

I commend the Bill to the House.

Debate, on motion of Mr Borbidge, adjourned.

APPROPRIATION BILL

Hon. K. E. De LACY (Cairns—Treasurer) (2.34 p.m.), by leave, without notice: I move—

"That the House will, at its present sitting, grant leave to bring in a Bill for an Act to appropriate certain amounts to services for the financial years starting 1 July 1994 and 1 July 1995."

Motion agreed to.

Mr SPEAKER read a message from Her Excellency the Governor recommending the necessary appropriation.

First Reading

Bill and Explanatory Notes presented and Bill, on motion of Mr De Lacy, read a first time.

Second Reading

Hon. K. E. De LACY (Cairns—Treasurer) (2.35 p.m.): I move—

"That the Bill be now read a second time."

The 1994-95 State Budget, the fifth delivered by the Goss Government, represents another major milestone in Queensland's development.

This year the Budget's emphasis is shifting from managing recovery from recession and drought to building for a new era of growth.

Again the Goss Government's unstinting commitment to fiscal discipline will underpin further strong economic growth and deliver improved services and infrastructure.

The presentation and passage of the State Budget well ahead of the commencement of the financial year—and well ahead of the southern States—will allow Queensland to quickly and fully capitalise on Queensland's extraordinary financial pre-eminence.

The 1994-95 State Budget includes a substantial package of business and industry incentives including major reductions in charges by Government enterprises as they rapidly improve their competitive position through corporatisation.

The infrastructure needs of a growing population and a dynamic economy will be comprehensively addressed; the emphasis on job creation will be

retained; there will be no new taxes and State net debt will approach zero.

But there is an even more important message in this Budget for the Queensland community: this Government will not sacrifice Queensland's quality of life in a grab for growth.

Indeed, the growth dividend now emerging in Budget revenues will be directed substantially to enhancing the quality of life for all Queenslanders.

- The security and safety of our community will be enhanced by a major emphasis on Law and Order.
- Rural communities, many of which are still struggling to recover from the severe impact of drought, will benefit from a comprehensive rural policy package. At the same time significant resources will again be devoted to assisting rural communities still gripped by drought.
- Aboriginal and Islander communities will be assisted with a package of infrastructure improvements in areas such as health, housing, roads, water supply and sewerage.
- Social infrastructure will be boosted, funded in part by a \$100 million increase in returns to taxpayers from our more efficient Government enterprises.
- Important new social programs will commence in areas of critical need including mental health and intellectual disability services. Real growth in funding will occur in the key service areas including health, education and family services.
- Residents in South-East Queensland will see the first tangible benefits from the SEQ2001 planning process.

Mr Speaker, those enduring principles of fiscal discipline and social responsibility, which have been the hallmark of the Goss Government, will again be evident as this Budget sets new standards for Australia in financial performance and service delivery.

QUEENSLAND'S ECONOMIC PROSPECTS

This Budget has been framed in the context of a buoyant Queensland economy underpinned by three consecutive years of strong economic growth.

Queensland's above average economic performance has been maintained in 1993-94 and is expected to continue unabated for the foreseeable future. Real Gross State Product

(GSP) growth in 1993-94 is expected to average 5.4%, compared with national growth of 4%.

In the ten months to April 1994, employment growth in Queensland increased by 2.9%, virtually double the rate for the rest of Australia. Since the Goss Government was first elected, there have been 119,000 new jobs created in this State, while the rest of Australia has produced only 8,800.

Queensland is now clearly in a consolidation phase of strong post-recovery economic growth. In 1994-95, real GSP is again expected to grow by 5.4%, well above the forecast national growth rate of 4.5%.

Economic growth will be driven primarily by the private sector. The composition of investment is expected to shift further from dwellings to business investment.

Favourable conditions exist generally across Australia, with

improving economic growth, low inflation, low interest rates, rising real incomes and healthy company profits. Coupled with Queensland's low taxation and financial and economic strength, the scene is now set for an upsurge in business investment. In line with all the available economic indicators and surveys of business spending, Queensland Treasury is forecasting growth in business investment of 19% in 1994-95.

Employment growth in Queensland in 1994-95 is expected to accelerate to 3.8%, again above forecast national employment growth of 3%. This will add a further 54,000 new jobs to the Queensland economy over the coming year.

As a result, Queensland's unemployment rate is expected to continue its steady decline, falling to around 9% by mid 1995.

