



Speech by

**Mr M. HORAN**

**MEMBER FOR TOOWOOMBA SOUTH**

---

Hansard 21 June 2001

### **BUDGET DEBATE 2001**

**Mr HORAN** (Toowoomba South—NPA) (Leader of the Opposition) (11.31 a.m.): The National Party has a real vision for Queensland. We have a vision that the unemployment rate in this state can go from being the worst in Australia to being the best in Australia. The National Party believes that Queensland, of all states in Australia, should be able to achieve this. With our natural resources, our sunshine, our innovative people and our enterprising youth, why can Queensland not have the best unemployment figures in Australia instead of the worst?

If there is one thing that stands out about this budget, it is its absolute failure to address the worst unemployment figures that exist in Australia. It is an absolute disgrace, and the Labor government should be ashamed that, after three years of financial management, all it can deliver to this state and to the young people of Queensland in particular are the worst unemployment figures in Australia.

From the outset when we returned to this parliament in opposition, I said that the Queensland National Party wanted to be a productive opposition that made positive comment and put forward ideas so that we can actually bring about some improvement in this state. I will be making some comment during this speech about the way in which the Queensland Nationals believe we should be addressing, attacking and fixing the unemployment figures in this state of Queensland.

This budget totally lacks vision. We feel like the Treasurer is sitting out there in his chair on the veranda waiting for something to happen. The same old tired remedies that have been used for the past two or three years, which have continued to deliver a declining employment position in this state, have been applied again—short-term, ad hoc, feel-good schemes that do something only for three or four months and deliver nothing at the end of the particular scheme. It is time for Queensland to have some real structure to its budget. It is time for Queensland to have some real vision to its budget—working towards something that is achievable, that is practical and will actually deliver the changes that we need region by region, town by town, city by city—so that we can address the unemployment problems and do what the National Party wants to do, that is, give hope and chance and opportunity to young Queenslanders.

The young people of our state deserve the best they can possibly have in education, training and skilling. They deserve, at the end of that, to have optimism and to be able to see that, in this state, there is a government in place that can actually create jobs—permanent jobs, interesting jobs, flexible jobs, a choice of jobs—the sort of position that should be available in Queensland when we take into account our geography, our sunshine, our range of climates, our natural resources, our mining interests, our agriculture, our tourism, our hospitality and our business and service opportunities. All of these should be directed through a visionary outlook in the budget, but that just does not exist in here. That is the great disappointment with this budget.

The government is obviously sitting back on a declining financial position waiting for the GST windfall that is going to come in this financial year and increase year after year from the next financial year. But there is no real effort to shape the state, to shape the capital works of this particular budget or to shape the direction that we are taking, other than the projects that surround the Smart State issue. I will get to that shortly, because we do support the Smart State. But the point I want to make about it is that that takes a substantial amount of time, and it will look after particular segments of the economy.

But we have to look after those people who need semiskilled jobs, trade jobs, unskilled jobs and professional jobs. Not everybody can work in the smart economy, but the smart economy can make some contribution to some of these other sections of the economy about which I have spoken, and it can act as a help. But we have to look at a visionary framework. And that is what the National Party wants to push this government towards during the next two or three years in opposition.

I have commenced my remarks by speaking about the unemployment situation in Queensland, but I want to speak particularly about the basic finances of this state. I want to speak about the capital works of this state, which are so important in providing for employment, and I want to speak again in detail about employment in this state.

To get to some of the basic fundamentals of the budget—this is a new budget. This is a budget for the year 2001-02. One of the important things about a budget when it is brought down is to have a look at the government's performance for the past 12 months. This budget is not only the new budget that we are looking at; it is a report card for the past 12 months. We should be looking at the financial performance, the financial control and the financial management, and what was the discipline, what was the control and what was the performance.

If we look first of all at spending—spending blew out by \$919 million to \$19.071 billion—a massive blow-out of \$919 million. How could that occur if we had strong, tight, accurate fiscal control department by department month by month? We should never have a blow-out of that amount. The government has tried to put a spin on it. It tried to talk about the HIH collapse as though that was a major contributor. But it was only a minor contributor. We have heard the Treasurer tell this parliament that it was going to cost the state about \$8 million per month over the next three years and then a lesser amount over the next couple of years after that—over the next five years, in other words. He has since told the parliament that it is not going to cost that much—probably about \$240 million over the next five years. But the HIH effects upon this state in terms of cash really have occurred only in the past three months since that collapse. So there is no point in trying to put that spin on the massive blow-out in spending that occurred. At the same time, revenue increased by only \$71 million to \$18.251 billion. So instead of the predicted \$29 million surplus—the operating surplus that was supposed to exist and which was predicted in the budget for 2000-01—we actually had an operating loss, a deficit of \$820 million.

