



Speech by

Dr DAVID WATSON

MEMBER FOR MOGGILL

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STATE GOVERNMENT PERFORMANCE

Dr WATSON (Moggill—LP) (Leader of the Liberal Party) (5 p.m.): I move—

"This House notes, that after 17 long months of the Beattie Labor Government, Queensland has—

- its first budget cash deficit in over 20 years;
- the most regressive business policies in the country;
- the second highest unemployment rate on mainland Australia;
- witnessed a sharp decrease in business investment;
- failed to attract investment for any major projects;
- experienced a job creation freeze; and
- suffered international embarrassment on at least three occasions with EXPO 2002, Technomart III and Baywatch."

Queensland is fast becoming an economic basket case. From talking to the business community around this city and around this State, we understand how tough a lot of businesses are doing it. But this State is also doing it tough. For the first time in 22 years, this year Queensland will have a Budget cash deficit in the order of \$1.235 billion. This Government, with Mr Beattie as Premier, is squandering the solid base that has been built up in Queensland over decades. That base was established by 32 years of coalition Government, not completely dissipated by the Goss Government and reinforced by the Borbidge coalition Government. Now, for the first time in 22 years, we are facing a cash deficit on a GFS accrual basis.

This Premier is intent on pandering to once trendy minority interests rather than doing the thing that Governments in Queensland have been elected to do year after year, that is, look after the fundamental economic base of this State and make sure that jobs are created and investments are made in this State. Unless we get back to concentrating on those fundamentals, Queensland will continue to slide. I will talk about that in some detail in a little while.

One of the earliest warnings came from that Budget. If it was not obvious to people beforehand, it should have been obvious after the release of a press release by Standard and Poor's headed "Queensland Budget shows weakening finances". Despite the rhetoric of the Premier and despite the first gloss in most of the newspapers around the country, except perhaps for the Australian, it was the Standard and Poor's press release which demonstrated quite clearly the truth of the budget, that is, Queensland's Budget was showing signs of weakening. Those signs were also found in the Budget papers. There we saw that the general Government deficit was \$350m and that the public trading enterprise deficit was \$885m. We have questioned part of that time and time again at question time with respect to the dividends taken out of our public trading enterprises.

One of the things this Government was supposedly elected on was the mantra of "jobs, jobs, jobs". I can remember Mr Beattie saying that he and his Ministers were going to go to bed every night thinking of jobs, jobs, jobs and that they were going to wake up every morning thinking of jobs, jobs, jobs. That would be the only times they thought about it—only when they went to bed and when they woke up. Nobody knows what they were doing in between.

Under this Government, Queensland is heading in exactly the opposite direction. Across Australia unemployment is falling. In the last month it fell from 7.4% to 7.1% on a seasonally adjusted basis. Queensland, along with the rest of Australia, is benefiting from the economic policies of the coalition Federal Government in bringing down unemployment. Despite that, unemployment in Queensland is tending to rise. Last month it rose to 8.7%. Most worrying is that that was not just an isolated rise; in August it had risen to 8.4% from 7.6%.

This is the kind of thing we have been pointing out for some time. While the Treasurer and the Premier refuse to tell us what Treasury is telling them about economic forecasts and about where unemployment is expected to go, time and time again independent economic analysts such as Chris Murphy from Econtech tell us that their modelling shows that unemployment is going to remain exceptionally high in Queensland.

The last Econtech study, released in August this year, predicts that unemployment in Queensland will remain above 8% all the way through to the end of 2001 and not fall below that until 2002. Econtech has some credibility. Its forecast for the third quarter of this year was 8.2% unemployment in Queensland. The ABS statistics show that the average over the quarter from July through to September is 8%. Econtech's forecast was pretty close to the mark. The year before, it forecast unemployment of 8.3%. That was precisely the figure reported in the Budget as the estimated actual unemployment for 1998-99.

Everyone, other than the Premier, the Treasurer and members of the Government, is saying that Labor's mantra of "jobs, jobs, jobs" is not being converted into reality. While they talk about jobs, the reality is that there is rising unemployment in this State. There are more people unemployed. At the moment there are about 150,000 Queenslanders out of work. Youth unemployment is still above 20%. Nothing this Government is doing has made one iota of an impact on that figure. The unemployment rate today, 17 months after the Beattie Government was elected, is precisely the same as it was when it took over, despite its members going to bed every night and waking up every morning thinking about jobs, jobs, jobs. It is no wonder.

Business in Queensland is starting to lose confidence in the policies being adopted by the Beattie Government. A few days ago the Premier talked about the Small Business Index. Its assessment of State Government policies shows that the percentage of businesses in Queensland that believe the policies being implemented by the Beattie Labor Government work against them is twice that of businesses that believe the policies work for them. The table setting out attitudes towards the State Government shows that businesses believe this Government has a position with respect to business policy that is worse than at any time since May 1998. In other words, since May 1998 the business community's confidence in the Government of Queensland has fallen dramatically. During that period, the dominant Government in this State has been the Beattie Labor Government.

Ms Bligh: What do you mean "the dominant Government"—it is the only Government.

Mr Borbidge: Since the election was called.

Dr WATSON: Yes, since the election was called. In May 1998 the Borbidge Government was in power. The honourable member's Government has been in power only since June. During that period the confidence of the business community in the Government of Queensland has fallen. That is the problem. In addition, it is predicted to get worse. If we look at the Yellow Pages Small Business Index, we see that there is even less confidence. There is a perception that over the next 12 months the economy will go in the wrong direction. They do not have any confidence in the Government, because of the policies it is introducing. I am sure some of my colleagues will speak about that later. For example, I cite its policies on workers compensation, industrial relations and its imposition of higher payroll tax. Those policies are militating against economic development in this State.

Time expired.