Looking beyond 1994-95, Queensland Treasury's medium term projections indicate that real economic growth will be sustained at a rate of around 5% for the three-year period to 1997-98.

With the early Budget this year, my Department has not produced its comprehensive annual review of the Queensland Economy as part of these Budget Papers. This document will be produced later in the year, and will report on outcomes for the full 1993-94 financial year.

However, to complement the Budget Papers, I have today released the Queensland Economic Review which provides the latest data on the performance of the Queensland economy to the end of the March quarter 1994.

LEADING FINANCIAL PERFORMANCE

The Consolidated Fund Budget for 1994-95 provides for total outlays of \$10,776 million and receipts of \$10,741 million, which, given the carry forward balance of \$37 million, will leave a small surplus at year's end.

Mr Speaker, while some other Governments around Australia are making good progress on deficit reduction strategies, Queensland is setting new standards for establishing structural Budget surpluses. Each year the State's growth in financial assets is outstripping borrowings, in effect producing an underlying surplus and a rapidly reducing net debt.

I need to stress, as I did last year, that the Goss Government is not pursuing a debt reduction strategy. The remarkable debt position is an inevitable outcome of our disciplined adherence to a financial management strategy which requires us to borrow only for economic purposes and to fully fund all accruing liabilities.

For 1993-94, the Government expects to achieve a massive underlying surplus of \$1.8 billion. This surplus reflects the application of our disciplined financial strategy, the sale of the Gladstone Power Station, and the generally improved State revenue performance. In ABS terms, the negative net financing requirement (NFR) is estimated at \$1.5 billion.

In the first four years of the Goss Government, net debt for the total State Government sector (including Public Trading Enterprises) has fallen from \$4.3 billion to an estimated \$1.3 billion as at 30 June this year. In line with projected surpluses, I now expect that Queensland will have zero net debt by the end of this budget year—one year earlier than my prediction in last year's budget.

This financial position sets us apart, not only from the rest of Australia, but is matched by few governments, national or sub national, anywhere in the world.

And those who would criticise us for being a 'big spending government' should recognise that increased spending to meet our social commitments is being accommodated within this rapidly strengthening financial position.

However it is important now to harness this financial strength in order to meet the challenges ahead to the year 2000—to expand our infrastructure base and improve our quality of life.

MEETING THE INFRASTRUCTURE CHALLENGE

Queensland's population is expected to exceed four million by early in the next decade and exceed that of Victoria within thirty years.

This growth requires a long term commitment by Government to meet the infrastructure challenge.

And capital works spending provides the best single way for State Governments to directly create jobs—still the greatest challenge facing our community.

The Goss Government has continued to meet these challenges, lifting the State Government's annual capital program from \$2 billion in 1989-90 to \$3.4 billion in this budget.

Unlike other States, the Goss Government has not had to constrain its capital program for budgetary reasons. In 1993-94, Queensland will invest \$1045 per person in capital works. By comparison, Victoria is spending \$657 and New South Wales \$751.

Queensland Infrastructure Financing Fund

The Government currently has before it for consideration a range of major infrastructure projects including upgraded railways, new road corridors for South East Queensland, port expansions, new gas pipelines and other energy projects.

The private sector can certainly play an important role in delivering such economic infrastructure. However many new projects on the drawing board require a longer term investment horizon and/or an injection of risk capital which may be beyond the capacity of private sector developers. While such projects generate substantial economic benefits, all of these benefits do not necessarily flow directly to project developers.

Government will therefore need to play a significant ongoing role in the provision of infrastructure for our rapidly expanding State. It is our intention to use the State's very strong financial position to perform this role.

The Goss Government has therefore decided to establish the Queensland Infrastructure Financing Fund to finance strategically important infrastructure projects to the year 2000. Projects financed by this fund will be in addition to this year's State Capital Program of \$3.4 billion.

This Fund will be built from a number of sources including equity from some existing and mature infrastructure projects. These equity funds will be supplemented by low cost debt funds provided by the QTC, utilising Queensland's Triple-A credit rating.

The initial pool will be around \$1 billion (comprising equity of around 40% or \$400

million), growing to a potential \$2 billion by the year 2000. The pool would be replenished over time both by projects providing returns back to the Fund as they mature, and by inviting the private sector to participate in mature projects.

Importantly, the State's virtuous cycle of annual structural surpluses will mean that the Queensland Infrastructure Financing Fund will be accommodated while maintaining the State's zero net debt position.