But have a look at the real loss—what is called the fiscal loss—and add to that the loss that came through the capital accounts, and we get \$1,700 million, or \$1.7 billion. That is what is happening in Queensland. It is no wonder that, after all the years of Standard & Poor's saying that we had a AAA rating, it is suddenly starting to qualify that—and seriously qualify it—by talking about our weakening position. And unless this is arrested, that AAA rating will decline. The time has now come to arrest that decline. This state can no longer afford the continued deficits that are occurring.

I said I wanted to speak about capital works. Capital works have been described over and over again as an important cog in the job creation strategy of this state. If they are important, then the capital works budget should all be spent, and in this past financial year \$278 million was not spent. So in the oversight of the finances of this state, we had a blow-out in spending in the recurrent accounts of over \$900 million. In the oversight of what was actually being spent in the capital accounts of this state \$278 million was not spent. How many lost jobs that cannot be picked up later on did that represent? What has happened is that in the new financial year, on a budget-to-budget basis, capital works spending will be reduced. At the very time when we most need to create real jobs for contractors, subcontractors and tradespeople and all the services that supply the various goods to construction projects, capital works spending has been reduced on a budget-to-budget basis.

Earlier I spoke about the \$820 million operating loss that had occurred in the recurrent accounts, in the operating accounts. If that \$278 million of capital works had been spent, as it was supposed to have been, then there would have been an even greater operating loss of \$1,098 million. So what has happened—

**Mr Mackenroth:** That's not right.

**Mr HORAN:** No? What has happened is that the government has not spent the money that should have been spent on capital works.

**Mr MACKENROTH:** I rise to a point of order. I need to correct the Leader of the Opposition. That is not correct. Charges are brought to account under accrual accounting. If he is going to make a speech on fiscal matters, he should at least understand what he is talking about.

**Mr DEPUTY SPEAKER** (Mr Mickel): There is no point of order.

**Mr HORAN:** Some \$278 million was not spent in an attempt to make the books look a lot better. How many jobs were lost in that process?

In the 2001-02 budget, there is a reduction in capital works spending. The reduction comes down, on a budget-to-budget basis, to \$5.115 billion. That is a 3.22 per cent drop. If we add into that

the inflation that is occurring and the inflation that actually relates to much of this capital construction, on that budget-to-budget basis, in true terms we are looking at a six per cent reduction at a time when capital works spending is absolutely essential. This reduced spending will result in job losses.

Capital works spending is not being used as an effective tool in attacking the dreadful unemployment figures that we have. There is not enough targeting of capital works spending to implement capital works projects that also lead to jobs once they are completed.

On the issue of spending, on a budget-to-budget basis spending rises six per cent to \$19.237 billion. The increase in revenue in this current budget again is six per cent, to \$19.261 billion, and the previous figure was \$19.237 billion. Again, we are predicted to have an operating surplus of \$24 million. Only \$24 million with all that spending! Remember the result of this 2000-01 year—a \$29 million surplus was predicted, and that crashed to a \$820 million deficit.

GST revenue was up \$4.636 billion to \$5.198 billion, plus \$213 million of balancing assistance from the federal government. That is going to give, through those GST sources, a guaranteed minimum amount of \$5.411 billion—an increase of 5.6 per cent. Overall in revenue, we see this increase in GST. We see an increase in national competition payments—from \$85.9 million to \$134.6 million, an increase in national competition payments of some 56.7 per cent. Total Commonwealth payments amounted to \$9.3883 billion—an increase of 4.7 per cent.

It is interesting to look at other state revenues. Gambling tax and levies are predicted to fall. Payroll tax rose 6.1 per cent, and the Treasurer has spoken about reductions in the rate of payroll tax. In the last budget speech, 12 months ago, it was predicted to drop from 4.9 per cent to 4.8 per cent, and that is being delivered for the forthcoming 12 months, and there is a prediction of a further drop in another 12 months time from 4.8 per cent to 4.75 per cent. The National Party welcomes this drop in payroll tax. It is going in the right direction, but it is going in minuscule amounts. The collection of payroll tax rose by 6.1 per cent. The new arrangements in this budget for payroll tax will change the overall assessment system so that that decrease will actually be cost neutral.

