



Speech by

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APPROPRIATION (PARLIAMENT) BILL (NO. 2); APPROPRIATION BILL (NO. 2)

Miss SIMPSON (Maroochydore—NPA) (Deputy Leader of the Opposition) (3.50 pm): Queensland: beautiful one day, for sale the next. Today Premier Bligh announced the government was selling off the silver to pay for social infrastructure. I welcome the newly announced and much-needed hospitals, but how they are being paid for is rather interesting. After a boom time of revenue from GST, the building and property industries and the mining sector during which this government has never had so much cash, Labor is now selling more income-earning assets. This government has squandered the golden years of opportunity and is now in a panic about its debt levels and its mismanagement of a range of major infrastructure contracts, the cost escalations of which have left industry with its mouth agape.

Earlier this month the Premier was even offering to sell to the Chinese her know-how about building water infrastructure. I thought she was trying to build better overseas relationships, but giving dodgy advice to our export markets and wanting payment for it is a bit rich, even for Labor spin doctors. Ms Bligh is trying to sell overseas a message that no-one at home would buy. China could definitely learn what not to do from the Queensland government—that is, do nothing about water supplies for a booming population until there is a crisis, deny that there is a crisis until all the water starts to run out and then madly build infrastructure at the highest possible cost and inflict harsh water restrictions on the people.

Today's announcement proves that one of the recent rumours in the financial and construction industries was true—that is, projects are going to be funded by asset sales. The other concern from industry was that after a rush of infrastructure spending, which has escalated construction costs in this state, there will be a rollback of other projects and a slowdown of maintenance, particularly in small to medium sized projects. These will not be announced; they will just happen. We already have a list of a number of them. Industry does not want gorge-and-starvation cycles of infrastructure. It needs certainty. It needs properly planned and funded projects with contracts that keep to a more stable program of rollout rather than a stealth rollback with government saying one thing and doing another.

We know that Treasury is worried about the state's AAA rating and the pressure it is under from the escalating state debt. Incredibly expensive, poorly planned and badly scoped infrastructure projects have cost taxpayers billions of dollars more than they should have had to pay. Alliance contracts that are not market tested or tendered, have poor financial controls and include lucrative provisions for contractors to pocket savings from risk or contingencies hide the real cost blow-outs. Some of those contracts, particularly those on the western corridor recycled water pipeline and other parts of the water grid, are an absolute disgrace and are examples of how the government has enacted sloppily managed government contracts. Queenslanders are going to have to pay for that for decades to come.

The majority of those contracts were signed when Premier Bligh held the dual role of Treasurer and infrastructure minister. Premier Bligh is continuing Peter Beattie's legacy of smile and spin and then throw money at the crisis. As a result, today Queenslanders are the unsuspecting owners of \$55 billion worth of state owned debt, having paid too much for what could have been done better, in a more timely way and certainly more cost-effectively. The debt is \$55 billion, or \$10 million a day in interest, with no repayment plan.

We have also seen an escalation in the recurrent spending of government within the Public Service, with 9,000 extra public servants on the public payroll. While we certainly welcome the addition of any new doctors, nurses and teachers, when one examines the figures one sees that those jobs are certainly not highly represented proportionately among the 9,000 public servants. This government seems to be more interested in its mates than in funding a Public Service that can perform front-line services. It is unable to get on with the job because of the government's focus on mismanagement of the public sector and the infrastructure program.

I wish to address some of the infrastructure project cost overruns. At other times the government will fudge around and say, 'Oh, no. We haven't got cost overruns.' Basically it has put in high margins for contingency and risk and has then paid out more on certain contracts. Let us look at what is on the list of projects. The Gold Coast Rapid Transit project is 50 per cent more expensive than originally noted, with a \$301 million projected blow-out. The western corridor recycled water pipeline is one of the stunners in this array of expensive infrastructure that should not have cost as much as it has. It has a \$700 million cost blow-out. Using more fudge and spin, the government says that it is not really a cost blow-out, but it has gone from being a \$1.7 billion project to a \$2.4 billion project. That is lot of bickies. That is a lot of hospital beds. Is it any wonder that the government is now flogging off state assets because of the way it has mismanaged some of its infrastructure projects? The projected budget for the Houghton Highway project has been increased by approximately 152 per cent. That is a blow-out of upwards of \$200 million.

The northern pipeline interconnector is an interesting case. This is the two-stage pipeline to the Sunshine Coast and Traveston Dam. Stage 1 was listed. Stage 2 is a \$400 million project, but the government did not bother to put it in some of the forward estimates. The published documentation shows that it is worth \$400 million, but somehow it forgot about it. I can go on. There is a whole list of dams and roads for which the projected cost blow-outs are astounding, yet there are still areas of great need. Yes, the state is growing but—surprise, surprise!—it has had higher growth rates in the past. What was different is that in the past coalition governments decided to put in place timely infrastructure and people expected that that is what governments did. Then this mob came along and did not do anything while the population base grew. They did not invest in infrastructure relative to that population growth.

I am concerned that during today's announcements we did not hear of the government's commitment to interim health needs before some of the new hospitals come online. A new Sunshine Coast hospital has been promised by the state government, yet its own reports show that interim beds need to be made available before the hospital comes online in the next decade. The Nambour Base Hospital has one of the busiest emergency departments in Queensland. It has the only true intensive care unit between Brisbane and Townsville. It has a very high-functioning intensive care unit that provides a high level of service. Yet the government's own reports show that the Sunshine Coast requires an extra couple of hundred beds before the new hospital comes online in the next decade. The government's own reports show a need for transitional beds built into existing infrastructure before the new hospital comes online, because in the past 10 years under this government that capacity has not been built into our hospitals. I ask the government what it will do about the rest of the hospital rebuilding program and the beds that are required before the new hospitals come online. Those questions need to be answered.

Maybe it has another proposal to sell off another piece of infrastructure. Maybe it has not told us about another government contract that it is going to roll back. At the end of the day, it is time there was greater transparency about the real costs in the way that this government has done business because ultimately the people who really pay the price are not the government ministers; they are the taxpayers who are sitting for too long in emergency departments waiting to be treated.

Incidentally, state hospital waiting list figures are not published publicly. You do not get a schedule per hospital as to the amount of time that people are waiting in emergency departments. I know that that information was previously collated, but it is not currently on the web. I am concerned that, when beds are not put in place in a timely way, once again people will be shoved into emergency departments without access to the usual standards of care that they would receive when admitted to a hospital ward. Busy emergency nurses and doctors are doing their best, but they are not equipped to treat people as de facto in-patients waiting on trolleys in the corridors.

The other concern I have that is somehow slipping under the radar is that people are waiting up to six months before they get home help after leaving hospital, and I have some examples of that. So this government can find money to pay Peter Beattie to go overseas as trade commissioner on increased wages and it can find money for bureaucrats and government staffers, such as Chris Cummins, to come back into the fold of its government mates, but when it comes to things that matter it seems to have very poor priorities as to where and how it spends its money.

Queenslanders do deserve better. They deserve better in the way infrastructure is planned, the way it is scoped, the way contracts are written and the way financial oversights are put in place so that people get value for money so that they are no longer sitting on congested roads, so that they are no longer wondering if their water is going to run out, so that they are no longer waiting in emergency departments wondering if there is going to be a hospital bed. This is what good economic management should be about

addressing. It is what this government has failed to do. It has failed to adequately plan and cater for growth by trying to blame other people. Now we have a situation where we are wondering what it will sell off next now that the economy is starting to wobble in some sectors. It has failed to put in place infrastructure in a timely way over the last 18 years.