



Speech by

Mike Horan

MEMBER FOR TOOWOOMBA SOUTH

Hansard Thursday, 8 June 2006

APPROPRIATION (PARLIAMENT) BILL; APPROPRIATION BILL

Mr HORAN (Toowoomba South—NPA) (8.50 pm): It is always an important time of the year when we discuss the budget to, first of all, have an analysis of the financial matters in the budget and, for many members of this House, to talk about their electorate or their shadow portfolio responsibilities. There is quite a concerning trend in this budget. It is all well and good to be confident in the boom times and to know that there is all of this money coming in from the GST, from stamp duty, from gambling and so forth. But history has shown that the graph goes up and down all of the time. Good economies come and go.

One of the things that we always have to be careful to do in the good times, like the squirrel, is to put something away for when times are a little more difficult so that we can weather the troughs a little better. What we see in this budget is not dissimilar to a young couple having plenty of money—having a good time, eating out and spending up—and, when it comes time to buying a house, they find that they have to borrow, and borrow heavily, to get the money to build a house or buy a house when they could have been more prudent when the money was flowing in and put a little more aside.

There has been a GST bonanza for this state. The GST, when it was introduced by the Commonwealth government, was designed to be a growth tax, and it has proven to be that. As the economy grows and as goods and services get dearer, there is a natural increase in the flow of funds from the GST. Queensland got a good deal from the Commonwealth government for the introduction of the GST. We hear plenty of whingeing from New South Wales and Victoria about how they have been dealt out of the equation, but Queensland got a good deal. I think it was important that Queensland did get a good deal because it had traditionally been a low-tax state. Queensland also has special needs of distance. Of all the Australian states, with our size and our decentralisation, we have very special needs. We are perhaps matched only by Western Australia in terms of size. Most of Western Australia's population lives down in one corner of the state and a few people live up at the top of the state; whereas in Queensland there are strategically located towns the length and breadth of the coast and along all of the various inland routes. It is a far more decentralised state.

So we have to have some prudent ways of making sure that we are putting money into things that last—into infrastructure that brings about economic development, successful businesses, exports and the like. It is a tragedy to see the amount of borrowing that has had to happen this year all of a sudden because the government has been found to be in an infrastructure drought. Over eight years it has done virtually nothing. We have heard the questions in parliament and the answers of: 'We have built a convention centre,' or 'We did something like this or that.' But we do not hear about any major, massive projects that have really meant something to the state.

Over the last eight years we have seen a series of massive mismanagement with regard to a number of key government departments. Every time that has happened, the government has come out with another few hundred million here and a few hundred million there to paper over this gross mismanagement, lack of ability and lack of management when instead we could have seen services delivered prudently and carefully.

We saw that happen with the department of families. That department was mismanaged by a succession of incompetent ministers. In budget after budget and election after election, the government threw money at that department. Now the Department of Child Safety has a massive budget. A big part of the problem was mismanagement and the department was simply not being run right. For all of that failure, the taxpayers of Queensland have to pay more and more tax and fork out more and more money so that the shortfalls of those ministers could be covered up and papered over.

We saw it again with electricity. The electricity industry had been milked by this government by the loans and demands it made on the GOCs. It was milked to the point that proper repairs and maintenance and capital investment could not be made. The next thing is that there is an absolute crisis—everyone is out of power. Again, it is panic stations and hundreds of millions of dollars are thrown at it, including a 28 per cent wage rise, to the point that you cannot get an electrician to work because they have all gone to work for Ergon or Energex. Once again, Mr Beattie had to suddenly throw money at people like a drunken sailor to try to fix up the massive problem that occurred because it was not managed right. The government siphoned millions of dollars off the GOCs. As a result, they were in crisis and, of course, there went a few hundred million more and up went the tax responsibilities of people throughout Queensland.

Again, we have seen it happen in health. We exposed the mismanagement, the culture of bullying, the fact that people did not want to work for Queensland Health and the fact that the government was putting Labor apparatchiks at all levels where it could find a niche to stick them in. Then there were supervisors, managers, directors and all these different people, instead of having just doctors, nurses, physios and people at the coalface. All of a sudden a culture had emerged that nearly destroyed the department, a culture in which the people whom we want to work in Queensland Health—such as doctors, particularly young doctors, and visiting medical officers—just did not want to work in. They thought, 'Why should we go and work there when people push you out?'

I have seen that happen at the Toowoomba Hospital. Some of the best people we ever could have had were pushed out and they left. That is the culture that existed that caused these people not to want to work in Queensland Health. That spread right through the department until we finally had a massive crisis. I guess the Patel incident brought that to the fore. We could see that it was there from the top down in the way ministers tried to cover up. Then this massive amount of money was thrown at it—at advertising, glossy brochures and all the rest—and all the time the tax take is going up and all this money is going towards fixing up the self-made mess of the Beattie government.

