

# Special Fiscal and Economic Statement Speech

October 2005

Queensland **the Smart State**



**Queensland**  
Government

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# Queensland Special Fiscal and Economic Statement 2005

## PREMIER AND TREASURER

The Honourable Peter Beattie MP

Mr Speaker,

In presenting today's Special Fiscal and Economic Statement, I am pleased to confirm the Queensland economy and finances are in the strongest position in the State's history.

My Government has presided over an economy that continued to prosper in 2004-05 with estimated growth of 4.0% - double that of the rest of Australia.

This represents the ninth consecutive year that the Smart State has outperformed growth nationally.

In 2004-05 jobs growth reached a 10-year high of 5.6%, generating more than 102,900 new jobs.

This represents more than a third of all new jobs created in Australia in 2004-05.

For the first time, more than two million Queenslanders are in employment.

As a result of this growth, Queensland's unemployment rate fell to a year average 4.9% in 2004-05 – its lowest rate in 30 years.

People have a greater chance of finding work in Queensland than at any other time in more than a generation.

The Australian Bureau of Statistics forecasts Queensland will become the second most populous state in Australia between 2027 and 2044.

This could be accelerated, with Queensland being responsible for a third of the 230,000 increase in the Australian population over the last 12 months.

With 77,000 newcomers in the last 12 months we are due to reach a population of 4 million by the end of this year.

This represents a huge vote of confidence in the future of the Smart State and our vision of a state where knowledge, creativity and innovation drive economic growth to improve prosperity and quality of life for all Queenslanders.

From the day we took office, we have planned and implemented policies to build this vision:

- creating new jobs – through measures such as Breaking the Unemployment Cycle, increasing exports, enhancing traditional industries and creating new ones;
- improving services for the people of Queensland, particularly for those most in need in our community;
- investing in education, research and innovation;
- planning for and investing in basic infrastructure to meet the needs of our fast growing population;
- managing responsibly and living within our means; and
- maintaining competitive tax rates.

Over the past seven years we have:

- invested on average more than \$5.5 billion a year into the State's capital program – more per capita than any other state in the nation;
- committed to a \$55 billion infrastructure program for South East Queensland to provide basic services to the nation's fastest growing region – the first long-range program of its type in Australia;
- increased spending on health by 64% or \$2.1 billion and education by 55% or \$2.3 billion in the period up to the 2005-06 Budget; and
- increased spending on welfare and housing by 139% or nearly \$800 million in the same period.

As part of our Smart State Strategy we have:

- become the leading State Government in the amount of money invested per capita in research and development – so that we now have world class research facilities;
- paved the way for a 13<sup>th</sup> year of school – a prep year – to ensure Queensland children have the best chance of realising their full potential; and
- started the reform of the Vocational Education and Training sector to ensure the workforce of tomorrow fully meet the skill requirements of the modern economy.

## **HEALTH REFORM AGENDA**

While growth brings many economic benefits it also puts enormous pressure on services and infrastructure in our State.

Our population grows by more than 200 people a day.

We have increased spending to record levels to help meet demand yet there is still more that needs to be done particularly in the vital area of health.

In April my Government started the process of examining all aspects of our health systems, exposing problems and fixing them.

We instituted a major Review of our Health Systems and a Commission of Inquiry to examine issues largely involving Jayant Patel.

We gave them fiercely independent heads, we gave them teeth and we put them out in the full glare of public scrutiny.

The Final Report of the Review by Peter Forster found that we have a dedicated, professional and committed workforce with a strong ethos to do the best for patients.

I recognise and appreciate this fact and take the opportunity to thank them all again for their dedication, professionalism and commitment.

The Forster Review also confirmed that we have a good health system – as good as any other system in the country – but more funding and reform is needed to help address unprecedented growth pressures.

Soaring health costs and an ageing population have contributed to stresses on Queensland Health.

