



Speech by

Hon. PETER BEATTIE

MEMBER FOR BRISBANE CENTRAL

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MINISTERIAL STATEMENT

Smart State 2022; Federalism

Hon. PD BEATTIE (Brisbane Central—ALP) (Premier and Minister for Trade) (9.47 am): Yesterday the government had a strategic cabinet meeting, the second one we have had this year, to look to the future. Today at the Brisbane Club I will be delivering a visionary speech—at least in my view—about where Queensland will be between now and 2022. On current projections our population around 2022 will pass the five million mark. That compares with the 4.1 million Queenslanders we now have. The most challenging aspect of the population in 2022 will be its age. In 2002 Queenslanders aged 65 were 11.62 per cent of the population. In 15 years time it will be around 18 per cent. The proportion of children under 14 will also drop dramatically. Today around 12 per cent of Queenslanders are over 65 and about 21 per cent of the total are under 14 years. By around 2020 the number of Queenslanders over 65 will actually exceed the number under 14.

The ageing of the population and the retirement of the postwar baby boomer generation presents challenges for governments at all levels, and many of us are in that baby boomer category. One of the biggest implications will be for our workforce. The loss of corporate knowledge, skill and experience in both the public and private sectors will be massive if we do not fully prepare for it now, and that is what cabinet is doing. We are investing more than any other state in training and retraining, including the more than \$1 billion we are investing in implementing the Queensland Skills Plan and its 24 key actions. After our discussions yesterday we know that we have to do even more in the areas of education, skilling, innovation and the Smart State Strategy which we have implemented. The government recognises that there is a need to boost science, technology, engineering and mathematics education in Queensland. As I said, we are doing a lot on that at the moment as part of the Smart State but we will need to do more. As a result of yesterday's cabinet meeting, there will be announcements in the near future.

The ageing of the population is already placing massive pressures on our hospital system. It will continue to do so until the Commonwealth government invests more in nursing homes and retirement homes. An inadequate level of capital investment in aged care must be lifted or the progress we are making in improving our hospital system will be put at risk by the increasing burden of care for our ageing population.

By 2020 we will have our multimillion-dollar solar energy industry including solar, thermal and solar hybrid technology that uses gas from coal; the resources boom will be in its third decade and still going strong; Queensland will be generating clean coal technology and we will be exporting clean coal technology and solar technology to the world; north Queensland will be Australia's new industrial powerhouse with high-tech value-adding industries providing Asia with low emissions energy and industrial products to feed its growth; Queensland's coastline will have more major cities than any other state including obviously Gladstone, Bowen, Townsville, Rockhampton, Cairns, Mackay and so on; and Queensland will spearhead the creation of Australia's new economy. It will be a thoroughly modern state, high tech, environmentally smart, diverse, globalised, competitive and compassionate, and that is what yesterday's meeting focused on.

As each year passes, we will see Australia's cultural and financial centres of gravity move north to Brisbane and to other parts of this state. By 2020 the water grid in south-east Queensland will be fully operational with water recycling plants, desalination plants and Traveston Crossing Dam all feeding into the grid. The \$82 billion we have committed to spending on infrastructure in south-east Queensland by 2026 will mean the infrastructure needed for a growing Queensland will be largely in place. In Queensland, researchers will have built on Professor Ian Frazer's pioneering legacy in cancer research and found more cures for cancer and other diseases afflicting humankind. By 2020 Brisbane will be the knowledge capital of Australia.

Looking into the future, the stronger councils program that my government is implementing will afford us a unique opportunity to maintain a decentralised state. It means better managed, financially secure councils that are better placed to deliver basic services. They will be better resourced to attract new investment and new industry and will provide a more coordinated approach to regional planning. There are great opportunities in regional Queensland with major projects such as the southern missing link rail line that will open up new mines and communities in the Surat Basin and the northern missing link line between Bowen and its mineral-rich hinterland. We are giving priority to industry and to population growth in the Townsville-Bowen-Mount Isa economic zone. The local government system we are rebuilding will help meet the challenges of growth in our regions and be a positive contributor to it. We have already laid the foundations for coordinated regional planning in the south-east corner—the SEQ Regional Plan. In partnership with the community, we have developed a comprehensive regional plan for far-north Queensland. This process will ensure growth and development are managed in a way that enhances the region's environmental, social and economic values and delivers the key infrastructure to support robust economic development. Stronger councils and regional councils in particular will contribute to keeping the balance right in our state's development. That balance demands our position as the most decentralised state is not only maintained but even broadened.