If you actually want to have a look at it, say you have a payroll of \$1 million, where the threshold for payroll tax is \$850,000. On a \$1 million payroll, at 0.05 per cent, that amounts to \$10 a week—hardly enough to put on staff or buy equipment. So whilst we welcome the downward direction of payroll tax, I think we have to keep it in perspective. If we are about creating business investment—and business investment creates jobs—the payroll tax deductions have to be more realistic so that they do allow businesses to invest in equipment. Investment in business equipment is the measure of employment opportunities. People cannot work unless there is equipment to work with. You do not have a job unless there is a machine to drive or a piece of equipment to work with. If we can increase business investment in this state, that could be part of the plan and the vision to create more employment.

Whereas investment earnings have been down, they are predicted to rise 28 per cent in the forthcoming budget, and we see increased royalties coming particularly from the mining sector, mainly because of the lower Australian dollar, which has enabled the mining sector to increase its exports. But a warning should be sounded here, because the government has put out the message that it will review the royalty arrangements, and that is obviously with one thing in mind: to collect extra money from the mining sector. The mining sector of this state contributes at least 20 per cent of our exports. The mining sector of this state is one of the major exporters in Queensland. It provides the outside money that comes into Queensland to offset moneys that go out of our state on fuel prices and other imported goods.

The mining sector provides employment throughout regional Queensland, particularly in central and northern Queensland. The mining sector has gone through some of the toughest and hardest years, with some of the decline in the economies in South-East Asia meaning that contracts have had to be renegotiated. The mining industry itself has had to go through enormous amounts of restructuring to remain viable to keep its operations going. Now, just as it starts to turn the corner, we hear the government talking about a review and a new system, a new way of arranging how royalties are collected, obviously with a view to collecting more money. If there is one thing that will damage the mining industry at this point, as it comes out of a very difficult time, it is any more increases in the royalties or charges or the systems of royalty collection that are imposed upon it. The National Party wants to make a strong point about the importance of the mining industry to our state and its importance in providing jobs for Queenslanders, particularly young Queenslanders, families, tradespeople and people in regional Queensland.

I turn to a couple of comments that have been made in the financial media about the fundamentals and the fiscal responsibility—or irresponsibility—of this budget. This budget got off to a bad start, because on the very morning of the budget we saw the Treasurer come into this parliament and announce with two or three hours to go before budget time that there was going to be a change to the Charter of Social and Fiscal Responsibility. In the usual arrogant way that this government, with its dangerous majority, treats this parliament, instead of providing the parliament with plenty of time to look

at the results of that change—to work out why it was being done, did it mean a lessening of accountability, did it mean a change to the way in which this budget could be compared with other budgets—in an obvious attempt to do it at the last minute, it dropped it into the parliament with a couple of hours to spare before the budget was brought down.

That means that, instead of the budget conforming to the government's financial standards and the Australian Accounting Standards, it now conforms to only the one. The change in the presentation of the budget is part of the smoke and mirrors that makes it difficult to compare this budget with previous budgets. It is about dressing up the Charter of Social and Fiscal Responsibility and then at the last minute coming into this parliament and dropping the news that the Australian Accounting Standards were no longer going to be part of that charter of responsibility.

I have mentioned already the surplus that was predicted and the actual operating loss that was provided. When we look at the actual fiscal balance compared to the operating balance, we see that the position for this state becomes far more serious. I would like to refer to an article by Associate Professor in Economics and Finance at QUT, Marc Robinson. In that article he makes the following point—

Fiscal responsibility requires that the Budget should be balanced.

He states further—

This Budget is not fiscally responsible, despite what the Government is telling you.

He states further—

More precisely, it requires that it should be balanced on average over the economic cycle.

He goes on to state—

This Budget fails this test. How can that be, you might ask, given that the Government is projecting an operating surplus of \$24 million in 2001-02? The problem is two-fold. Firstly, the projected \$24 million surplus is misleading: the reality is an underlying deficit. Secondly, even if the \$24 million surplus figure were fair dinkum, it would not be large enough.

The \$24 million surplus is misleading because it is padded out by asset sales receipts transferred into the Budget by public enterprises. The surplus figure relates to government departments, and excludes government enterprises. On a consolidated basis (adding together both departments and public enterprises) the reality is an operating deficit of \$225 million in 2001-02.

How, specifically, will this transfer of funds occur? The Government will, during the year, receive substantial funds from the sale of the Brisbane Markets Corporation and the long-term lease of the Dalrymple Coal Terminal. This money will be transferred to the budget via special "dividend" payments. These special dividend payments are treated in accounting terms just like revenue and therefore "improve" the operating surplus. The Budget papers don't tell you the amount which the Government expects to raise. But it's pretty clear that, without these transfers, the Budget would have been in deficit to the tune of at least \$100 million.

