



Speech by

Mike Horan

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STATE BUDGET 2004

Mr HORAN (Toowoomba South—NPA) (5.08 p.m.): The budget which has been brought down which we are debating today is a budget that has come in one of the most favourable financial environments you could ever imagine. Due respect has to be given to the federal national government of Australia which has set the parameters for this budget—a parameter of financial stability, of relatively low inflation, of low interest and historically some of the lowest unemployment figures that have ever been seen.

This government has benefited from the GST system, which is a system that was designed to get rid of the annual fighting and arguing in Canberra about how much each state would get in terms of grants distributed annually by the federal government as a result of formulas set following on from Federation. The GST has provided the states with an opportunity for a growth tax; a tax that grows not only with population, but also with the rising standard of living. In Queensland we are seeing a growth in population. In the south-east corner alone there has been a population increase of 85,000, made up of about 50,000 to 55,000 people coming over the border and the balance being a natural increase.

It is also a state budget that has been set in the environment of the equity market turning around which has made a substantial difference to the approximately \$14 billion to \$15 billion worth of funds invested on behalf of all the public sector employees in Queensland. That makes a considerable difference to the budget despite the fact that that money, when it is there as a surplus or a profit, certainly has to be put back into the fund and cannot be seen as a true surplus. One need only look at the figure of the surplus for this financial year of some \$2.3 billion. In effect, the underlying surplus is about \$1.4 billion because about \$900 million of that is related to the investment by QIC of the superannuation funds held on behalf of the public sector workers.

Stamp duty has risen dramatically and provided a massive increase to this government; not only an increase, but an increase over what was expected and predicted. That situation was due mainly to the huge increase in property values throughout the state, be they residential or commercial properties. Those increases have brought about this absolute bonanza of stamp duty money. Much of it, of course, is from people from down south. We all hear stories of southern investors who are concerned about property values not giving a return in their own states and wanting to invest in property in Queensland. In Toowoomba we saw the case of southern investors ringing up and buying 10 properties over the phone. We have seen it in some of the country towns on the downs, the southern downs in particular, where values have been stagnant for many years. People are starting to realise the value of country town life.

I know someone from South Australia who sold their home in Adelaide for a good value and who bought a place in a country town on the downs for far, far less. They were able to have a better lifestyle, live in this very pleasant town and at the same time have funds left over to put into their retirement funds. That is the sort of financial environment that has led to the 2003-04 budget delivering a surplus and the 2004-05 budget having a predicted surplus of over \$600 million.

There are a couple of issues in the budget that I will give a tick to. The first is the funds and the services being provided to children. It is something that I railed upon throughout 2001-02, in particular the

3,000 kids on waiting lists for care and protection who were not getting it. I believe the department and the leadership given by this government was dysfunctional throughout that period of time and before. The government was forced to add to the budget year after year. It still did not work. Finally it has had to bring about a total revamp financially and organisationally which we supported throughout the lead-up to the last election and which we will support after this election. We will keep a watchful eye on it to see that it does not fall into disarray again.

I also give a tick to the funding for people with disabilities. Like most people in this House, I hold in high regard those families who give love and care to family members with a disability or those people with a disability who have grown up and moved out of the family home and need to be able to live an independent life as best they possibly can with their disability, and if possible access work and their community.

The funds that have gone towards training are well worth while. I have spoken in this parliament before about the need to lift the status of traineeships and apprenticeships. There are many kids who want to go to university who may well be better off being a diesel mechanic, a hairdresser, a builder or a fridge mechanic and then aspiring to owning a small business at some stage in the future. We do have a society that is desperately short of people with these skills. That is a good aspect of the budget.

This budget is perhaps in some ways amazing in that for the first time ever in the speech by the Treasurer there was not one single mention of the second biggest industry in Queensland, primary industries and fisheries, which contributes over \$9 billion a year to our state's economy. It was not mentioned once in the Treasurer's speech. It is an indication of the way that the government values primary industries and fisheries in this state. Despite its contribution to the economy, despite its contribution to export—which is so important in boosting our economy—despite the tens of thousands of jobs it provides across the whole spectrum of employment, there was not one mention of it in the Treasurer's budget speech.