That is why today I commit my Government to the largest increase in health funding in the history of Queensland.

We will build a better health system through a range of innovative and far-reaching measures which will transform the provision of public health services in this State.

To ensure this quality health system, I am announcing the commitment of an additional \$6.367 billion to Queensland Health commencing now and over the five years to 2010-11.

New money totals \$4.431 billion with the remainder consisting of reserves held for future Enterprise Bargaining outcomes.

This funding will underwrite a range of measures which will address, as a matter of urgency, issues which the Forster Review identified as being of high priority.

It will also fund the implementation of medium and long term strategies which are needed to maintain and improve health delivery and sustainability.

The measures announced today include:

- to pay our doctors properly - an additional \$733 million over four years to attract and retain quality Salaried Medical officers and Visiting Medical Officers;
- additional funding in just over 5 years of \$463.7 million for cancer services, \$280.3 million for emergency departments, \$259.7 million for elective surgery, \$229.8 million for intensive care units, \$210.9 million for cardiac services, \$201 million for mental health services and \$127 million for workforce training;

- this starts with the immediate injection of \$547.6 million in 2005-06 across a range of service delivery initiatives including an additional \$42.2 million for elective surgery, \$24.1 million for cancer services, \$37.4 million for emergency departments and \$30.9 million for intensive care services;
- in 2006-07, an additional \$323.9 million will further target a range of priority delivery areas including cardiac, cancer, elective surgery, mental health services and workforce training as well as the development of a detailed health service plan;
- \$48.7 million in 2005-06 to address maintenance backlogs in hospitals and undertake a comprehensive Health System Review to assess information communication and technology recommendations made in the Forster Report and undertake staff and leadership training;
- \$22.6 million for priority capital works at the Bundaberg, Gold Coast, Rockhampton and Mackay hospitals; and
- a one-off grant in 2005-06 of \$3.7 million to the Medical Board of Queensland to introduce stringent registration requirements for special purpose registrants and to maintain services during the course of the Bundaberg Hospital Commission of Inquiry.

An establishment grant of \$400,000 in 2005-06 and an indexed recurrent grant of \$300,000 will be provided to the Office of Health Practitioner Registration Boards to establish and maintain an Area of Need Certification Unit.

To ensure transparency and openness, the Government will establish the Health Commission to take over responsibility for the Health Rights Commission, with a budget allocation of \$7.7 million.

It is a long term funding commitment to building a better health system - \$547.6 million in 2005-06 - rising to \$1.5 billion a year in 2010-11.

Among the funding sources for the package are the budgetary provisions held for future Enterprise Bargaining outcomes.

This practice of setting aside revenue for future wage outcomes is a prudent approach to budgeting, and is practiced by all Governments in Australia.

Our new commitment means the Queensland Health budget will have increased by 109% in the 10 years to 2008-09 – while the cost of living will have increased by about 35%.

Despite the overwhelming evidence of need, the Commonwealth has refused to provide Queensland with its fair share of University places - especially for doctors and nurses.

Although not a state responsibility, the Queensland Government recently announced it would fully fund 235 medical places at Griffith University's new medical school at a cost of over \$41 million over the next five years.

The Government will pay for fees, scholarships and assistance to obtain post graduate qualifications in respective medical specialities including at the Australian College of Rural and Remote Medicine.

Over the eight year span to graduation, this represents a commitment of \$61 million by the Queensland Government.

Today I am announcing a total of \$3 million to go to the University of Southern Queensland and the University of the Sunshine Coast to fund facilities to help in the training of nurses so critically needed in our health system.

Our health professionals are talented, dedicated and caring – they are the very heart and soul of our system.

Significant numbers of additional clinical staff will be recruited for key priority health areas.

Over the next 18 months alone we will seek to recruit approximately 1,200 additional key medical staff to the Queensland public health system, comprising:

- 300 doctors,
- 500 nurses, and
- 400 allied health professionals.