So this article is really saying that the reality is that this budget's operating deficit is \$225 million, not the picture of the \$24 million surplus that the government is trying to paint.

I would like to turn to some other comment that has been made on the budget. I refer to the *Australian Economic Comment* by UBS Warburg. The headline is similar to the headline of the article by Associate Professor Robinson from QUT. In that article, Associate Professor Robinson referred to the budget as being irresponsible. This headline states, 'QLD budget—a deterioration', and no wonder Standard & Poor's has given a qualified warning to Queensland's AAA rating, which appears in today's paper. The *Australian Economic Comment* states—

The Queensland Government today handed down its budget for 2001/02, and by our figuring, there were few signs of fiscal discipline. The government has focused on the net operating surplus which is in surplus, rather than the more credible fiscal balance, which is not. There is also a significant expenses over-run in the 2000/01 budget year. On a more positive note, at least the budget position is forecast to improve over the out-years, although there must be some question mark over these projections given the slippage evident in 2000/01.

At that time we saw a predicted \$29 million surplus and we were delivered an \$820 million loss. The article goes on to state—

In the first instance (and like their Victorian counterparts), the Queensland Government starts off with a black mark for building a budget around a capital works program and then focusing on the fiscal measure of the budget bottom line (the net operating balance) that excludes the cost of those capital works. The reported operating balance of \$24 mn for 2001/02 compares with a fiscal deficit \$499 mn which rises to a surplus of \$86 mn by 2004/05 ...

Secondly, the more credible fiscal balance, reveals a substantial deterioration in the projected outcome for the current fiscal year 2000/01. The budget is expected to be in deficit by \$1.7bn—

which is the figure that I gave earlier in this speech—

... quite a turnaround from the \$100 mn deficit in 1999/00, and a deterioration of about \$1bn from this January's mid year review—

That is a deterioration of about \$1,000 million from this January's mid-year review. The article states further—

This in small part reflects the \$230mn costs associated with the HIH collapse—

as I said, that is over the next five years—

as well as about \$108 mn due to the transfer of assets from the State Government to a joint local entity. The sustained difference over the forecast years between the cash and accrual based fiscal measures is something we are still trying to figure out ...

The deterioration in the budget position for 2000/01 largely reflects a startling increase in expenses of 16% or \$1.8bn from the previous year (excluding the impact of HIH). Going forward, expenses are conservatively forecast to rise by 3.5% per year.

As I said, this budget has lots of smoke and mirrors, but the warning signs are there. The spending by this government has been greater than the income it receives. For example, this morning I referred to the operating costs of the budget and the operating loss of \$820 million, which is equivalent to someone with a take-home pay of about \$600 a week spending around \$633 a week. That cannot continue unless they are selling off some assets—selling off the car and getting a cheaper car, or selling off some machinery or equipment, or selling off the house and renting a place.

So it is no wonder that the unemployment rate in this state is in such a mess. We do not have the proper fiscal discipline, we do not have the control and management of finances, particularly the expenditure of this state, and we do not have the vision that I spoke earlier to do something about the unemployment level in this state.

We need to put a proper plan in place and develop a proper analysis of what is happening with unemployment in this state. Why is it the worst in Australia? Why is it slipping further and further from the Australian average so that it has reached the lowest point in a decade? We need an analysis of regions like the Burnett. We need an analysis of the young, the unskilled and the semi-skilled who are out of work. Then we need to come up with a plan to fix those problems on a local and a regional basis.

We need a plan that can be targeted at the particular capital works that will help all classes of people looking for work, such as skilled, semiskilled and unskilled workers. We need to focus on capital works that will drive small business, so that it can start to expand and employ people. Small business is the greatest provider of employment in the state. We need to focus on projects that will develop exports. We need to focus on projects that will help value adding. We must develop a plan that focuses on manufacturing, so that the people who want jobs in manufacturing areas can find them. Not everybody can work in the high-tech environment of the Smart State. Some people need to work in manufacturing. Some people need to drive equipment and machinery. Some people need to load and pack things. Some people need to do trades work. We have to look at the areas within Queensland where employment is bad and do something about it.

