great result the Budget had been. There has been no movement in the markets. The markets have cast a judgment on Queensland. They knew that we had sound fiscal management. That had been reflected in our competitive borrowing position. The market lapped up the Budget. I put more store in those assessments than the cockamamie economics uttered from the mouths of the members of the Opposition in their pathetic attempt in this debate to try to tear apart what is a very strong document.

The Government is very proud of its Budget. The Government is proud that it is delivering economic growth and jobs to Queensland. The Government is proud that it is enhancing services, particularly amongst those areas of the community which have been the most disadvantaged and the most neglected. My colleagues the Health Minister and Minister for Families, Youth and Community Care, who are present in the House, have very significant programs in that regard, programs which have been welcomed by the relevant agencies and sectors.

Ms Bligh: Their performance has been woeful.

Mr HAMILL: The Opposition's performance in areas such as mental health and disability services has been woeful. This Budget makes real headway to support families and groups who have been neglected and who have suffered real hardship over the years.

Ms Bligh: The Opposition Leader said that we have our policy priorities all wrong.

Mr HAMILL: As the Minister says, the Opposition believes that we have our priorities all wrong. I suggest to her that the people of Queensland believe that we have our priorities dead right in the enhancement of services and providing support for jobs.

The other point I make is in relation to the capital program. The Opposition has tried to portray the capital program as something of a sham. A \$5.3 billion capital program is no sham. A \$5.3 billion capital program is one which supports jobs and builds infrastructure and fuels growth. In terms of actual fixed capital formation, that is, the bricks and mortar, the roads, the ports—

Mrs Edmond: The hospitals.

Mr HAMILL:—the hospitals, the building assets and so on, we will deliver more assets and more fixed capital this year than we did last year. Last year was an outstanding performance. This year is going to be bigger. In fact, the business community recognises that the Capital Works Program is the best support that we can deliver to Queensland business.

Mr Bredhauer: \$1.83 billion in Transport alone.

Mr HAMILL: \$1.83 billion in Transport alone and \$1.3 billion in energy assets. This is about building a strong and vibrant Queensland which will generate jobs and deliver a high quality of life to the people of Queensland. As I said at the outset, members on all sides of the House welcomed the Budget. There was something in this Budget for families everywhere. I look forward now to the Budget being subjected to further scrutiny during the Estimates process and ultimately support for it from members on all sides of the Chamber.