There will be further staff increases and these will be determined through the development of a comprehensive Statewide Health Services Plan which will also include innovative new models of care. Annual funding building to approximately half a billion dollars by 2010-11 has been allocated for the development of this plan.

Further initiatives to support our workforce include:

- offering a job to all nursing graduates from Queensland's nursing schools;
- expanding Queensland Health's transition to work programs so that new graduate nurses receive appropriate supervision and support by:
  - delivering improved skilling programs to 1,500 nurses;
  - training 1,000 nurses to become preceptors or facilitators;
  - providing a refresher program to 200 nurses in specialty areas and other incentives to attract former nurses back to the profession; and
  - establishing 60 dedicated nurse educators in clinical areas;
- actively recruiting doctors, nurses and allied health staff from interstate and overseas where the recently launched United Kingdom recruiting campaign has already attracted expressions of interest from more than 169 doctors, 44 nurses and 45 allied health professionals and 44 other categories of staff;
- fast tracking the nurse practitioner program by providing 20 scholarships next year and seeking access from the Commonwealth for Medicare billing for community-based nurse practitioners, in recognition that these roles are taking on some functions traditionally performed by doctors; and
- increasing places in the Rural and Remote Isolated Practice Nurses Program by 2009.

Meeting the workforce targets set out in the Forster Review will not be easy.

Given the international shortage of health professionals, these targets are extremely ambitious and we know that competitive remuneration is important. We have already committed to \$733 million during the forward estimates to give our Visiting Medical Officers and Salaried Medical Officers better pay and conditions.

Nurses make up a significant part of our workforce and like our other clinicians, administrative and operational staff they are crucial in ensuring the provision of high quality services to our patients. We are committed to delivering employment arrangements to nurses which will attract them to Queensland Health and encourage them to stay with us.

We will do everything we can to ensure that appropriate numbers of doctor, nurse and allied health staff are provided in our hospitals and community health services.

We will:

- work with the Commonwealth to develop more flexible models of primary health care;
- better manage demand by establishing more effective community infrastructure and services and through improved patient management processes in hospitals;
- develop multi-professional health care teams to better use the collective skill base of staff and to strengthen hospital/community integration; and
- develop new models of care that emphasise greater personal responsibility for being healthy, prevention, early intervention and enhanced clinical roles such as nurse practitioners. These models will involve greater use of non-government organisations to deliver services, such as community mental health services.

To ensure the sustainability of the health service into the future we will:

- Consult with patients, the community and staff as part of an examination to decide whether we should continue to manage Queensland Health's aged care facilities;

- examine opportunities for alternative service delivery models, including making health funds more responsible; and
- transfer home care services which are currently offered under the Home and Community Care arrangements to the community sector between 1 July 2006 and 2007.

In response to the Forster Report's comments on the poor dental health of Queenslanders, the Government will meet the full capital costs of introducing fluoridation into water for townships with a population greater than 5,000.

This offer will be available for a period of five years.

I want to stress today that the needs of mental health and indigenous health will receive the resources and attention they need from all the measures that I am announcing today.

Mental Health services will be improved with more than 200 full time equivalent clinical staff. These staff include approximately 180 additional community mental health staff to be provided across the State, and more than 20 forensic mental health positions will also be established to address pressures in this specialised field.

The existing budget for mental health is \$472 million. A further \$201 million increase will be provided for mental health services in just over five years. The mental health budget has almost doubled since we were elected.

The State Government has also increased its funding of the 'beyond blue' program from \$280,000 to \$3 million over five years.

There are also funds to top up the annual allocations to the Cape York, Torres Strait and Mount Isa health districts by \$2.96 million.

This funding will be allocated recurrently from 2005-06 to cope with existing pressures identified in the region.

In accordance with the long standing health care arrangements, which specify matching of funding, I expect the Commonwealth to contribute its share of increased funding to the Queensland health system.