Then we get to this year and suddenly so much money has gone into recurrent funding to fix up these mistakes and problems caused by the government itself and yet on the other hand side of the ledger there is an infrastructure drought, an infrastructure deficit, and there is no money. So the government has to borrow. The borrowings have gone from around \$1 billion to \$4.6 billion. One of the reasons that Queensland has always had a strong economy—and it was a principle put in place by the Joh Bjelke-Petersen government—is that we paid cash for social infrastructure, such as schools, hospitals and so forth, and only borrowed for the sort of infrastructure that could repay itself, such as railway lines that provided a royalty, or ports that provided an income and so forth. We did that so that we had some cash flow to meet the repayments of those loans. That is the situation we have seen in Queensland.

There is a lot of excitement and optimism about the economy and the amount of money that is pouring into not only this state but also other states. But the fact is that Australia as a nation under the Howard government has experienced probably the best decade of governance, the best decade of unemployment figures, the best decade of consistent relatively low interest rates and strong leadership, in which everyone is confident, under probably one of the greatest Prime Ministers that this nation has ever seen. That has contributed to the strength of the national economy and that has flowed through to all the states.

It is important to remember that, in the good times, the government still has to be prudent and it still has to make sure it puts money aside so that it has money there for the difficult times. I remember not too many years ago when one of the big income earners for this state government, which is the returns from the state government investments through QIC—where we have billions of dollars of public servant superannuation and local government funds invested, and they do not come back to the state—suffered a major downturn. That investment has always been worked on a 7½ per cent return, which is a very considerable return to the budget of this state. It was only about 2001 when there was actually a minus two per cent return because of the downturn in the sharemarket. That was when the state budget was, from memory, running in deficit. There was a massive downturn in that particular receipt. Those are the sorts of things that the government has to allow for and prepare for and put something aside for, so it is then in a position to have a continual strong capital works.

I think capital works is a very important part of any budget. It is the coathanger of our state and our economy. If we want to be able to provide jobs for people and provide good, happy suburbs or country towns, it all depends upon that infrastructure of roads, bridges, dams, ports and the things that are the

basic coathangers of an economy. We need those things so that businesses, big and small, can come to Queensland with confidence and develop from there.

I want to briefly mention water infrastructure and the tragic way in which the government has gone about its pursuit of the Mary River Dam. As I have said, the Beattie government woke up one day, found itself in the middle of an infrastructure drought and suddenly realised that everybody thought it had done nothing about domestic water in south-east Queensland. Everybody was rightly blaming the Beattie government, so the Premier jumped in a helicopter and flew around up there and picked out one of the most difficult and worst dam sites possible.

The dam wall would be built across a huge, wide expanse. There is 70 feet or more of sand before the supports would hit a rock bed to find something to lock the dam wall into to stop it leaking or washing away. Massive floods go through there. I had a farm there for eight years, and it will get flooded by this. I know the extent of the floods. If that wall is not right, the effects will be massive.

More than that, the dam would be big and shallow because of all the river flats on either side of the river and either side of Kandanga Creek. There will be shallow water everywhere and it will evaporate quickly. We need the dam to be situated in a steeper area where a better dam wall could be built and where the water could be deeper and cooler so there would be less evaporation. So the site itself is not well thought out.

The Premier was talking about that dam costing \$300 million. That might cover the cost of the dam wall, but I think that figure would still be short because of the problems with sand and no rock. On top of that, the government would need to spend \$1.6 billion to buy the properties. There are almost 900 properties and few, if any, would be under \$1 million. The dearest property there is, I believe, around \$25 million, and there are other multimillion dollar properties throughout that area. It is \$10,000 an acre country and more, because it is Noosa hinterland in the Mary Valley.

Added to that, the water would flood the Bruce Highway and a road would have to be taken up over the hills, over bridges and so forth, which would cost many millions. Then the Mary Valley Highway would be flooded, so it would be same scenario again—roads and bridges would need to be built up through the hills and mountains. Then a dyke would need to be put around Kandanga. Then about \$1 billion would need to be spent to build pumping stations and run at least two 2-metre circumference pipelines all along the coast or up over the hills through the back of Maleny—either way, it would be a very large distance—to pump the 130,000 megalitres a year which the government says will be pumped into the Brisbane system. The true figure of that dam is in the order of \$3 billion, and that is being conservative considering we already have the figures of \$1.6 billion and \$1 billion for the pipelines. The government knows that the recycled water pipeline to carry only 70,000 megalitres from Brisbane to the Darling Downs was going to cost \$650 million, and that was for just one single pipeline. That is where we see the shallowness of this government.