The overall commercial integrity of the Fund will be maintained by ensuring that investment decisions are evaluated against a comprehensive set of guidelines by an advisory group chaired by the Under Treasurer, and that any marginal or risk component of the investment is covered by equity rather than debt.

In addition to providing a significant impetus to economic growth, an important benefit will be to remove the burden of funding marginal infrastructure projects from the Budget, enabling traditional Budget resources to be directed to expanding social services and infrastructure.

I will be announcing further details of this proposal, including implementation arrangements and eligibility criteria, in coming months with a view to finance being available for eligible infrastructure projects during 1994-95. An outline of the initiative is included with the Budget Papers.

State Capital program

Mr Speaker, our rapid population growth is placing great pressure on the State's social infrastructure right now, and funding must be found from Budget revenues. It is therefore proposed to utilise increased returns to the taxpayers from the electricity industry and improved State revenue generally to provide a substantial boost to social infrastructure in this year's Budget.

A particular focus will be a three year, \$170 million revamp of the State's Law and Order infrastructure.

Successful policing, reforms to the justice system and rapid population growth have placed pressure on our prison and watchhouse capacity. We are therefore committing \$107 million over the next 3 years for Corrective Services infrastructure. The Government earlier this year approved over 300 extra beds at existing facilities. In addition, a new \$52 million 400 bed correctional centre will be built at Woodford.

\$26 million will be spent over 3 years to improve youth detention facilities.

We will meet demand for judicial services with \$40 million over 3 years for new and expanded courthouse infrastructure.

An additional \$15 million will be allocated to provide new and upgraded ambulance stations and new equipment for ambulance and urban and rural fire services. \$11 million will be funded from the budget and the rest from increases in user charges.

A \$10 million special enhancement will increase the schools' capital program to \$149 million, funding major new facilities at 71 schools throughout the State, as well as 5 new schools and 7 new pre-schools which will open during the year.

Investment in capital for post-school education remains a high priority. \$55 million will be provided for new and expanded TAFE college facilities and \$15 million for other Tertiary institutions.

The ten year, \$1.5 billion Hospital Re-building Program is starting to make real inroads into the rundown state of health capital in Queensland. Next year's \$154 million program will provide 14 new community health centres, 11 primary health care centres and hospital improvements throughout the State.

The transformation of the South Bank precinct will continue in the coming year, with expenditure of more than \$120 million. The Brisbane Convention and Exhibition Centre will be completed, Stage 5 of the Queensland Performing Arts Centre will get underway, the very popular Kangaroo Point Cliffs Boardwalk will be extended along the river and the new Conservatorium of Music will be built.

In addition to projects financed through the new Queensland Infrastructure Financing Fund, this year's capital program will also include a significant transport infrastructure program totalling \$1.6 billion.

For example, the Goss Government has placed a high priority on modernisation of Queensland's road network through both a commitment of significant additional resources and a major reform program to provide better value for the road investment dollar. State funding for roads will be boosted by 19% in this budget to a record \$559 million in an overall program of \$725 million. Reforms are estimated to have produced over \$70 million in extra road work this year, with a further 20% productivity improvement targeted for next year.

A \$20 million Transport Infrastructure Development Scheme will provide new bicycle

ways and transport infrastructure for regional and remote communities. This will be funded from a \$10 increase in the Traffic Improvement Fee.

In addition, \$78 million will be invested in preliminary works and corridor acquisitions for motorway projects in South East Queensland.

The Goss Government is making an unprecedented \$164 million Budget commitment to the passenger rail system in Brisbane and the Gold Coast, providing commuters with a convenient, environmentally friendly and affordable alternative to car travel.

This will ensure the commencement next year of a rail service to Helensvale and then on to Robina by 1997. Completion of the inner-city tunnels in 1996 will lift city rail capacity by 80%, resulting in many more passenger services in peak periods.

High speed, reliable, long distance rail links are also essential in a large State like Queensland. \$220 million will be invested in 1994-95 as part of a major upgrade of the North Coast and South Western lines. Freight transit times will be comparable to road while the tilt train service to Rockhampton will slash passenger travel time by two and a half hours.

\$67 million will be provided for a major expansion of water resources projects, including \$18 million under the Sugar Industry Infrastructure Package.

STATE REVENUES

The Government will fully meet its commitment to maintain Queensland as the low tax State.

There will be no new State taxes or increases in tax rates in 1994-95.