The Queensland Government will increase its budget contribution to Queensland Health by 21.3% in 2005-06 compared to 2004-05 while the Commonwealth will increase funding by only 7.0%.

As part of a national response I would urge the Commonwealth to match Queensland's increased health funding. Were they to do this a further \$1.6 billion would be available for Queensland Health over the life of the current Health Care Agreement.

## **RECENT EXPENDITURE INITIATIVES**

In addition to the Government's response to the Queensland Health System Review, I am taking this opportunity to announce a range of initiatives and other significant reforms for the Queensland economy and public service.

Efficient transport is critical to a fast growing and geographically dispersed state. Since the 2005-06 Budget we have implemented a range of new transport initiatives which will improve traffic flows, safety and better protect our young people and drivers. These include:

- \$350 million towards replacing more than 100 old and obsolete road bridges in regional Queensland over the next five years – a down payment on the blueprint for the bush;
- \$16 million as the Queensland Government's contribution to the feasibility study for the Airport Link project;
- \$5 million towards a Western Brisbane Transport Network Investigation to assess transport needs in Brisbane West; and
- \$2.4 million to trial late night public passenger transport services from the Brisbane CBD.

Getting the basics right is critical to good government.

Decisions aimed at ensuring our policies, systems and programs meet or exceed community expectations include the following:

- an additional \$71.8 million for the period 2005-06 to 2009-10 for joint Information and Communication Technology initiatives for the Departments of Child Safety, Communities, Aboriginal and Torres Strait Island Policy and Disability Services Queensland;
- \$9 million to accelerate the asbestos roof replacement program for state schools, doubling the scheduled program this financial year;
- \$1.3 million over two years to establish the Great Sandy Marine Park which will extend from Baffle Creek to Double Island Point – almost doubling the total area of marine park in south east Queensland;
- implementing trials of Opal™ fuel in remote indigenous communities to counter the harm caused through petrol sniffing; and
- funding of \$17.4 million over five years for key elements of our recently announced counter terrorism initiatives.

## **ENERGY REFORM**

One of Queensland's greatest assets in attracting new business and encouraging further investment is the energy industry.

Queensland now has competitive electricity and gas sectors.

Over the past 10 years, electricity consumption has grown by more than 53%.

In the last three years, demand has grown by 30%.

Queensland's strong economic growth will mean electricity demand will continue to increase.

To help meet this demand energy infrastructure will need to be upgraded. Initiatives under consideration include a \$341 million three stage transmission upgrade between central and north Queensland.

Additional generation capacity will also be required. By mid 2006 a preferred generation project will be identified for the North Queensland region.

The challenge for the Government is to continually put in place reforms which create a strong, competitive market for electricity and gas which results in secure and well-priced energy to underpin the rapid development of this State.

Electricity market reforms to date have underpinned the investment in Queensland's generation sector and have delivered significant price reductions for large industrial customers.

Through deregulation of the retail market, large industrial and commercial customers have seen significant price reductions.

Being aware of the potential impacts of the recent introduction of Full Retail Contestability in the Queensland Electricity Market, the Government will undertake a review of the Queensland Energy GOC sector to ensure that its future structure is best suited to meet the demands of the changing market.

Further, to ensure the best outcome for energy consumers, Full Retail Contestability will be extended to all residential gas customers from July 2007 – the same date as for electricity.

This will ensure a competitive energy market for all customers regardless of energy source.

## **TARIFF REFORM**

In response to recommendations included in the Electricity Distribution and Services Delivery Report 2004, the Government will implement changes to electricity tariffs to better assist in managing peak demand and lower utilisation of the network.

The uniform tariff will remain.

We will also encourage people to become smarter about their consumption of our valuable resources.

It will reduce peak demand, help us manage our load and be better for the environment

It will make the system fairer for all.

## **WATER REFORM**

Water is one of Queensland's most valuable resources.