We know that in recent months the federal government has sought to interfere in areas that have been state responsibilities since Federation. The sooner the election is out of the way, the better. The current environment is not contributing to good government in Australia. We have too much politics and not enough government. No matter who wins the election, the Queensland government intends to take the lead in promoting and facilitating a wide-ranging debate about contemporary federalism. I have no problem handing over to the Commonwealth responsibilities that will be better managed by the Commonwealth provided the Commonwealth is prepared to hand over to the states and to local and regional government areas that can be better managed at our levels as well. Commonwealth takeovers will not fix the problems. Look at quarantine services and aged care. Our fourth largest industry, racing, is in crisis because of a failure in our quarantine system. Citrus and sugarcane crops have also fallen victim to quarantine breaches in recent years.

There is a crisis in aged care that is putting enormous pressure on our hospital system because of chronic underfunding in nursing home and aged-care services, and that is totally a federal responsibility. What we need in Australia today is an informed and wide-ranging debate on our federal system. My government will do an audit of inter and intrastate policy and service delivery anomalies. We will look at cross-border issues and recognise where there are costly and wasteful duplications. We will address the issues of federalism through a public awareness campaign and how we are governed, how powers are shared and what responsibilities the various levels of government share.

On the specific issues of tied funding, which is the federal government's main weapon eroding the role of the states, we will commission a discussion paper titled 'New vision for tied funding arrangements in Australia: roles, responsibilities and imbalance'. We will take these initiatives in the lead-up to a constitutional congress that we are seeking for late 2008 and hopefully a constitutional convention a year later.

Queensland has no fears about a debate and ultimately a review of the federal system. We will be pressing for that review to include the future role of local and regional government. Queenslanders have a long history of being suspicious of centralism. I do not believe the answer is an all-powerful federal government in Canberra—Labor or Liberal. The growing power of the central government of Australia runs contrary to the worldwide trend today. The UK is looking at further devolution of power and the same debate is taking place in the USA and Canada. As soon as the federal election is over we want the debate about our federal system to have the politics taken out of it and the rational debate put back into it. In the interests of this debate, I seek leave to incorporate details of my speech in *Hansard*.

Leave granted.

I have now had the privilege of serving as Premier of our great State to just over nine years.

In the 148 year history of Queensland just three men have served in this office longer—Joh Bjelke-Petersen, Frank Nicklin and William Forgan Smith. What a diverse trio I am joining!

But it is reasonably safe to say that, after nine years, I am now in the "second half" of my premiership—and I hope that status affords me the right to look ahead, even further ahead, than political leaders normally look.

I want to look beyond our current challenges, to outline some opportunities that we can build on, and "value add" to Queensland's great history.

I have unqualified confidence in Queensland's future. Not just our immediate future—but our future over the next 15 to 20 years and beyond.

There will be challenges as great as, if not greater than, those we face today. But many of these challenges will be different challenges, driven in part by the ageing of the population.

POPULATION 2022

I want to begin my observations today by looking at what Queensland might look like in 2022.

On current projections our population around 2022 will pass the five million mark. That compares with the 4.1 million Queenslanders we have at present.

But the most telling, and challenging, aspect of the population in 2022 is going to be its age. In 2002 Queenslanders aged 65 and over comprised 11.6 per cent of the population. In 15 years time it will be around 18 per cent—a rise of almost 50 per cent.

At the same time there will be an equally significant drop in the proportion of children under 14. By around 2020, the number of Queenslanders over 65 will actually exceed the number under 14.

That will be a turnaround from the position today where Queenslanders over 65 represent around 12 per cent of the total—while those under 14 years represent around 21 per cent.

The ageing of the population, and the retirement of the post-war “baby boomer” generation, presents challenges for governments at all levels.

Unless we are properly prepared for it there will be serious implications, not just for aged care services and other services an ageing population draws more heavily on.

One of the biggest implications will be for our workforce. The loss of corporate knowledge, skill and experience in both the public and private sectors will be massive if we don't fully prepare for it now.

Fortunately Queensland is preparing for this inevitable shift in skills.

Our focus on life long learning, and on broadening education and retraining opportunities for middle aged, and even older, members of the community, are designed to meet the challenge of an ageing population.

We want an ageing population that can—if it chooses to—stay in the workforce longer, and be relevant to the changing skill and workforce demands of our state.

We are investing more than any other state in training and retraining.

That includes more than \$1 billion we are investing in implementing the Queensland Skills Plan and its 24 key actions that will enable the Government to ensure the State's vocational training system meets the challenges provided by Queensland's fast growing economy.

The Government also recognises there is a need to boost science, technology, engineering and mathematics education in Queensland.

We are doing a lot of work on that at the moment and I expect to make an announcement about that in the near future.

The ageing of the population is already placing massive pressures on our hospitals system.

It will continue to do so until Commonwealth Governments—of either political persuasion—invest more in what is an area of clear federal responsibility—nursing homes and retirement homes for the aged.

If the current inadequate level of capital investment in aged care is not lifted considerably, the progress we are making in improving our hospitals system will be put at risk by the growing burden of care for a rapidly ageing population.

