



Speech by

Dr DAVID WATSON

MEMBER FOR MOGGILL

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STATE GOVERNMENT PERFORMANCE

Dr WATSON (Moggill—LP) (Leader of the Liberal Party) (11.50 a.m.): In the past four weeks, Queenslanders have witnessed not only the fiasco associated with the fuel tax that the Premier and his erstwhile assistant the Treasurer propose to implement, but also exactly how hollow his commitment to the 5% jobs target is. People throughout Queensland already know that the level of commitment shown by Mr Beattie to anything is directly proportional to either the amount of money he can rip out of people's pockets or the number of television cameras the announcement will attract. Queensland has had to get used to that over the past two years of the Beattie Labor Government.

I have previously said that Mr Beattie was not committed to his own 5% target, that it was just a cheap political fraud perpetrated on the unemployed people of this State. Mr Beattie was trying to welsch on his commitment from the very start, from the very moment he made it. Initially he stated that he would achieve his target in three years. Then it quickly got stretched out to five years. Then he had the announcement of that infamous pager message on the day of the election announcing the Asian economic crisis, that Japan had suddenly gone into recession. Do honourable members remember that?

Of course, the Asian economic crisis had already started—in 1997—and was widely predicted by most economic analysts. In fact, it was an assumption included in the coalition's Budget presented to this Parliament before the 1998 State election. It was there for all to see. Then, having moved away from that because that was discredited, he wanted to talk about interest rate rises. But when honourable members look at the issue of unemployment and the fall in unemployment in Queensland, they will see that that started to occur before we had any interest rate rises in this country.

Now, of course, we have the most recent reasons: the GST and the exchange rates. But are the Premier and the Treasurer telling the truth here? Let me just refer to the intergovernmental agreement. As honourable members know, the State Governments agreed with the Federal Government that there will be a growth dividend arising from an economic boost from the new taxation system. This is set out in a methodology paper which has been agreed to by both Mr Beattie and Mr Hamill. In fact, every Labor Government in Australia has agreed that there will be at least a 2% economic boost from the new taxation system. Let me refer quite directly to the document. It is entitled Methodology for Estimation of Components of the Guaranteed Minimum Amount. It states—

"Appendix C of the Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations

...

Heads of Treasuries have agreed that the estimation of Guaranteed Minimum Amounts should be based solely on the methodology specified below for each item."

That document went to the ministerial council to support the Minister's and the Premier's signing off. Importantly, in relation to the growth dividend it states—

"The growth dividend is included in the calculation of the Guaranteed Minimum Amounts in recognition of the higher tax revenues that will flow to Governments because of the positive impact of tax reform on economic activity."

I repeat: "because of the positive impact of tax reform on economic activity." So the Beattie Labor Government agreed that the new tax system will boost the economy. If the economy is boosted, State revenue goes up and, of course, economic activity generally is increased.

Given that Mr Beattie signed this agreement recognising at least a 2% boost, how can he seriously now claim, as he did in the Courier-Mail's article entitled "Beattie backflip on jobs target", that he cannot meet his promise to reduce unemployment from 8% to 5%? What was the excuse he used this time? This time it was the introduction of the goods and services tax—the very same tax that Mr Beattie and Mr Hamill agreed in writing would provide a 2% boost to economic activity. So he and Mr Hamill go down to Canberra, they agree in writing that they will get an economic boost and then they come back to this State and say, "We can't meet our promises." Why can they not meet their promises? Because the State is getting a boost to the economy! What hypocrites! What flawed logic!

Of course, the latest excuse by Mr Beattie is that he cannot meet his target because of the dive in the value of the Australian dollar. This is an outrageous proposition and, as Queensland is an exporting State, defies the collective thinking of economists. We depend upon our ability to compete in the world. How can a drop in the Australian dollar work against economic activity and jobs growth in an export oriented State? If Queensland's products are more competitive in a global market, how can this stop or hinder economic growth and jobs growth? The short answer—and I know that the Deputy Speaker, the member for Ashgrove, understands this—is that it cannot.

We have always known that Mr Beattie has not been a real lawyer. I do not think he has ever practised in a commercial environment. But now, following that outlandish claim, we know that he cannot even read an economic brief. These pitifully lame excuses need to be seen for what they are, and that is simply a cheap political fraud perpetrated on the unemployed people in Queensland.

Rather than focus on the excuses, let us focus on the real reasons why the Premier cannot meet his unemployment target. Let us start with the fact that the Beattie Government has been able to deliver only one major project that was not in the pipeline from the former coalition Government. That project is the Virgin Blue project, a project which was sealed with an enormous economic incentive package, and the supposedly open and accountable Premier will not even publicly disclose what the costs were to the Queensland taxpayers.

It is no surprise to those in the mineral exploration industry though, because the Government's paralysis on the native title issues and, in particular, Mr Beattie's State regime have stalled investment in the mining sector of the Queensland economy. The Premier's inability to convince his Federal colleagues of his system is not only stalling investment but also jobs growth in the mining sector. This, in association with his "hands off the wheel" approach adopted to industrial relations in this State, is having a detrimental effect on business confidence.

This Government is more concerned with paying off its debts to the trade unions than paying attention to the job seekers of Queensland. This is demonstrated by the soft approach taken with the militant rail unions, who are supported by the Beattie Government to conduct wildcat strikes at the inconvenience and cost to all Queenslanders. It will be interesting to see what its response will be to the health workers at the PA Hospital yesterday calling a wildcat strike.

While Mr Beattie is out there attempting to encourage foreign investment—at least that is what he keeps telling us—he should also think about the message he is sending in industrial relations. He should also be concerned about focusing on the industrial relations system of his Government. If any company is interested in investing in Queensland, one of the things they are going to be concerned about is industrial relations in this State. It was reported, I think in the Courier-Mail, just recently that the firms behind at least two major construction projects have already gone to the trouble of electing to operate under the Federal industrial laws. This was due to the fact that, under the current State law, they were prohibited from striking an agreement with the union that best suited their investment.

Greenfield site agreements have been rendered useless under Queensland State industrial laws. There will not be another major industrial project on a greenfield site in this State under the current laws. They will all go to the Federal system. That is the result of the Beattie Government's industrial laws. I think it is this neglect of the industrial relations system of this Government that is leading to an inevitable conclusion: the Government will not be encouraging investment; it will not be encouraging job creation.

Another factor for slower job creation in Queensland can be attributed to the recent changes in things such as the payroll tax system. These changes can be described only as a smoke and mirrors trick with one intent and one intent only, that is, a money grab out of the pockets of small and medium sized businesses. A blatant money grab is what businesses have come to expect from the Labor Government. After the performance of the Premier and the Treasurer over these past 10 days, the majority of people in Queensland would agree with that. Mr Beattie continues to live up to his expectations of grabbing with one hand and trying to spend elsewhere.

Time expired.