This has been highlighted by the current drought hitting Queensland - one of the worst in history.

My Government is committed to ensuring that all Queenslanders will continue to have access to clean and reliable water supply through careful planning and management of this resource.

The water reform agenda is well advanced throughout Queensland, with the progressive implementation of water resource planning and the development of water markets through the creation of tradeable water allocations.

We have already progressed long-term planning for growth in this region through our South East Queensland Infrastructure Plan.

This contains new supply options to enhance regional water supply security.

Work has already begun on one of these new supply sources, Cedar Grove Weir on the Logan River, and potential sites for a weir on the Mary River are under investigation.

As part of the South East Queensland Infrastructure Plan we are also developing a new dam at Wyaralong.

Supplementing the water supply with suitably treated recycled water for use by industry will also extend the region's water supply significantly.

We had already planned for this in our regional infrastructure plan, with around \$107 million earmarked for major recycled water projects but we have brought forward some components of this plan.

A recent allocation of \$7 million has been made to allow the substitution of recycled water instead of drinking water for two major industrial users in the Australia Trade Coast area.

An additional \$20 million has been allocated for 2005-06 and 2006-07 to facilitate design, easement acquisition and business case development for recycled water for the western corridor, to service the needs of industry in this growing region.

This recycled water may also be used by some of the region's power stations, replacing their current use of around 5% of South East Queensland's supply of drinking water.

It is essential that the necessary water infrastructure is put in place to underpin future water security in South East Queensland and also to encourage the efficient use of water of different qualities across users in the region.

The price of water from all sources, including raw and recycled, must reflect its scarcity and its quality.

My Government will develop strategies for South East Queensland which will promote water conservation as well as encourage investment in infrastructure.

The success of recycled water projects depends on the correct pricing.

We are also fast-tracking a pressure reduction and leakage management program in the South East which should result in water stock savings of approximately 10%. That is up to 75 Olympic sized swimming pools each day.

This will be undertaken by local governments, supported by a \$20 million subsidy from the State Government.

Increasing the connectivity of different water sources across the South East will give us more choices in managing regional water supplies.

My Government has committed to fast tracking the assessment of the \$250 million investment in the Southern Regional Water Pipeline, linking the Gold Coast and Brisbane regions as well as meeting the emerging needs of the growing western corridor.

The Queensland Government has also contributed \$27 million towards the costs of upgrading the Wivenhoe Dam spillway.

These works now provide better flood protection to Brisbane City and other downstream communities in the Brisbane River Valley.

## **OTHER ECONOMIC REFORMS**

Despite outperforming the rest of Australia, we want to further improve the efficiency and productivity of the Queensland economy.

Some of the issues facing us require action at a national level and we are:

- examining options, in conjunction with the Commonwealth and other states, which focus on strengthening the competitiveness of Queensland and Australian business by improved planning for, investment in, and the functioning of, key infrastructure markets;
- reducing compliance costs of operating a business both within Queensland and across states; and
- co-ordinating across jurisdictions opportunities in the areas of health, education and training and work incentives which will enhance productivity and encourage participation in the workforce. This initiative, in particular, will become vital to the welfare of the Queensland economy and community as our population ages.

We have established a Coordinator General's Office to accelerate the provision of infrastructure and to facilitate private sector investment in major projects. In the short time this Office has been established it has fast tracked investigations into, and procurement processes for projects including:

- the development of the Aurukun Bauxite resource which will attract international and national investment in new alumina refining in Queensland;
- the Gold Coast marine development which will provide a cruise ship terminal, a state of the art marina facility and redevelopment of the Southport spit and Broadwater including enhancement of existing community areas;

- the Townsville Ocean Terminal which will provide a dedicated facility for cruise ships and visiting naval vessels forming part an integrated development at the Townsville Breakwater; and
- the Wiggins Island coal terminal and associated rail infrastructure at the port of Gladstone. This \$1.8 billion project will make the port of Gladstone the world's biggest coal facility and strengthen the possibility of further coal mine expansions in the Bowen and Surat basins.

