



Speech by

Dr DAVID WATSON

MEMBER FOR MOGGILL

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ADDRESS IN REPLY

Dr WATSON (Moggill—LP) (Leader of the Liberal Party) (3.28 p.m.): It gives me great pleasure to participate in this debate today. First of all, I pass on to the Governor both my respects and those of my constituents. I must admit that, with respect to the Governor, it was my privilege to have been one of his Executive Councillors. I enjoyed that experience immensely and I wish the Governor and his wife, Barbara, all the very best in the forthcoming years.

At this time it is traditional to offer a few thankyou's, but before I do so I must say that I agree with the member for Rockhampton, the Minister for Public Works and Housing, about the Smart City concept. Recently I was talking to people at the university in Rockhampton and I am convinced that it is a good program. I will return to the issue of information technology later in my speech. I believe that the concept of the smart city is something that we have to do right across the State and the country.

Mr Schwarten: It's been a battle.

Dr WATSON: Yes, I know it has been a battle, but I think it is a battle worth fighting for the future. It may not seem to be a lot now, but I think it will be in the future.

Whenever one is elected or re-elected to Parliament one has to recognise that a lot of other people put a lot of time and effort into the campaign. I would like to thank my campaign committee. I thank my ministerial staff members. Most importantly, I thank my family for the support they have given me over all these years. I found it a little different this time to be fighting an election campaign as a Minister. One finds how little time one can devote to one's own electorate. It is important to understand that in an election a Minister has some difficulties with a whole range of other issues, apart from fighting the election within one's own electorate.

In this speech I wish to raise a number of issues and refer to some things that were mentioned in previous speeches in this debate. I believe that the member for Broadwater gave an excellent speech about the realities of being a member of Parliament. I cannot recall precisely the whole speech, but last year Allan Grice gave a very sober analysis of what it was to be a member of Parliament. The member for Sunnybank did the same thing. I listened to some of the speech and read the rest of it in Hansard. I do not recall that the contents of his speech made page 1 of the Courier-Mail. I believe that was the central issue of what he was talking about.

I would like to thank the member for Logan for his best wishes on my becoming Leader of the Liberal Party. Most members would know that the member for Logan and I became acquainted when we were in Federal politics. He was a member of the staff of David Beddall and I was the Federal member for Forde. It is possible to develop respect and liking for people on the opposite side of the political debate. John Howard said that as Australians there is more that unites us than divides us. We should understand that rigorous and vigorous debate in this place should not spill over into intemperate behaviour outside this place. We should all remember that.

The member for Kallangur touched on some things that I want to talk about in the remainder of my speech. The member said—and I commend this to members of the House—

"We know that competition produces better products at lower prices. So people understand the positive aspects of competition. In a simplistic sense, all of us know about competition in terms of football, netball or other sports."

I think what the member for Kallangur said is worth expanding upon.

Right now in this House there are people on both sides who think that "globalisation" is a dirty word. Globalisation is really just another way of saying that the world is open for competition. In sport, Australians have no problems with the world being open for competition.

Mr Welford: That's a different thing. That's the trouble with you simplistic teachers, you turn sport into economy.

Dr WATSON: You are one of the academic lawyers. In sport, Australians do not ask for any favours or any special protection. Michael Doohan does not ask for 600 ccs instead of 500. Greg Norman does not ask to tee off halfway down the fairway; neither, of course, does Karrie Webb, as she showed us last weekend. Kieren Perkins does not ask his opponents to wait on the blocks until he swims half a lap; nor does Susie O'Neill when she is breaking a world record. Pat Rafter does not ask Pete Sampras to serve softly to him just because he is an Australian. Our sportsmen and sportswomen are not intimidated by competing against the best in the world. I believe that Queenslanders and Australians are world beaters. There is no reason why this world beating attitude cannot be applied to endeavours beyond sport. We are elected to this House to take this State into the next century. If we allow ourselves to be intimidated by international competition, we condemn each and every one of our constituents to poverty. If we continue to fear globalisation, I believe we are in for very frightening times.

Mr Schwarten: What about somebody who pays workers \$2 an hour?

Dr WATSON: I am going to speak about some of these issues further down the track. The reason why I congratulated the member for Rockhampton on the concept of the Smart City is because I believe that we have to prepare Queenslanders for a rapidly changing world. What is being done in Rockhampton should be something that all Governments in Australia should follow. The honourable member is justified in being proud of that. There is no point in simply using rhetoric.

Mr Schwarten: It's reality.

Dr WATSON: It's reality, but we have to compete. We have to figure out ways of competing smartly.

Mr Welford: I would like your income to be determined upon your competition with Kieren Perkins in the pool.

Dr WATSON: My income was determined by competition in an international marketplace as an academic, and I did very well.

Mr Welford: Oh, what!

Dr WATSON: That is exactly right. Mate, you don't know. My career started in the United States. I was evaluated every year. My income was determined upon my performance. I survived internationally without any help from anyone else. That is the way I started.

Madam DEPUTY SPEAKER (Dr Clark): Order! The member for Moggill will direct his comments through the Chair.

Dr WATSON: We have a Minister over there who lived in a protected workplace, namely the Office of the Director of Prosecutions in the Commonwealth Government. I want to talk about globalisation and consider its realities for Australia. Australia has been part of globalisation ever since 26 January 1778. The reality is that until recently we have not felt the full effects of globalisation. Over the past couple of decades our terms of trade have been moving downwards and this has been in combination with falling transport costs and the costs of transmitting information. It simply means that we have lost our isolation. There is nothing we can do about that. This is going to continue. We have to figure out how we are going to compete in a changing world.

