



Speech by

Hon. J. FOURAS

MEMBER FOR ASHGROVE

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BUDGET DEBATE 2001

Hon. J. FOURAS (Ashgrove—ALP) (12.16 p.m.): I am very pleased to take part in this budget debate. It is amazing that all members opposite have had the same gripe. They have all complained about the lack of capital works in their electorates and they have all complained about the lack of human service delivery. They want to be all things to all people, yet they do not want to raise taxation. The only way they could meet their stated goals is to have a massive increase in taxation.

Those opposite have learnt nothing and forgotten everything. In relation to the delivery of human services, we have to catch up for the 32 years of the Bjelke-Petersen government, which left this area completely untouched.

Mr Springborg: You have been in government for 10 years almost.

Mr FOURAS: And we are getting there. We are getting up to the Australian average very quickly.

I congratulate the Treasurer for delivering in this budget all of Labor's election promises. I congratulate him for delivering a budget for all Queenslanders. In his budget speech the Treasurer said that Queensland's financial fundamentals are strong and that our balance sheet and cash flow remain the envy of all other states. That says everything. Growth in Queensland in the last financial year was 3.5 per cent, as compared with the Australian growth rate of two per cent. In this budget, growth is forecast at four per cent, compared with an Australian growth rate of three and a quarter per cent. We have financial assets exceeding \$15 billion and our net worth is increasing. People can see that we have the fundamentals in this state right. I think we all benefit from good budgets.

I will talk about how this budget impacts on my electorate in just a few areas. There is \$1 million in this budget as part of a \$3 million upgrade of the Gap State High School. This high school has delivered great educational outcomes, but it is getting run down. This upgrade will give people in my electorate a true choice in relation to state school education.

This budget also provides a further nearly \$2 million for public housing capital works in my electorate. The Bjelke-Petersen government never accepted the need for public housing, and we therefore had the lowest per capita public housing component in Australia by far. Even the Borbidge government gave over \$100 million back to the federal government to reduce debt rather than undertake capital works, because those opposite do not believe in public housing. This budget allocates half a million dollars, to follow the half a million dollars allocated last year, towards the further refurbishment and fit-out of the Alderley police depot.

As did the member for Mackay, I will talk about the Community Jobs Plan. There have recently been two successful applications in my electorate. The most recent one is Unicare Ashgrove, a service run by the Uniting Church which seeks to look after about 80 families in my electorate, with respite care and emergency care. That organisation has been able to buy new premises. Not only will it have a wonderful facility, some long-term unemployed people will also be given skills. The outcome in the electorate will be so positive.

What do people do when they work for the dole? They weed creeks. But we now have volunteers who do that. It involves no skills, and they receive no training. There is no support for the long-term unemployed. I had the privilege of being the president of the Enoggera SkillShare for eight

years. The outcomes we were getting from there were that, with the majority of our programs, over 60 per cent of people were getting into full-time and part-time work. But when Howard came to office, they were all abolished. If we are to have equity and cohesion in our society, we need to make sure that we provide opportunities for those people who are falling off the fast train of globalisation.

This debate on the budget seems to have been about capital works versus service delivery. Politics has always been about how we slice the economic cake. The real political decisions in any government happen at budget time, and it is about which slice of the economic cake goes to which person. Look at the last two decades—the decades following Thatcher and Reagan. We had the politics of tax cuts at the cost of public services all over the world. We had right-of-centre governments being elected and bringing in those policies. We had greed and private interest versus the public good. So we had private interest leading to public squalor.

It is interesting to note the voting trends in the last election in the United Kingdom. Voters there were opposed to the Tories' promises of tax cuts and privatisation. The voters saw that as irresponsible; they preferred better public services. As a Labor government we have to make sure that we respond to the winner-takes-all cost of globalisation, because it is not sustainable. The leader of the Liberal Party said—

Mr Lucas: Which one was that?

Mr FOURAS: Mr Quinn, the third one. He said that the government would rue its cutting of the size of its capital works budget because it would cost jobs. But he was wrong, because there was no cutting of the capital works budget. But there was not as much as some of the people in the business sector wanted.

What if we wanted to please the Business Council of Queensland in this budget? It would want \$400 million or \$500 million more in public works spending. Where would we get that from? Would we get it from the 8.9 per cent increase in education? Do we want to leave our young people behind and not give them a future? That is the difficulty of this argument.

The real concern by opposition members in this debate has been about the unemployment figures. It is really unfortunate that they can, in some ways, mask what is really happening. As I said earlier, we are experiencing growth above the Australian average in this state. So on that basis we must be doing something right. But when we consider our very high participation rate in Queensland—over 65 per cent - and the immigration rate of 1.5 per cent to two per cent, we can see one of the reasons why unemployment in Queensland is high compared to that in other states.