## **PUBLIC SERVICE RENEWAL**

The public service is the key to service delivery in this State.

It faces many challenges in responding to changing community expectations and demands.

All in all, it does an excellent job.

To help our public sector respond to the challenges put before it, the Government will establish an independent Service Delivery and Performance Commission, which will assess how well government services are meeting needs within the community.

It will be established immediately and comprise Dr Leo Keliher as its permanent Chair, supported by prominent independent business leaders – Suncorp Chair John Story and Company Director Marian Micalizzi.

The Commission will be responsible for:

- undertaking a program of performance reviews to ensure that Government services are being delivered efficiently, effectively and appropriately and meeting the expectations of Queenslanders; and
- improving service accountability by measuring, benchmarking and reporting on the provision of government services to the community.

Importantly, the Commission will acknowledge areas of service excellence as well as areas where improvement can be achieved, and recommending the setting of service delivery targets for government services.

To support the Commission, an Office of Government Performance will be established in the Department of Premier and Cabinet.

As well as supporting the Commission, the Office of Government Performance will also support agencies to enhance performance management and accountability for service delivery and for the achievement of whole-of-Government outcomes.

The Government must continue to review its internal operations to ensure that its services are provided efficiently and effectively.

The challenge is to move with the times to ensure:

- barriers to government agencies working together to provide efficient services are removed;
- in-house government services are providing value for money;
- the consolidation of common services achieves real economies of scale benefits; and
- major projects undertaken by Government are achieving tangible benefits through appropriate independent assurance.

## **FUNDING THE NEW INITIATIVES**

Because Queensland is in such a strong fiscal position we can meet the additional costs of initiatives announced today with only a modest increase in taxation.

To ensure funding is available for Queensland Health, the Government will provide the Department with an equity injection of \$493 million from the 2004-05 General Government surplus to eliminate its debt.

This will yield approximately \$30 million in interest savings each year to put into front line medical services and will free Queensland Health to redirect annual loan redemption payments to capital priorities.

The Major Facilities Levy Fund introduced in 2001 to finance major sporting and cultural developments will, from 2006-07, be redirected to health services.

This will provide about \$40 million in 2006-07 rising to \$55 million in 2008-09 to meet health costs.

Commitments recently funded through the Major Facilities Levy Fund, such as debt servicing for Suncorp Stadium and the Gabba redevelopment, will be transferred to the Community Investment Fund, as will commitments associated with the Gold Coast Stadium at no cost to taxpayers.

Over five years starting from July 1 2006, the state-wide cap on the maximum number of gaming machine operating authorities available to hotels will be increased from 18,843 to around 20,000. This is in line with population trends and existing provisions in the *Gaming Machine Act 1991*.

The Act provides for changes in the cap based on population movements.

The increase in the cap is indicative in that the application of the existing regulatory framework will be the final determinant of the number actually released.

We will also need the public sector to work smarter and do more with less.

Accordingly, I am announcing a savings target which will provide an additional \$20 million in 2006-07 rising to \$50 million in 2008-09 to fund health initiatives.

Child Safety, Health, Disability Services Queensland, operational police, emergency services workers, classroom teachers and key service delivery personnel will be exempted.

Front line services will not be affected.

The establishment of the Service Delivery and Performance Commission will seek to eliminate duplication and inefficiencies in the public sector.

This process will provide a further \$20 million in savings in 2007-08 rising to \$50 million in 2008-09 and \$100 million by 2010-11.

All these savings will be redirected to the Government's health initiatives.

From 1 July 2006, there will be an increase in the rates of duty payable on the transfer of properties valued above \$500,000.

The current rate of 3.75% of the value above \$500,000 will be raised to 4% for values between \$500,000 and \$700,000 and to 4.5% for values above \$700,000. This measure will provide an additional \$82 million in 2006-07 rising to \$94 million in 2008-09.