We need to look at the needs of young Queenslanders. We have to look at areas like hospitality, tourism, management and trades. This budget does not work towards that. It does not have the vision or the targets that will do something about unemployment. It simply puts on the same layers that the government put on last time and the time before that, which are just stopgap measures. No-one has sat down and tried to work out where to build irrigation dams. No-one has thought about what we should be doing for tourism and marketing so as to increase jobs in those areas. No-one has examined where to put roads and ports to allow business to run more efficiently, thus attracting more business to Queensland. Where is the plan to reduce business costs by a substantial amount so that business can use those savings to buy more equipment and employ more people, thereby actually doing something about unemployment?

The real and tragic failure of this budget is that it is not built on a well thought out plan. It is more of the same old thing. There is no vision, there is a reduction in capital works and there is nothing to make business investment confidence increase. There are just these simple and tired plans of the Labor Party which are designed to help with its publicity campaign but which at the end of day will have little practical effect. In fact, if anything, they will drive our unemployment figures further and further from the Australian average.

My shadow ministers will speak at some length about their portfolios. As Leader of the Opposition, I want to speak briefly about the Premier's Department. I make one point: considering the needs of the unemployed of this state, this is a time when there should have been and could have been every endeavour made to reduce any expense that could be considered unnecessary, and that saving could be put towards the sorts of things that would have bettered the employment prospects of young Queenslanders. If we look at what the Premier's Department had in its budget last year and see what it has this year, we get a real idea of where the priorities of the government lie. The budgeted figure for 2000-01 was \$2,861 million. The budgeted figure for 2001-02 is \$3,324 million, that is, an increase of 11.6 per cent budget to budget at a time when revenue is expected, from memory, to go up by six per cent and when every dollar is needed to look after young Queenslanders and give them a chance to get a job.

To demonstrate again the arrogance of the government—whilst the Premier's Department allocation went up by 11.6 per cent, funding for the opposition went down by 26 per cent from \$2.37 million to \$1.8 million. When that was announced not long after the election, I made the point that the National Party would cop it on the chin, that we would accept it. We had not won the election and that was what we were given by the Premier, but again it demonstrates the arrogance of the government.

At the time, the Premier tried to gloss it over by saying that every electorate in the state would get a second electorate officer. Yes, that happened, and many of those electorates needed that badly. However, all the ministers' offices got another electorate officer, so it made no difference whether one

was in government or in opposition as to whether or not allocation was made for a second electorate officer. We were told to pool our second electorate officer allocations and use that to make up any deficiencies in the staffing budget. That means that opposition members were expected to work in their electorates with half the staff that government members have in their electorates.

As I said, we copped this reduction on the chin. However, that saving should have contributed to some decent employment schemes for young Queenslanders. When one sees the largesse of almost 12 per cent that the Premier has provided to his own department budget to budget, it quite clearly stamps the government's modus operandi as arrogant. The government concentrates on making sure that it has the maximum amount of money for publicity, glossy brochures and everything else. However, the budget totally lacks any vision or plan to make the budget really deliver something for now, next year and the year after for young Queenslanders and unemployed Queenslanders. In fact, the Premier has put himself before the young people of Queensland.

My shadow ministers will speak on a number of items relating to their budgets. One of the things that is very distressing to Queenslanders is the way that rural and regional Queensland has been neglected in this budget. Comments have come from the far north of the state, from the mayors of Townsville and Cairns, who have made sincere complaints about the lack of funding and the lack of attention paid to that part of the state. Similar comments have been reported in the media from the Gold Coast.

One of the items that concerns us is local government, which is running on empty. Capital outlays for the once high-profile Department of Local Government have diminished from \$200.6 million to \$173 million. Grants to local authorities are going down to an estimated \$437 million from an actual of \$449 million last year.

The shadow minister for natural resources reports that, for the fourth consecutive year, the 2001-02 state budget, which was handed down in state parliament on Tuesday, contained no funding allocation to construct much-needed water storage facilities. If ever there was something that would have delivered jobs for young people, if ever there was something that was obvious in the targeted plan that we are suggesting, it is the water storage proposals which have been bandied around for the past four years but which have never actually come to fruition.

A decent water storage facility such as the Paradise dam in the Burnett or an increase in the height of the wall of the Walla weir, once completed, would have the immediate benefit of creating not only hundreds but probably thousands of jobs. Such proposals would create jobs for people involved in the field, in picking, planting and production areas; for people involved in the packing sheds; for people involved in the transport and export industries; for people involved in negotiating export deals and marketing products; for people involved in technology and genetic development within agricultural systems to produce new and better products; for people involved in light engineering and manufacturing; and for people involved in repairing, maintaining and selling machinery, equipment and the technology required for farming, packing and processing operations. That is so obvious to everybody and it would work so well, yet it is neglected year after year. That is one of the great disappointments for rural and regional Queensland.