The ageing of our population, combined with continuing overall population growth, will also raise important lifestyle choices and challenges for Queensland, and Queensland governments.

QUEENSLAND 2020—A SNAPSHOT

Let me give you a brief, wider snapshot of what Queensland might be like in 2020.

By 2020 we'll have a multi million dollar solar energy industry including solar thermal and solar hybrid technology that uses gas from coal.

The resources boom will be in its third decade and still going strong.

Not only will Queensland be generating clean coal technology, we will be an exporter of clean coal technology and solar technology to the world.

North Queensland will be Australia's new industrial powerhouse with high tech, value adding industries providing Asia with low emissions energy and industrial products to feed its growth.

Queensland's coastline will have more major cities than any other state, including Gladstone, Bowen, Townsville, Cairns and Mackay.

Queensland will spearhead the creation of Australia's new economy.

It will be a thoroughly modern state—high tech, environmentally smart, diverse, globalised, competitive and compassionate.

As each year passes we will see Australia's cultural and financial centres of gravity move north to Brisbane.

By 2020 the water grid in South East Queensland will be fully operational—with water recycling plants, desalination plants and Traveston Crossing Dam all feeding into the grid as significant sources for the region's water needs.

The \$82 billion we have committed to spending on infrastructure in South East Queensland by 2026 will mean the infrastructure needed for a growing Queensland will be largely in place.

SMART STATE

And we will still be Australia's Smart State.

Queensland researchers will have built on Professor Ian Frazer's pioneering legacy in cancer and found more cures for cancers and other diseases afflicting humankind.

As the Australian economy becomes more integrated and reliant on the Asia region, Queensland will need to use these relationships to develop new markets for its knowledge exports such as biotechnology and aviation.

And as more countries are severely effected by water shortages, Queensland will capitalise on its experience by becoming a world leader in water management strategies and services.

By 2022, Brisbane will be the knowledge capital of Australia.

We are developing knowledge precincts near the heart of the city. And we are planning accordingly.

We want a city heart where people can live, work and play. Our Smart City would have a range of alternative transport such as pedestrian bridges and pathways.

Together with existing facilities such as South Bank and the New Farm Riverwalk, this plan will transform Brisbane into one of the world's great walking and cycling cities and reflect our sub-tropical, health-orientated lifestyle.

MAINTAINING A DECENTRALISED QUEENSLAND

Queensland is Australia's most decentralised state.

We can maintain, to the greatest extent possible, the lifestyle Queenslanders have come to enjoy and expect, in 2022 and beyond.

But we will struggle to do so—particularly if there is a continuing and growing concentration of the population in Brisbane and within 100 kilometres or so of Brisbane.

The benefits of our massive infrastructure plan in the south-east will ensure that basic service and infrastructure needs are met, but the pressures such as declining housing affordability, the scarcity of land, and traffic congestion will always be a challenge.

One of the greatest contributions we can make as a state government is to maintain, and if possible strengthen, Queensland's decentralisation.

And the stronger councils program my government is implementing will afford us a unique opportunity to do so.

When the regional councils are fully operational next March they will be better placed to deliver basic services—but they will also be better resourced to attract new investment, new industry, provide a more coordinated approach to regional planning and meet the needs of new communities.

My government will have an important role in expanding state services, and infrastructure, needed by regional communities and regional industries. This year, regional infrastructure expenditure—on water, roads, electricity, ports, schools and hospitals, will exceed \$4 billion.

LOCAL GOVERNMENT

But the opportunity that more financially secure, better managed, councils offer to "maintain the balance" in our state's development is a very significant one.

That opportunity will be enhanced through major projects such as the Southern Missing Link rail line that will open up new mines and communities in the Surat basin—and the Northern Missing Line that will benefit Bowen and its mineral rich hinterland.

The priority we are giving to industry, and to population growth, in the Townsville-Bowen-Mount Isa economic zone will help maintain our decentralised state and economy.

The local government system we are rebuilding will be better able to meet the challenges of growth in our regions—and be a positive contributor to it, and not an obstacle to it as it has all too often been in the past.

We are already supporting that growth through our Smart State commitment to schools and TAFE colleges in regional, and rural, communities. Equality of education opportunity is one of the best ways to reduce urban drift and rural decline—and make living in regional communities even more attractive.

And our massive capital spending on water and power—and other infrastructure—in regional Queensland will continue to ensure our regions can compete for private sector investment.

A better coordinated approach to regional planning will be an imperative factor in managing regional growth into the future. We have already laid the foundations for coordinated regional planning in the South East Corner with the SEQ Regional Plan but this process can be taken further in other parts of the State.

The Far North Queensland region for instance has experienced rapid growth during the past decade and this trend shows no sign of abating.

So in partnership with the community, we have developed a comprehensive Regional Plan for Far North Queensland to guide decision making related to growth, development and management of the region over the next twenty years.