In considering our terms of trade, the reality is that the amount we get for our exports compared with what we have to pay for imports has been falling. Our trade terms have been falling since 1949-50. What we get for what we sell reached a peak in 1949-50. That was because our main export at that stage was wool, which was at a record price. We also had the Korean War. If we look at any graph covering the period from 1949 until the present day, we will find that there has been a continuing decline in our terms of trade. There were some pick-ups from time to time, such as in the 1950s with wheat, in the 1960s with iron ore and in the 1970s with the energy crisis. However, the trend has been steadily downward. Why? The reason is because our economy has been basically a mixture of agriculture and mining. What we have received for our agricultural products has been falling. The rate of population increase has also fallen. As a result, we do not have the demand we once had. Our technology has improved, with the result that we produce more with the same inputs and the same land. This has put a downward pressure on our prices.

The same type of thing has happened in the mining industry, where technological advancements now mean that much more is produced from the same amount of input. As the member for Fitzroy would know, productivity in the mining industry has increased dramatically. The increased

productivity of mines all around the world has led to a downward movement in prices. With respect to Australia's terms of trade, we have been coming under greater competitive pressures not only for the past couple of years but for the past 50 years; it is just that it has not caught up with us.

I turn to the cost of transportation. I think it was Dunne who said that no man can be an island unto himself. Australia has been an island unto itself, because it has been protected for all these years by virtue of its isolation from other nations with which we have to compete. It used to take a lot of money and time to send anything to Australia.

Mr Lucas: The Liberal Party has done nothing about rail policy since the line was connected to Kyogle—nothing.

Dr WATSON: We are talking about international competition. Let us take shipping as an example. The cost of shipping products between countries has fallen dramatically. Why? This is because the technology associated with shipping has changed dramatically, particularly over the past 20 years. For example, I cite the size of ships today and the mechanisation associated with moving products on and off ships. The reason the port costs became an issue in Australia and elsewhere was that the cost of moving goods through the port became a much greater percentage of the total costs of shipping. As the costs of shipping have fallen, Australia has lost its protection from other countries in that it no longer costs too much to send products here.

Mr Lucas interjected.

Dr WATSON: If the honourable member stops interjecting, I will get to that. The member was a problem student and he still is a problem.

Mr Schwarten: Did you have him as a student?

Dr WATSON: Not precisely, but he was in my faculty. I think he went downhill when he went over to the faculty of law.

The reality is that the costs of transportation have fallen and Australia is no longer protected from competition. The same thing is happening with respect to information technology. The cost of transmitting expertise and information across the world is changing dramatically. For example, take the ease with which we can send messages from one person to another via email and the ease with which expertise can be communicated via telephone or video conferencing. Communications technology and computers now mean that people can communicate via the Internet—something that has dramatically reduced the cost of transmitting information. Video and audio signals and data can be sent over the Internet at a fraction of the cost at which information could be transmitted previously. That means that we can now transfer expertise. For example, whereas we once needed to bring in experts from Detroit to Australia to assist in the production of cars, that expertise could now be obtained via modern communication.

Mr Schwarten: That's a problem for us, too, here.

Dr WATSON: If we look at the reduction in the costs of transportation and transmitting information as problems, we will be in trouble.

Mr Schwarten: What about the surveying in Victoria done by the American company that never set foot in Australia?

Dr WATSON: It was done via satellite.

Mr Schwarten: Yes. How do you compete with that?

Dr WATSON: The member has given a specific example. There are other examples of things that we can do. The Minister for Housing would know that, as a result of the fall in the cost of transportation, we are now able to export whole buildings to Japan and Korea. Although the drop in the cost of transportation has affected our traditional industries, it has also enabled new industries to be opened up. Australia has to make sure that it is able to take advantage of the opportunities being created, and not simply worry about the problems arising from changes in the world economy with respect to transport and information technology. I could give more examples, but I wish to return to information technology.

We have to become a smarter country, State and locality—for example, Rockhampton and elsewhere. We will not achieve that simply by worrying about globalisation. This development has been termed "globalisation" or the "borderless business world". The problem is that the issue will not go away. The only question that we as a Parliament and a people have to answer is: will we remain intimidated and scared by it? When will we make up our minds to beat the competition?

As I said before, our sportsmen and women do not look for protection and favours. That is also the case in other spheres of endeavour. I am one Queenslander who believes that we can take on the world and win. We may have lost our advantage with respect to our terms of trade and we may have

lost our protection by virtue of our isolation. However, there are some things that I do not believe we have lost. We have not lost our fighting spirit, ingenuity and "can do" attitude.

Mr Lucas: Your brother is a lawyer, you know.

Dr WATSON: And a very successful lawyer, by the way.

Let us remember how successful and courageous Queenslanders and Australians have been on the sports fields and battlefields of the world. Let us tap into that well and take on the world in a new battle—an economic battle. Why can we not take the fighting spirit that Australians showed at the Somme and apply it to the Surat? Why can we not take on the ingenuity that Australians showed on the Burma railway and apply it to the information superhighway? Why can we not take on the courage shown at Long Tan and apply it at Longreach? If we remain afraid of globalisation, we are in for frightening times. As I said earlier, if we allow ourselves to be intimidated by international competition, we condemn our constituents to poverty. I for one have no intention of condemning any Queenslander—my constituents or anyone else's—to poverty.