Queensland business will continue to benefit from Australia's most competitive payroll tax regime as well as the absence of a petrol tax and Financial Institutions Duty.

But all Queenslanders benefit.

The Commonwealth Grants Commission estimates that, based on 1992-93 data, the Queensland Government could have raised an additional \$663 million if it had imposed a range and level of taxes comparable to those in other States. The position has since strengthened.

This low tax regime has been maintained against a background of virtually no growth in Commonwealth payments to Queensland.

While a more favourable outcome was achieved at the Premiers' Conference than first expected, Commonwealth payments to the Consolidated Fund will increase by only 0.9% over estimated actual payments in 1993-94. With our population growing at 2.5% and inflation at 2.1%, this

represents a real per capita reduction of over \$200 million.

Queensland, with 18% of Australia's population, now receives 18% of total Commonwealth grants. This should finally lay to rest the increasingly histrionic claims that Queensland is subsidised by the larger States.

All of the substantial improvements in social services and infrastructure funded in this Budget have therefore had to come from the State's own revenue sources.

Consolidated fund receipts are expected to increase by 4.4% on estimated actual receipts in 1993-94. However excluding the substantial growth in interest income on superannuation reserves (which has off-setting outlays as it is simply reinvested to meet accruing liabilities), the increase in State revenues is less than 4%.

Revenue from State taxes, fees and fines is estimated to increase by 5.3%, reflecting strong growth in the State economy.

ENHANCING OUR COMPETITIVE ADVANTAGE

Mr Speaker, I have referred to the considerable distance we have put between Queensland and the other States when it comes to tax levels.

It is the Goss Government's objective to maintain and enhance Queensland's status as the low tax State of Australia while at the same time ensuring a reasonable revenue base in order to fund essential services and social infrastructure.

Having locked-in Queensland's substantial tax advantage, we are now moving to implement the second phase of our drive to boost the competitiveness of the Queensland economy by delivering to business and consumers the benefits from a wide ranging program of micro-economic reform.

In 1994-95 the corporatisation agenda for major Government Owned Enterprises enters the full implementation phase. The hard work of the past few years will commence to provide real returns to the people of Queensland.

The Queensland Electricity Supply Industry will be fully corporatised on 1 January 1995. As a result of the efficiencies developed during the lead up, and the changes that stem from corporatisation itself, major benefits will flow to both taxpayers and electricity consumers.

The dividend will be increased by \$40 million but the Government will now explicitly fund tariff

equalisation for domestic consumers throughout the State, at a full year cost of \$70 million. The Government already funds a community service obligation of some \$25 million to provide electricity price concessions to pensioners.

Under new arrangements agreed at this year's Premiers' Conference, the electricity industry will pay to the State the equivalent of company tax for the first time. This expected \$100 million will be utilised to fund additional social infrastructure throughout the State—thereby providing the taxpayers of Queensland with a substantial and tangible benefit from the efficiencies of corporatisation.

Mr Speaker, at the same time there will be a matching \$100 million reduction in electricity prices to Queensland consumers—thereby entrenching Queensland as the low cost State of Australia.

- Prices to all domestic customers will be frozen until February 1996;
- Prices to commercial and industrial customers will be reduced by an average 10% in real terms from March 1995. This will provide both a major competitive advantage to Queensland business and an opportunity to remove the cross subsidisation of domestic consumers by commercial and industrial customers—thereby putting the industry on a secure and equitable footing.

Beyond March 1996 the efficiency benefits of corporatisation are expected to result in continuing real reductions in electricity prices.

The ports of Brisbane and Gladstone and the Ports Corporation are to be corporatised from 1 July 1994, with the other ports following twelve months later. The Government has decided that part of the resulting dividend and tax payments will be devoted to funding a major reduction in port-related charges.

Queensland Rail is also proceeding towards corporatisation, with this scheduled to commence from 1 July 1995. Our objective is that, by the year 2000, export coal hauls will be based on internationally benchmarked commercial freight rates and QR will be achieving at least break even on its long term commercial freight network. Only funding for community service obligations and social capital will come from the Budget.

Mr Speaker, corporatisation will provide the basis

for our Government enterprises to move to world competitive standards.

During coming months I will be releasing a further major policy initiative, a Financial Management Strategy to guide reform of the core public sector towards international best practice standards over the next five years.

