



Speech by

**Hon. D. HAMILL**

**MEMBER FOR IPSWICH**

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Hansard 14 March 2000

### **QUEENSLAND ECONOMY; JOB CREATION**

**Hon. D. J. HAMILL** (Ipswich—ALP) (Treasurer) (6.30 p.m.): Today we have been treated to a diatribe from the Opposition benches. It comes to a very simple word indeed—that is, hypocrisy. I listened very intently to the comments of the member for Toowoomba South. He talked about the coalition's contribution to Millmerran. The biggest contribution the coalition made to power at Millmerran was making sure that the Tarong Power Station was built over 20 years ago, denying the people of Millmerran the opportunity to engage in the power industry at that time. That is not to mention, of course, the extraordinary claim of railway wagons being made in China, which is in the contract which the coalition in fact oversaw. The hypocrisy is palpable.

In the debate this evening we have heard a range of statistics being thrown around willy-nilly, with no understanding of what is actually happening in the Queensland economy. Over the past 20 months the Queensland economy has performed extraordinarily well. We have been the jobs powerhouse of the nation. Our economic growth figures have been enviable. We have far outstripped the performance of the national economy.

There have been three elements to the success of the Queensland economy. The first has been the strength of public demand. This Government has invested heavily in the capital infrastructure of the State. We have had record capital works budgets and we have delivered them, generating and maintaining employment in Queensland. This year our capital budget was \$5.2 billion, without which the Queensland economy would have been on its knees. That capital budget has generated economic activity across the length and breadth of this State.

The second element of our State's economic performance has been with respect to export industries. At least traditionally it has been. But what has been the pattern of recent times? Exports are now contributing a net zero impact on growth. Yes, we are exporting. Volumes are up, but world commodity prices are not. That is having a very serious impact on the contribution exports would otherwise have had on the State's economic performance.

The third element has been private demand. If we look back over the past 20 months we see that private demand has been very strong indeed. Honourable members should look at it in terms of retail trade. That has been an important part of Queensland achieving the very strong growth that we have had over that period. What has happened? It was seen very clearly in February of this year. The bubble burst on private consumption expenditure. What caused the bubble to burst? It was a 50 basis point rise in interest rates. That just snapped consumer confidence, not only in Queensland but also around the nation. With the snapping of consumer confidence, so we have seen the bursting of the retail bubble—an important part of the domestic economy.

Rubbing salt into those wounds, we have also seen the devastation that GST has meant for the small business sector. Even members opposite would agree that the small business sector is the major employing sector of the Queensland economy. Business in Queensland is almost invariably small business, and small business is hurting and hurting badly. We saw the data. Across the country only 15% of businesses have actually applied for and obtained Australian business numbers, a condition precedent for the introduction of the GST. Small business will be crucified by not having proper preparation for the GST.

This morning I highlighted the case of the Trill family in Warwick and the Walker family in Townsville—just four basic, well-intentioned, hardworking Queenslanders who are being forced out of business already because of the horror that is in store for them with the GST. It certainly will be the nightmare on Main Street in Warwick, on Main Street in Townsville and in every other small country town and provincial city in the State. Small business is bearing the brunt of the GST.

It is little wonder that we have seen business investment on the decline. Why would small businesses want to invest when they see their lifelong work going up in smoke with the compliance costs and the onerous regulatory environment that the GST is bringing forward? Why is it that we are seeing employment opportunities drying up? Very simply, it is because small business is losing confidence. Why is it losing confidence? It was all there in the index. They do not like the GST.

Time expired.

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