This process will ensure growth and development are managed in a way that enhances the region's environmental, social and economic values, and delivers the key infrastructure to support robust economic development.

Stronger councils—and regional councils in particular—will contribute to keeping the balance right in our state's development. And that "balance" demands our position as the most decentralised state not only be maintained—but even broadened.

THE FEDERAL SYSTEM—TIME FOR A GENUINE REVIEW

My final point today concerns the state of our federation—the federal system that governs our nation.

In recent months, with Labor in office in all states and territories, and a federal election looming, the Federal Government has sought to escalate its interference in areas that have been state responsibilities since federation.

This is all being done on the pretext that our system of government is so run down, so dysfunctional, that nothing short of wide ranging federal intervention in areas as diverse as water, health, education, can repair it.

Now there is a stark contradiction, even hypocrisy, in this pretext.

At the same time as we have been told that our system of government is not working we are told the economy has never been stronger; that workers have never been better off; that unemployment has never been lower!

The federal government cannot have it both ways. It cannot claim that government has become dysfunctional while at the same time claiming that we have never been in better shape.

The truth of course is that the issue has been totally politicised because of the makeup of the states, and the proximity of a federal election.

Frankly, the sooner the election is out of the way the better. The current environment is not contributing to good government in Australia.

We have too much politics, and not enough government.

Now no matter who wins an election that can only be weeks away, the Queensland Government intends to take a leadership role in promoting and facilitating a wide ranging debate about contemporary federalism—a debate that must be based on what is best for Australia in the future.

I have no problem with handing over to the Commonwealth responsibilities that can be better managed by the Commonwealth—provided the Commonwealth is prepared to hand over to the states, or to local and regional governments, areas that can be better managed at our levels.

The idea that the solution to all the infrastructure and service delivery challenges Australia faces is to have the Commonwealth administer all of them is nonsense.

I don't pretend that my government, or any state government, gets it right all of the time.

The Commonwealth needs to make the same concession.

It is easy for federal ministers to travel around claiming we can't manage hospitals, or schools with the implication that they can!

But what are the facts?

ROLES AND RESPONSIBILITIES

Let me just mention two areas that are, and always have been solely federal responsibilities—quarantine and aged care.

We have our fourth largest industry—racing—in crisis because of a clear failure in our quarantine system. And racing is not the first industry to suffer from a decline in our high quarantine standards—citrus and sugar cane have fallen victims in recent years as well.

And look at aged care. Today we have a crisis in aged care that is putting enormous pressure on our hospitals system—because of chronic under funding of nursing home and aged care services. That is, and it is totally, a Commonwealth responsibility.

So the basic argument that the way to fix a problem is for the Commonwealth to take it over is false.

What we need in Australia today is an informed and wide ranging debate on our federal system. And that will best be achieved by taking the “politics” out of it as much as possible.

My Government intends to undertake an audit of inter- and intrastate policy and service delivery anomalies, and cross-border issues, recognising that there is duplication that is wasteful and costly at a time when we must maximise efficiency to deliver on the growing demands of the community.

We intend to address the major contemporary issues of federalism through a public awareness campaign on how we are governed, on how powers are shared, and on what responsibilities the various levels of Government have, and share.

On the specific issue of tied funding—and it has become the federal government's main weapon in eroding the role of the states—we will commission a discussion paper entitled “A New Vision For Tied Funding Arrangements in Australia—Roles, Responsibilities and Imbalance” as a foundation for addressing Commonwealth interference.

We will take these initiatives in the lead up to what we are seeking—a Constitutional Congress in late 2008 and hopefully a Constitutional Convention a year later.

Queensland has no fears about a debate, and ultimately a review, of the federal system.

And we will be pressing for that review to include the future role of local and regional government.

Queenslanders have a long history of being suspicious of centralism. Time and time again they have rejected referendums that were designed to increase the power of the federal government.

I don't believe the answer to our challenges is an all-powerful federal government in Canberra—Labor or Liberal.

The growing power of the central government in Australia runs contrary to the world-wide trend today.

In the UK for example, further devolution is very much on the agenda. The same debate is taking place when it comes to the division of power in the USA and Canada.

As soon as the federal election is done and dusted, we want the debate about our federal system to have the politics taken out of it, and rational debate put back into it.

That is what Queenslanders want—and I believe it is what all Australians want.

CONCLUSION

In the limited time available I have sought to raise just a few issues that are, I believe, relevant to Queensland's future to your future, and that of all in business, in our professions, in industry, and the whole community.

My confidence in our future is unbounded.

It requires a continuing and growing partnership between government and the private sector, between government and our diverse communities.

It also requires a genuine partnership between governments.

We are committed to playing our part in contributing to strong partnerships in the common good.

That is the best commitment we can make to the four million men, women and children of this great State.