OUTLAYS

Mr Speaker, the returns from our strong budgetary position and the improvement in our revenue base from a growing economy and our microeconomic reforms will be re-invested to improve services to all Queenslanders.

Outlays are forecast to increase by 5.1% over the estimated actual outlays for 1993-94. However, after adjusting for the substantial growth in invested interest earnings on funds held to meet future liabilities, the increase is 4.5%—or 2.4% in real terms, somewhat below expected growth in real GSP of 5.4%.

Education and Training

The Education Department Budget has received a massive increase in funding since the election of the Goss Government. The 4.3% increase in this Budget will bring the total real growth over the last 5 years to \$460M. That equates to a real funding increase of almost \$800 per student.

The report on the Review of the Queensland School Curriculum provides us with an opportunity to carefully consider how and what our children are being taught.

The Review's recommendations have appropriately concentrated on the basic skills of literacy and numeracy which have clearly been an area of concern by parents and the community.

An initial allocation of \$20M has been incorporated in this Budget to address the issues raised in the report.

The Government will provide the equivalent of one hour of non-contact time for teachers in non-secondary schools from 1995 to enhance the quality of teacher preparation and planning which in turn will enhance student learning. This will cost \$7 million in a full year.

Achievement of this target will require more effective utilisation of specialist teachers and this will be pursued collaboratively with the Queensland Teachers' Union. The Government is also prepared to negotiate an extension of non-contact time for non-secondary teachers from 1996 to a maximum of two hours in the context of enterprise bargaining.

\$10 million will be invested in the development of a school-based information management system which will facilitate the further devolution of management and decision-making to schools.

The Goss Government has led the nation in its commitment to teaching of foreign languages. In 1994-95 funding for this initiative, including the new National Asian Languages Strategy also pioneered by Queensland, will total more than \$23 million, an increase of 21% on the previous year.

In total, the Budget provides for an additional 261 teachers for enrolment growth and to meet specialist priorities, including non-contact time for non-secondary school teachers.

The role of the non-Government sector in an effective education system is recognised through a 7.4% increase to \$128.9 million in recurrent funding support.

Mr Speaker, as identified in the Commonwealth's White Paper on Employment and Growth, vocational training will be critical to providing the unemployed and new entrants to the labour market with the skills to capitalise on the forecast growth in the economy.

Vocational education and training funding will therefore be increased by 4.5% on last year's comparable Budget. This will provide an additional 11,000 full time and part time mainstream vocational education student places in 1994-95, bringing the cumulative increase under the Goss Government to almost 140,000 or 95%.

Health

Investment in health and hospital services has always been a priority for the Goss Government. As a result public hospital admissions have increased by 28% in the past four years. Health funding will increase in 1994-95 by 6.7% over last year's Budget, which should allow hospital admissions to increase to over 600,000.

The Budget contains a major initial response to the Burdekin Report with a \$23.8 million, 16% increase in mental health services.

- \$1.5 million additional funding has been allocated to enhance child and youth mental health services;
- Mobile Intensive Treatment Teams will be established at a cost of \$1.5 million to improve the quality of life of people with serious or persistent mental illness living in the community.
- A 30 bed community outreach mental health facility will be completed at Rockhampton

hospital at a total cost of \$4.2 million and \$13.2 million has been allocated for construction of a new 90 bed Psychiatric Unit at Royal Brisbane Hospital.

- \$1.5 million has also been allocated for a Youth Suicide Prevention Service.

I will briefly mention just some of the many other health initiatives in this year's Budget.

- Immunisation is the single most effective action the community can undertake to protect the health of our children and yet little more than half the pre-school population is fully immunised. \$600,000 has been provided for a concerted Childhood Immunisation campaign.
- This Budget recognises the historical neglect of the increasingly important field of clinical genetics in the diagnosis and treatment of hereditary conditions. A Clinical Genetics Service aimed at identifying, reducing and treating genetic disorders will be established in Queensland at a full year cost of \$1.4 million.
- Breast and Cervical Cancer Screening in Queensland will be greatly enhanced by a 35% increase in State and Commonwealth funding to \$17.4 million.
- The Budget also includes a \$1 million package to attract, recruit and retain specialist staff, particularly in rural and provincial hospitals.

Law and Order

The Goss Government places a very high priority on the maintenance of law and order to provide Queenslanders with a safe and secure community in which to live.

In addition to the comprehensive program of enhanced law and order infrastructure I have already outlined, this Budget contains a range of other initiatives to combat crime and improve the justice system.