The Queensland Police Service's capital works budget has again been reduced by \$4.4 million. We also saw a reduction in that budget last year. We saw a reduction in the budget for its equipment needs, which meant that it had fewer cars and equipment.

We have seen again that this budget divides Queensland school students into the city haves and the rural have-nots. This budget sees a reduction in capital works spending in rural and regional Queensland, with the concentration of money being spent in the south-east of the state. City and country children need to be treated fairly and to be treated equally.

The dairy farmers have missed out again. We have spoken about this issue for the past two years because of the deregulation of the dairy industry by the Labor government. At the last election the National Party proposed funds being made available to assist dairy farmers in the transitional stage. We also proposed bringing together the processors, the major corporate supermarkets and the dairy farmer groups to try to work out an increase in the price paid to farmers so that they could earn a decent living, a viable income.

As I mentioned previously, this budget certainly does show the huge increase in national competition payments flowing through to the government from some \$80 million to about \$140 million. The dairy farmers have been deregulated by the government, the government has received its financial reward in terms of increased financial payments through the national competition policy system, but this state government gave not one single dollar of assistance to the dairy industry.

The budget as it relates to the DPI is a most amazing story. Over the past three years 534 staff were sacked or displaced from the DPI. Look at this budget and look at all the stopgap, short-term schemes that have been put in place under the Breaking the Unemployment Cycle program. On the one hand we see 534 productive jobs—people such as stock inspectors out there in the field who give

information and assistance, which helps increase the efficiency and the way that primary industry works as well as research people and others who work with the DPI—gone over three years. What do we have instead on the other side of the ledger? We have all these little schemes. The government has probably used the money that has been saved from trashing 534 jobs to actually put in place these artificial, short-term schemes on the other side of the ledger that leave so many people disappointed at their completion.

My shadow minister for northern development has said that north Queensland pays for Beattie's Brisbane blow-outs. So the major spending is occurring here in the centre of Brisbane. We all recognise that spending has to occur here in our capital city because all of us come here and use our capital city. But it has to be balanced with all the other decentralised cities of Queensland. We are the most decentralised state in Australia, and that is our strength. It needs to be balanced by spending money in the north of our state. As our shadow minister has pointed out, north Queensland is paying the price for the multimillion-dollar blow-outs on transport projects that are occurring at the southern end of our state.

Here is more from our shadow minister for environment and heritage about government underspending on national parks. He says that in the past year the government said it planned to spend an average \$5.50 a hectare on parks maintenance, but instead it spent just \$4.50 a hectare. It underspent the budget by some \$7 million, yet in this current budget it has the audacity to trumpet that it plans to spend about \$7 million in the coming year on visitor facilities, resource management, upgrading infrastructure and management systems. That is more smoke and mirrors—using unspent money from last year this year and announcing it as some sort of new initiative.

The shadow Attorney-General and shadow minister for justice has stated that the government has turned its back on the Townsville drug court. This was an initiative of the shadow minister, the member for Southern Downs. He alone in this parliament fought to have drug courts introduced into this state as a new initiative. Finally the government was dragged kicking and screaming to follow that suggestion. That suggestion has compassion and practicality built into it so that we can treat some of those people involved with drugs and get them off drugs. Often those involved with drugs are also involved in low-level crime. If we can get them off drugs, then they will not become involved in serious violent offences. Introducing drug courts will allow us to do something practical about the situation.

The Beattie Labor government again has turned its back on the people of Townsville by putting the promised drug court for that city on the backburner in order to fund budget black holes caused by the overrun of projects in the south-east of the state. It has also turned its back on the Cairns drug court. Those are probably two areas of the state where it is important that we have that system put in place, and so it goes on.

My shadow minister for families has questioned why the forecast expenditure in the 2000-01 budget allocated for residential accommodation has not been spent. Again, we see all these things that have not been spent. As I said earlier in my speech, the capital works spending—almost \$300 million—has not been spent. That is probably one of the greatest examples of financial mismanagement.

Again, my shadow minister for health talks about the rehabilitation beds. There was an election promise of 50 drug rehabilitation places. During the election campaign, the Premier promised an extra 50 residential drug rehabilitation places to be based in Cairns, Townsville and Mackay, and yet they have not been delivered in the budget.

Even the union movement is disappointed with the Beattie government. Our shadow minister for emergency services, Ted Malone, has said that the union undertook a survey of members last year which identified that Queensland ambulance officers were suffering work-related stress as a result of overwork. As I recall, they also complained in that survey about the lack of equipment and resources. Nowhere in this budget is there a specific purpose amount to address these particular concerns.