This government obviously does not care about primary industries and fisheries. It has put a minister in place who has become tired and disinterested and who wields very little power when it comes to achieving for those industries at the cabinet table. It was not mentioned once in the budget speech so was it any wonder that we saw the Primary Industries budget actually drop! A portion of this drop could be due to the fact that a few staff have been transferred over to the section of rural and regional communities, over into the Department of Communities, but if we look into the budget in depth we will see that there has been a massive \$10 million cut in the area of biosecurity and biosecurity protection.

The Minister for Primary Industries and Fisheries has lost all credibility when it comes to the issue of biosecurity when he presides over a department that has suffered a \$10 million cut in the most important and current issue of biosecurity. He is great at blaming Canberra, he is great at blaming anybody else he can to paper over the shortfalls in his performance and ability, but when you see an actual cut of \$10 million in the area of biosecurity which is so important to our agricultural industries, to our livestock industries, to our fishing industries and to our forestry industries, it drives home to this parliament and to the people of Queensland that the Beattie Labor government puts Primary Industries and Fisheries right at the bottom of the ladder. The government gives them a cut at a time when the government has just had a surplus of \$2.3 billion, and it is predicted that for the forthcoming year, on which this budget is framed, there will be a surplus of about \$600 million.

As the shadow minister for primary industries, there are a number of issues that I want to speak about, but just to look at some of the key points of this particular budget, I have mentioned the GST and the huge amounts of money it has brought to the state. No wonder Mr Beattie virtually knocked everybody out of the way to be the first state Premier to sign the GST agreement and then came back here and knocked it. He is not knocking it any longer because it is delivering the growth taxes that this state has always needed and actually deserves.

There will be an extra \$600 million or more in 2004-05 over and above what it was budgeted to collect. It was budgeted to collect \$6.1 billion in 2003-04. The government is now estimating it will actually receive \$6.6 billion and there is another \$600 million that it will pick up in 2004-05.

When it comes to taxation, the per capita level of taxation in Queensland since 2001-02 has increased by 33 per cent, some three times the rate of inflation. So Queensland is dramatically losing its low tax status. The only reason people will be coming over the border to Queensland will be the sunshine and climate; it certainly will not be the low tax status that we once had. This state under Labor is massively increasing taxation to the point where there has been an increase of \$403 per person since 2001-02. In 2004-05 every Queenslander will actually pay \$1,614 in state taxes and a family of four will pay \$6,456. It has been a huge increase and one that is a regular feature of Labor budgets.

The other aspect I wanted to speak about was the total amount of taxation: \$6,472 million budgeted, \$810 million more taxation collected than last year.

Payroll tax has gone up. The thing we have to be concerned about as a fundamental principle of this budget is the issue of capital works. In the years of National Party governments when Queensland really stepped right up to the fore and became the growth state and leading state in Australia, capital works spending amounted to 43 per cent of the state budget. It has now slipped to 20 per cent. It has fallen from 23.4 per cent in 1999-2000 to 20.9 per cent in the 2004-05 budget, which we are debating tonight.

Road funding has fallen to 13 per cent of the budget. Historically, that is the lowest ever percentage of the total state budget. It is the same for any business, any farm, any operation, any state or any nation, but if a state lets its infrastructure rust and fall away or lets it get behind the population increase then it will drive the economy down. The state will end up with an infrastructure deficit and the state will become unpopular because of the traffic jams, the water shortages and power shortages and the lack of proper transport facilities be they road, rail or port facilities.

The frightening thing for Queensland is the chronic underfunding of capital works. Despite the fact that \$1 billion extra has been allocated this year, for so many years under Labor we have seen a chronic underfunding of capital works. We now have an historically low figure of 20.9 per cent of the budget allocated to capital works. As people come over the border, as they contribute to more GST revenue, as they contribute to more stamp duty, the problem we have is that our infrastructure deficit is getting too far back for us to catch up unless there is a massive turnaround in the budgeting process.

I have heard other members speak about jobs and opportunities for people. Unless we have the infrastructure—the roads, the public transport systems, the water supply, the industrial processes, the industrial estates, the port, train and trucking terminals—working well, and unless we have that coat hanger of infrastructure for the economy to hang from, then we will certainly never be able to provide the jobs and social requirements that the state needs.