Police services will be considerably expanded through several initiatives.

- A Property Crime Squad involving an additional 32 police and support staff will be established at a cost of \$2.4 million to target break and enter offences and vehicle theft.
- The successful 'Police Beat' Shopfront Program will be expanded from 30 to 45 centres at an additional cost of \$1.75 million.
- The Aboriginal Liaison Officer program has been effective in developing better understanding and trust between

Aborigines, Torres Strait Islanders and the police in regional Queensland. The number of officers will be doubled from 47 to 94 officers at a cost of \$1.7 million, extending the program to Brisbane and surrounding areas.

- The Police Beat program trialled in Toowoomba emphasises community policing through foot patrols. This program will be expanded to other locations at a cost of \$300,000.
- \$30 million will be provided over the next 3 years to develop integrated information systems. The Police Service estimates that the policing benefit from this investment will be equivalent to about 400 full-time officers.

The Police budget which includes \$6.6 million in general growth funds, will grow by 5.6% providing for 265 new personnel.

In addition to the massive investment of \$107 million in prison capacity, nearly \$4 million has been allocated to:

- improve facilities and practices for suicide prevention in prisons;
- enhance education and training programs to improve rehabilitation opportunities for prisoners;
- minimise the need to escort remand prisoners to court through installation of a video conferencing link with the Arthur Gorrie Correctional Centre; and
- provide additional infrastructure for the very successful Western Outreach Rehabilitation Camp Scheme.

A \$1.8 million funding enhancement has been provided to the Department of Justice for a range of initiatives including increased resourcing for the Office of the Director of Prosecutions, Justice of the Peace Training and expansion of community justice mediation.

Aboriginal and Torres Strait Islander Infrastructure

While representing a major milestone in the reconciliation process, the recognition of native title does not diminish the need to provide Aboriginal and Torres Strait Islander communities with the basic service infrastructure which people in the rest of Queensland take for granted.

Infrastructure improvements in this Budget include:

- a \$15.5 million redevelopment of the

Thursday Island Hospital, complemented by a \$1.8 million community health centre;

- \$8.2 million over the next 2 years for 11 primary health care centres;
- an additional \$3 million to upgrade and improve Aboriginal rental housing;
- \$7.5 million over the next 3 years to counter the health problems in residential areas of Aurukun and Mornington Island caused by dust in the dry season and storm water during the monsoon season;
- an upgrade of water supply on seven Torres Strait Islands using Commonwealth capital funds, and the State providing ongoing maintenance; and
- \$11.5 million for a new dam on Palm Island which will be jointly funded with the Commonwealth;

Welfare Services

Over the last two Budgets we have significantly expanded the resourcing of the Department of Family Services and Aboriginal and Islander Affairs. This Budget also expands base funding available to the Department by \$4.8 million which, together with a number of specific initiatives, will see the Department's budget grow by around 11% in 1994-95.

A range of initiatives will be implemented including a focus on intellectual disability services involving:

- the institutional reform of the Challinor Centre for the intellectually disabled which will see \$26.9 million invested over the next 3 years to progressively close the Centre and relocate the 172 residents to community living with enhanced support services; and
- improvements in the quality of care for people with intellectual disability at the Basil Stafford and other centres, through additional funding of \$6.2 million over three years to improve specialist and supervisory support and staff training.

Rural Communities

In recent years rural communities across Queensland have been dealing with the impact of drought and recession. Significant pressure has been placed on the economic capacity and social fabric of these communities.

The Goss Government, in conjunction with the Commonwealth, has played its part with a drought assistance package totalling \$75 million

in the past two years, of which \$42 million has been provided by the State.

The Government remains committed to supporting rural communities and fostering their development.

Accordingly, we have released a Rural Communities Policy Package worth almost \$50 million, which commits the Queensland Government to a new partnership with our rural communities.

The policy package is highlighted by a \$40 million three year Rural Living Infrastructure Program which will see \$15 million allocated for enhanced rural amenities and \$25 million for water supply and sewerage infrastructure in small country towns.

The Government remains mindful that one-third of the State is still in drought and that large areas are either anxiously awaiting further rains or are only just beginning the long road to recovery.