My shadow minister, Mr Malone, said that \$1 million has been identified to cover emergency service equipment for the whole state. \$1 million would not go far when we consider the individual costs of the equipment identified within the budget. Our emergency services need personal protective equipment, such as overalls, boots, helmets, safety glasses for SES volunteers statewide, wet weather clothing to benefit 2,500 volunteers statewide, safety at height equipment for 180 SES groups, and new and replacement communications equipment for 49 SES groups throughout the state.

Finally, the shadow minister for health is calling on the Beattie government to account for staffing. Our shadow minister has asked the Minister for Health to explain how she is going to cut waiting lists in hospitals around the state when the increase in staff numbers is only one per cent. How is the minister going to promise the 500 student nurses when staff numbers are going up by only 120 across the state on the minister's own budget figures?

That is a snapshot of the smorgasbord of broken promises that demonstrate the dire consequences when the government lacks financial discipline, suffers such a budget overrun or deficit

in the preceding year and suffers that shortfall in spending on capital when it comes to the actual delivery of the things that matter—the services.

I have been critical of some of the aspects of this budget, but I have also been positive in saying what the National Party would do. I have been positive in saying how the major issue of the state, the unemployment issue of the state, should be addressed. We want to be useful in this parliament and we want to put forward positive ideas. We think that a number of items in the budget were good, and I would like to give credit where it is due.

In particular, we support the \$100 million Smart State research facility fund. Great care will have to be taken when deciding how that money is used. I have no doubt that there will be lots of applications and calls for this money. It is an area in which equipment can very quickly get out of date. But it will take great care to try to select those sorts of projects which have good prospects, which have not only the intellectual capacity to develop but also a very strong probability of being able to turn that intellectual development and knowledge into new products, new technology and new inventions that actually go on to produce the employment opportunities and the business opportunities in this state. We should also consider the human side of this, because these technologies may give people a better quality of life, and in the health area that may be a new medicine or new treatment. That is also a very important aspect of the technology.

I again make the point that, whilst the opposition supports Smart State research, research of this kind takes time. However, people need jobs today. As part of this process there have to be projects that can soak up those employment needs in order to lift employment growth. At the moment Queensland has a nine per cent unemployment rate, but this budget's predicted average is eight per cent for the year. That means that in 12 months time the rate would have to have fallen to seven per cent to achieve the eight per cent average for the year. A two per cent employment growth and a two per cent labour market growth mean that there is no net increase in the actual improvement of the unemployment figures. We need to get that unemployment growth above two per cent. In order to achieve that it is important to get the right plan and to look at what is needed where.

I turn now to the Home Assist-Home Secure program for seniors and acknowledge that the opposition supports the improved QGAP integrated service delivery initiative and the \$16.6 million provided to commence the implementation of that program. Similarly, we endorse the airconditioning of 70 more schools and look forward to the Cooler Schools program moving progressively further south.

There is one issue that has to be mentioned again in debate on the budget, that is, Lang Park. The budget refers to Lang Park. It is time for the Treasurer to stand up and explain the mystery of Lang Park and what is happening. Where is the \$125 million and more that the government has to find this year coming from? We have heard the Premier say that no public money will be spent on this project, so where is the \$125 million coming from? If it is not public money, where is it coming from? When Queenslanders consider the unemployment rate and the urgent needs in their regions, they begin to shake their heads when they realise that the government is able to click its fingers and fund a project worth \$300 million but not fund other projects that have been waiting for funding for years and years. Members should bear in mind that \$110 million was spent on Lang Park in 1992-93 to build a brand-new grandstand. There is now an additional \$300 million for the redevelopment of Lang Park, yet other sections of the community have to wait for projects that would deliver jobs.

Earlier I mentioned the comments made by others around the state. Queensland Chamber of Commerce and Industry chief executive Andrew Craig said that the government, in spending this money, which is the people's money, should be spending it on major infrastructure initiatives and not on public service wage increases. We know that there need to be fair wage increases. As a former Health Minister, I know how hard nurses, doctors and other health workers work. However, we need to look at the percentage of the budget spent on infrastructure. I have repeatedly talked about this in this place. The QCCI went on to say that the government needs to make headway on the Townsville base load power station, improve cross-river links in Brisbane and make headway with the Toowoomba range second crossing. Federal money is required for that project, but it has been brought forward through negotiations. However, drive is needed from the state government in order for that second range crossing to occur.