We were doing very well until the middle of last year. Queensland's unemployment rate was only 7.5 per cent in the middle of last year—a 10-year low. Then suddenly things went quite sour. Things were happening across the nation, but the situation was worse in Queensland. Queensland is always the first state to feel the chilly winds of a recession, but it is also the first to show an improvement. I do not believe that the government policies that gave us that 7.5 per cent have changed. They are right. I believe that the only change that occurred in that time was the GST, which has more of an effect on a service sector economy like Queensland's. The GST affects small business more. And then we had the blow-out in fuel prices and increased interest rates by the Reserve Bank. So I think that answers the concerns of members opposite about unemployment.

We need to take note that Queensland is on the right road to becoming the Smart State. We need to drive our economic strategies towards the new knowledge industries of the information age with thousands of new jobs in IT, technology and biotechnology. I believe that the \$100 million for the Research Facility Fund, the \$10 million for the Aviation Centre of Excellence and the extra money for education will lead us down that road.

I remember some time ago reading that the Queensland Competition Authority said that it was not the role of state governments to usurp financial markets by building up and investing in a large portfolio of financial assets. Of course, it was talking about a portfolio which is in excess of \$16 billion. What is it saying? Is it saying that we should let the financial sector invest that for us in the private market?

Australia's monetary policy is run largely for the benefit of the financial sector. The inflation target is the only real target for the Reserve Bank of Australia. It allows the financial sector to exploit profit opportunities by building demand for debt to finance activities in shares, properties, mergers and consumer credit. I note that there has been a growth in private sector debt in the last few years, and it is escalating. It is currently six per cent of gross domestic product—double the average in European countries. What we are seeing is a finance sector without an incentive to invest in areas where we will have growth and in areas where we will get industry, because they regard that as a high risk. The financial managers of today—the fund managers of today's world—are interested in the bonuses that they are going to get at the end of the year. They will not take risks in new industries that require success. So we need to promote investment in that sector in this era of globalisation.

Historically, we have three choices. Governments can do it themselves—like the Taiwanese strategy—in terms of investment in these areas; they can do it like the Irish—by subsidising multinationals to do it; or they can do it like the northern Asian and German people do—by regulation, compelling the finance sector to do these things. We are actually trying to do it by having some government involvement.

The United States has massive expenditure on its Army for R&D, and it has massive expenditure in the space age. We do not have that. As I said, there are no incentives to fund managers to consider the national interest. I believe that this policy will continue to drive the Australian dollar lower and lower and, ultimately, will threaten inflation. In many ways I believe that, in this regard, we will see an ideology that has with it the seeds of its own destruction.

We now have a trade deficit in manufacturing—over eight per cent of gross domestic product—the highest in the OECD. We are going nowhere. We need to adapt new technologies to traditional industries. We need to gain innovation and management skills. We need to have the benefits of research and development and education expenditure to accrue to Australians. My son is about to finish a PhD in mechanical engineering. He possibly has to go overseas to get a job. What investment will be made in him? We are not going to get it unless we change our ways. And if we do not do this, our manufacturing base will continue to decline and, consequently, the proportion of full-time jobs paying reasonable wages will also decline.

With regard to industrial relations—Alan Wood in the *Australian* incensed me when he wrote—

Beattie has introduced what is probably the worst system in Australia, turning the clock back to the rigidities of arbitration tribunals and awards and effectively abolishing individual contracts. This can't be good for jobs.

So he wants us to follow the Reith experience. I watched the segment called 'The Insider' on the *Sunday* program of 8 April. That program showed quite clearly what the Reith experience is. Agent provocateurs were brought in to help sack workers.

What happened at that meatworks? The G & K O'Connor meatworks at Pakenham near Melbourne was the scene of the longest lockout by management of workers in Australia. They were locked out for an unbelievable amount of time and were taken back only on individual contracts. That meant that they all lost 30 per cent of their salary. They lost all the conditions for which they had worked for a lifetime. The economic rationalists like Alan Wood want to deregulate the labour market; and by deregulation they mean lower and lower wages and not looking after people. Yet we are told that we should mimic the experience of others.

We are about social justice. We are about social cohesion. We are about a society that looks after all its members and tries to give people their day in the sun. I congratulate the Treasurer and the Beattie Labor government, because this was a Labor budget. This was a budget that got a balance between looking after people in need and making sure that the economic parameters were right so that we can keep our AAA rating. I predict that in two years time, before the next election, people will be in awe of the budget that this Labor government will bring down. Those opposite can take the smiles off their faces, because they will not have anything to run with for that election.

I congratulate the Treasurer again. I am proud to be part of the Labor government that brought down this budget.