This Budget therefore provides a substantial package of assistance to rural producers including:

- \$29.5 million for the Rural Adjustment Scheme, providing interest subsidies of up to 100% for drought-affected producers;
- \$15 million in drought freight subsidies;
- loan pools totalling \$27 million for drought-affected local authorities and for Crop Replanting and Restocking Schemes;
- a total of \$6 million for Landcare, Integrated Catchment Management and Property Management Planning programs;
- a pool of \$16 million for loan assistance under the PIPES scheme for farm productivity activities;
- joint funding with the Commonwealth of a \$1.8 million Drought Employees Support Scheme, to be co-ordinated by the Queensland Grain Growers Association; and
- \$4.4 million for research and control of noxious weeds and pests, including an additional \$0.7 million for the Rural Lands Protection Board to assist, for example, in the control of the parthenium weed.

Recreation, Environment and the Arts

A key objective of any Government should be to improve the quality of life for its citizens. While the enhancement to core services that I have outlined contributes to this objective, the Budget contains a range of other initiatives which will improve recreational, sporting, cultural and

other community based activities and the overall living environment.

The implementation of SEQ2001 includes a Regional Open Space System (ROSS) which aims to preserve adequate areas of open space within the region to ensure recreational, environmental and aesthetic values are maintained. \$7 million has been allocated in 1994-95 for the planning and development of this program including \$4 million for the first year of a \$20 million land acquisition program.

This program has been funded from increases in Land Title fees for Searches and Survey Plans.

Other environment related initiatives include implementation of new Environmental Protection Legislation, waste management and contaminated land strategies and the commencement of the Tweed River sand bypass project.

Over \$20 million will be allocated to fund sport and recreation facilities under the Queensland Facilities Development Scheme. The Sports Development Scheme will provide grants totalling \$10 million, with an emphasis on junior coaching at the regional level.

\$2 million will be spent on Brisbane's Albion Park grandstand to create 'Sports House'—a home for small sporting organizations which cannot afford a place of their own.

In preparation for the Sydney 2000 Olympics, funding for the Queensland Academy of Sport will be enhanced and an Olympic Task Force established to secure economic spin-offs for Queensland.

A total of \$4 million has been provided for Arts initiatives including a \$2 million or 21% funding enhancement to public library services with a particular focus on improving the quality of bookstock.

Industry

The 1994-95 Budget contains a range of significant incentives for business, large and small.

The recently announced Mining Industry Package involves expenditure of some \$26.5 million over the next 3 years to promote further development of this important source of export income.

Funding is also provided for a new \$3 million Queensland Agribusiness Export Strategy developed in consultation with industry. The Strategy will particularly focus on opening up new export markets in Asia.

Other incentives for business in this Budget are:

- an additional \$1 million to expand industry extension programs, including to the tradeable services sector;
- \$3 million over the next two years for research and development grants under the QGRADS scheme;
- \$3.5 million in loans for unemployed persons to enter business opportunities under the successful Self Employed Venture Scheme; and
- and \$1.7 million to assist private industry to establish training arrangements and implement enterprise bargaining.

CONCLUSION

Mr Speaker, the Queensland economy has now moved into a strong growth phase.

Our challenge is to provide the environment in which industry and business can compete and expand. We will do this by:

- expanding the State's infrastructure base through the new Queensland Infrastructure Financing Fund and the ongoing \$3.4 billion capital program;
- maintaining our position as the low tax State;
- adhering to the long term financial management principles which will see our net debt fall to zero; and
- reforming Government enterprise to achieve world competitive standards and reduce direct input costs for customers.

The Goss Government will use these strategies to actively build for growth.

But we will not lose sight of our primary goal—to improve the quality of life for all Queenslanders.

Fundamentally, the best way of improving our quality of life is by ensuring that all Queenslanders have access to employment opportunities and essential public services.

This Labor Budget delivers on both counts. A strongly growing economy will provide expanded job opportunities for our rising population. Substantial enhancements to government services and infrastructure will maintain our quality of life for the future.

Mr Speaker, Queenslanders have a great sense of pride in their State. They have shown in recent years—indeed in recent weeks—that, faced with great odds, they can still meet the challenges and leave their southern State colleagues behind—or as they say in some circles, 'Queenslanders never give up'.

I commend the Bill to the House.

Debate, on motion of Mr Borbidge,
adjourned.

SPECIAL ADJOURNMENT

Hon. T. M. MACKENROTH
(Chatsworth—Leader of the House) (3.16 p.m.): I
move—

"That the House, at its rising, do
adjourn until Tuesday, 7 June 1994."

Motion agreed to.

The House adjourned at 3.16 p.m.