In the area of primary industry, the budget has been an absolute tragedy year after year. The crumbs off the cabinet table go to primary industry, and for the last four years we have seen cuts to the budget. We saw an announcement recently by the minister that there would be 100 new jobs for the DPI. But do honourable members know how the government is going to fund them? It is going to push 100 people out at the other end. It will push 100 VERs out. They are being offered up to \$5,000 to go within a few days. The government is saying to them, 'Don't even finish writing up your report.' The government is showing obscene haste in pushing out these experienced, talented people who have all the corporate ethic and all the corporate knowledge of the DPI. The government just wants to get them out and push them out so it can put the 100 in at the other end. It is an absolute farce. That is typical of a department that has lost its way.

The budget statements for the DPI show that the department does know what it is doing or where it is going. A department like that that sponsors the opera has lost its way. The arts department should sponsor the opera in Queensland, not the department of primary industries. I wonder if the arts department of Queensland will sponsor some of the vacant stock inspector positions we have around Queensland. Where do we need some stock inspectors? I would like to see the arts department give us a couple of stock inspectors and the DPI stop sponsoring Opera Queensland, and then the government might get the priorities right.

That is the indication of how the DPIF has gone off the rails under the Beattie Labor government. It is the lowest in the pecking order. The budget has been cut year after year and it has been cut again this year. The government puts the spin on it by saying that the government contribution within that budget has gone up by some five per cent, but it is still way below what the government contribution within the budget was four years ago. So it has just been cut.

As the Beattie government blunders from mistake to mistake to mistake, and it has to siphon money off from departments, the first one it siphons from is the DPIF, and it is an absolute tragedy. It is a \$11 billion a year industry and has contributed to part of the decentralisation of this state. When the

coalition gets into government, we will fix it up. We will go back to some real services for the DPI. We know what the people want, because I have walked around and asked them.

The government has all these reviews through the DPI and the bureaucrats at the top think they know what is good for the people on the land and they say, 'This is what we're going to do. This is going to be our focus,' without even talking to the people out there and listening to what they want.

We have seen capital works cuts in the budget, where some of the major projects that have been listed—like the one at Applethorpe and the north Queensland fishing facility—have just disappeared off the books. The government says that maybe in 2008, 2009 or 2010, but we all know that it is on the never-never.

It was just devastating to see this budget do nothing to find and build a new primary source of water for Toowoomba. We are a unique city in Australia. We sit on top of the Great Dividing Range. We are the biggest inland city in Australia, bar Canberra. We sit right on top of a 2,000-foot range and we have to lift our water from either the western fall or the eastern fall of the Great Dividing Range. We are going through a dreadful drought where the main dams are located to the north of the city, and we are down to about 26 per cent of water.

As a result, recycling has been investigated and we have a referendum at the end of July as to whether that recycled water will get treated at the sewerage plant and go back into Cooby Dam and back into our city's domestic supply so it is there for everything, including drinking. Cooby Dam is almost slush. The stuff at the bottom of Cooby Dam has virtually got to the stage of being undrinkable, so the treated sewerage will get mixed with that slush and that will go into the system.

But what is needed in a city like Toowoomba is a primary source of water and increased sources, because the city has grown. It is part of the great growth that is occurring in south-east Queensland and part of the seachange that is happening right through the Darling Downs. We cannot recycle fresh air; we have to have a primary source. When the dams dry up, what are we going to recycle? I believe we should be recycling it for use in the industrial sector or for watering parklands, sporting fields or racecourses. So potable water that is being used for irrigation of parklands, sports fields and so forth will be replaced by treated sewerage water. That makes sense. That water can be used by industry. It can be hooked into new subdivisions and used for the flushing of the toilets and so forth like they do in Adelaide.

But always eventually a primary source of water is needed, and I will just concentrate tonight on the two major sources that are available for Toowoomba. The biggest supply of immediately available water in south-east Queensland at the moment is the 27,000 megalitres of sustainable water in the Condamine-Alluvium in the area of Norwin, about 50 kilometres west of Dalby. There is an immediate source of water. The farmers in that area are willing to sell or trade their water, so I believe that is one of the most immediate solutions.

The other solution, which is more long-term because it takes many years to build a dam and then to get it filled up, is the Emu Creek Dam which would hold 130,000 megalitres which is 50 per cent more at least than our current biggest dam which is Cressbrook Dam. When one looks at Wivenhoe Dam, which is only partially filled because it was built after the 1974 floods not only as water storage but as flood prevention for Brisbane, there is almost 300,00 megalitres of space that is not filled up. It would mean that Emu Creek, as well as providing some water for Toowoomba, would also provide some water to the south-east corner.

I remain concerned about mental health and dental services at the Toowoomba Hospital. I will speak in relation to those on another occasion. I do welcome the extra 24 beds. I fought for extra beds to stop the access block. There have been 12 already put in place and there is another 12 funded in this budget. They were the beds, and more, that were closed down by the Labor government in 2000-01. I am pleased to see that they are now finally being replaced due to the pressure that we have placed on the government.