The QCCI also said that the government needs to move on the visionary project to solve Brisbane's sewage disposal problem to alleviate the environmental damage to Moreton Bay and guarantee secure irrigation water to the Lockyer and the downs, which would provide an immediate \$300 million a year benefit without any further additions to the infrastructure that already exists in the Lockyer and the downs. It also said that the government should implement the water management priority of the Nathan dam and the Burnett catchment. There are other projects I could add to this list, including the Elliott Channel in the Bowen basin and the dam proposed for the Atherton Tableland.

In the few minutes I have left I want to get back to the part of the state that is very dear to my heart, the electorate of Toowoomba South. One of the difficulties as Leader of the Opposition, shadow Treasurer, shadow minister for trade and shadow minister for multicultural affairs is having enough time

to give to the good people in my own electorate. I am pleased to see that some things have been provided for in this budget for my electorate. A new Toowoomba police station, for which I fought for a number of years, is finally going to become a reality. Some \$1.1 million was spent on that project in previous financial years. This financial year \$3.7 million will be spent on the project and the balance of just over \$5 million will be spent in the following year.

I appreciate the fact that in past years the government has endeavoured to create the opportunity for major redevelopment of the police station precinct, the old courthouse and the old post office, a redevelopment that would have created so many jobs and revitalised the CBD of Toowoomba. Those major projects did not come to fruition, but what did come to fruition is individual purchases of the old courthouse and post office. The new police station has now been given the go-ahead, and that is good news for Toowoomba. It is good to see that funds have been given to the TAFE college for the new horticultural section, which will be located very close to the entrance of the TAFE college, and the new administration facilities. It is also good to see \$1 million allocated for the new energy section of the hospital. In this budget funding has continued for the redevelopment of the Baillie Henderson Hospital, and that continues the plan I put in place as Health Minister when the coalition government constructed the new hospital in Toowoomba.

However, there is one issue of concern relating to the capital spending proposed in this budget for the Darling Downs, and that is the per capita average. The state average per capita spending per head of population is about \$1,500 per head. In the Darling Downs region, that average spending is half of that, that is, just over \$750 per head. What is needed in this region is major capital infrastructure spending of the like that has occurred in other parts of the state. The Darling Downs region is not an area on the coast where major ports, railway lines and coal-loading terminals are built. It is not an area where major mines have been developed. Rather, it is an area that is based mostly on agriculture. For that reason, the capital spending on the recycled water pipeline is absolutely essential to the area.

One other aspect I want to mention in the time I have left relates to funding for the community hospice in Toowoomba. I and the other local members for the Toowoomba region—the member for Toowoomba North and the member for Cunningham—met with the Minister for Health to acquire funding of \$490,000 for the full operating costs of the hospice. The hospice will now become a reality. The hospice committee has been able to raise over \$1 million, and is raising further money towards equipment. It has been a huge effort in the current circumstances. However, the honorary voluntary committee of the hospice has to raise \$750,000 a year to contribute to the ongoing costs of the hospice, but it would be too difficult for the committee to continue to raise that amount each year. Therefore, we approached the minister for \$495,000 per year to help reach that target. At the recent community cabinet meeting held at Highfields, we were advised that we would get a \$300,000 annual payment.

There was great disappointment on the part of the hospice committee and many community leaders. I have spoken to both my colleagues from Toowoomba, and we intend to continue to work with, lobby and negotiate with the Health Minister in an endeavour to have that funding increased so the hospice can operate at full capacity to care for the dying. The hospice will care for people not only from Toowoomba but also from vast areas of south-western Queensland and probably the Burnett. It will enable people to die in comfort with their families close to them, whereas otherwise they may have to go away to a large hospital or be in a hospital environment. This project is very dear to my heart. I hope we can have some success in relation to it. I ask the Health Minister to give serious consideration to that matter when the three of us meet with her.

In conclusion, I reiterate what I said at the outset. The government had the opportunity to deliver a budget with vision. The National Party wants this state to have vision. The National Party wants this state to be a state for young people. We see young people as the hope of our state. We believe that we as leaders have a great responsibility to our young—to see that they are well educated and well cared for, that they grow up in a family environment, that they are safe, that they are able to have fun, that they are able to be well trained and, importantly, that they can see light at the end of the tunnel and approach their growing years with great enthusiasm. The key to that is jobs. It is up to the government of Queensland to provide young Queenslanders with that opportunity. This budget totally fails in the most important area of any state budget. It totally fails to provide Queenslanders with secure, permanent and interesting jobs.

---