The Queensland Government is aware of the need to help young home buyers in Queensland.

There will be an increase in the threshold for the principal place of residence concessions to ensure all home buyers do not pay any additional duty on homes valued below \$700,000 – about double the median house price in Brisbane.

In fact, the increase in the threshold will actually mean tax cuts of up to \$500 for those buying homes worth \$300,001 to \$700,000.

Queensland remains the best place to invest in Australia.

For properties valued between \$250,000 and \$1,000,000 transfer duty rates in Queensland will continue to be the lowest of all mainland states.

Queensland will also continue to have the most comprehensive transfer duty concessions for purchasers of a principal place of residence.

In summary our ground breaking Health Action Plan will be funded by:

- using the surpluses created by our strong financial management;
- growing revenues from the continued strength of the Queensland economy;
- existing budgetary provisions for enterprise bargaining; and
- the sensible and fair savings and revenue measures I have just outlined.

Nevertheless, despite the funding requirements for this package we will budget to deliver a \$718 million surplus in 2005-06 and surpluses in the order of \$150-\$250 million per annum from 2006-07 to 2008-09.

## **2004-05 FINANCIAL YEAR RESULT**

The 2004-05 financial year produced a record surplus of \$3.926 billion, more than \$1.2 billion higher than forecast at the time of the Budget.

This increase largely reflects stronger than forecast investment returns and increased royalty revenues from higher commodity prices and growth in export volumes.

This strong surplus will ensure the Government's long term liabilities remain fully funded and a large part of its capital program will be funded from recurrent funds rather than borrowings.

If higher returns on investments for superannuation are excluded, the underlying surplus would be \$2.47 billion compared with \$2 billion estimated at the time of the 2005-06 Budget.

We again did not borrow to fund our capital program in the General Government Sector in 2004-05.

Since coming to power, we have delivered in seven years new infrastructure worth about \$16 billion in the General Government Sector with no net new borrowings.

This gives us ample capacity to plan prudent borrowing over future years to help fund our expanded capital works program.

The Queensland Government's strong fiscal result in 2004-05 will reinforce the State's AAA credit rating and its reputation around the world's financial markets as a fiscally prudent, well-managed and successful state.

## **CONCLUSION**

The Government has taken the unusual step of delivering a separate Fiscal and Economic Statement at this time to announce its plans for the transformation of health in this State and to continue its economic and public sector reform agenda.

We are undertaking these far reaching initiatives within a fiscal framework to which this Government remains committed.

We will continue our strong economic stewardship to:

- maintain Queensland's competitive tax environment;
- ensure our level of service provision is affordable;
- maintain our AAA credit rating;
- continue to meet all accruing and expected future liabilities; and
- seek to increase the Total State net worth.

The sensible economic reforms I have announced today will further build our economy and reinforce our position as the growth state of the nation.

They will increase customer choice, and produce more competitive markets and prices for water, electricity and gas - essential inputs to homes and business.

Our public sector reforms will make the services delivered to Queenslanders more responsive and effective.

They will require us to be more efficient and to work smarter.

Since 1998 our Government has injected billions of dollars into services for Queenslanders who need it most – the sick, elderly disabled, under privileged and homeless.

The service initiatives I have announced today build on this legacy – they target values of social justice, fairness and equity.

We are committed to getting the basics right and nothing is more fundamental to Queenslanders than health.

Today we have announced record funding for our health system at the most realistic levels in the history of Queensland - building to an additional \$1.5 billion a year every year.

It will transform our system and fund more doctors, more nurses, more allied health professionals, more facilities, better training and better service.

It targets key areas of growth and provides real assistance to those in need.

The Forster Review found our health system was as good as any other in the country.

That is not good enough.

Today we have laid the foundation for building the best health system in Australia.

I commend this Statement to the House.



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