What has happened to the Department of Primary Industries under Labor is an absolute disgrace and shame. In this budget there is a \$10 million cut to biosecurity. The cuts to primary industries under the Beattie Labor government have been of the order of \$200 million. We have also seen staff numbers cut. There are 700 fewer staff now than when the Beattie government took office. That means that there are no stock inspectors, no extension officers and fewer people working in the forestry and fishing services. The government has taken away the temporary positions in the fire ant program which is over 90 per cent funded by the other states and the federal government of Australia. The loss of staff in DPI has amounted to well over 700 people.

DPI has lost its way. It has no vision, no direction and no proper management structure or organisational structure that can show what it is doing. It has tinkered with the edges and tried to put new titles and directions in and it has still missed the mark. Labor does not care. It has a dysfunctional, tired, disinterested minister in charge. It needs an injection of fresh blood and needs some policies. We would be happy to help with some policies that would give it some real purpose and direction.

Let us look at a couple of things within the budget for primary industries. I will talk about the national livestock identification scheme. This government will contribute \$1.7 million to that scheme. This electronic scheme would bring us to the forefront of whole-of-life identification. Let us look at what the other states are giving. Victoria is giving \$15 million over five years, South Australia is giving \$6 million over four years, New South Wales is giving \$5.4 million over four years and Western Australia is giving \$2.25 million. All these states have far fewer beef cattle than Queensland. We have well over 50 per cent of the national herd. This government's lack of commitment to the national livestock identifications scheme is an absolute disgrace.

FarmBis, a Commonwealth-state program, is providing real training, education and information to farming families in order for them to be able to grow or even operate their businesses in a more modern way. Not one cent has been allocated to this by the Beattie government in this budget. This is despite the fact that the federal government has committed another \$66 million towards FarmBis. This government is wanting. This department and this minister have given absolutely nothing to FarmBis in this budget.

I could go on about the lack of funding for structural adjustment for the fishing industry. We have heard this week of the dreadful problems besetting the fishing industry under this government. I will turn now from those issues that I am involved with as shadow minister for primary industries and fishing to some local issues.

I welcome the funding allocated to our city for things like the watch-house and district and regional headquarters of the police, for the Glenvale-McDougall intersection, for our TAFE college which serves our city well, for palliative care in the Darling Downs and south-west region, for the Middle Ridge substation which will provide power upgrades, for the upgrade of the Wurtulla sewerage plant—that will particularly assist the Toowoomba City Council—for the turf club and for the show society. I thank the government for those allocations in the budget.

I want to raise an important matter regarding the Rangeville State school. I have written to the Minister for Education about this school's toilets. I have inspected the senior and junior toilets. They are a

health hazard. Not only do they smell but they are unhealthy for the kids to go into. I know that local Education Queensland staff have been doing their best to upgrade the cleaning systems. It is not the cleaning systems that are the problem, it is the cracked floor, the wrong slopes on the floor, water, swill and wash going out through holes above the concrete floor onto red dirt under trees where there is no grass and lying there in pools where the little kids from preschool, and prep next year, paddle around in the dirt. It is just not right and not healthy for a modern school. I am calling on the minister out of this massive budget surplus predicted of \$660 million to provide a little bit to bring the senior and junior toilets at Rangeville State School up to scratch.

Last night I spoke about the Vietnam Mothers Memorial on the banks of East Creek in Toowoomba. Some \$4,000 is being sought from the government. I have spoken about it in parliament and will be writing to the Treasurer seeking that small amount for this wonderful project for which up to \$80,000 is being sought.

This budget was glaring in its omission of any funds towards the recycled water project for the Lockyer and the Darling Downs. I know that the Premier did a backflip during the election and said he would reconsider it. This project is of Snowy Mountains significance. This is a project that in our area would deliver an economic boost of \$450 million to \$600 million. It would be just like us getting a new port, a new railway line and a couple of new coal mines in the hinterland. We have the land, we just need the water. It would take the waste water from Brisbane that is being thrown out into Moreton Bay and the Brisbane River and put it to use on the Darling Downs to create jobs and exports. That was missing from this budget. I have fought for this since 1998. I am going to continue to get this for our area. This budget should be roundly criticised for the way that it has totally neglected the primary industries, fishing and forest industries of this state.