

I provide this limited brief to assist our discussions.

Many Businesses and Industries in Australia are battling to survive (Many aren't) against, Predatory Bank practices, Globalization, Free Trade Agreements and Limited or no Tariff protection and real visionary incentives are needed to encourage people to risk Job security and start or expand Businesses so as we can once again enjoy full employment and generate the Taxes needed to fund our Life Style and our exceptional Social Policies.

While the idea of Free Trade appears fair and equal, at this point in history it is far from fair or equal and nothing in this world today is free, unfortunately.

I lived and worked in a Third World environment over fifty years ago and was paid by a British company twelve hundred pounds PA, at the same time working staff were paid just six pounds per month or seventy two pounds per year. While amounts have changed over time the disparity and conditions of some of our trading partners have not and Australian Businesses now have to try and compete and it's obvious that in many areas it can- not, albeit that technology is assisting towards levelling the playing field a little, that is it reduces Labour requirements

Over the past decade the Mining Development (Boom) has shielded us from reality. This is now slowing and it's obvious that while the continuing sale of mining product, Coal, Gas and Iron Ore may improve or even increase National and State revenue, it will not replace the thousands of jobs being lost across the country

History shows that Australia has traditionally relied on the effort of Small Business and Agriculture and may well need to again and Governments need to put policies and incentives in place to quickly encourage the viability of our small business and agriculture which is expected to benefit from the world's population growth especially in Asia.

Globalisation and Free trade could be considered a perfect scenario when we all become equal or if you like "Play on the same field", however this is unlikely to happen during this or the next generation, which leaves Australia exposed and vulnerable over the next fifty years at least. Over this period Business will need real support and encouragement to maintain viability and employment and build the base for productivity and resilience.

While Government currently provide peripheral support to business and agriculture a much larger innovative and focussed effort is needed to give

people the incentive to leave secure employment and put them and their families at financial risk to build Businesses and create employment and product. For this to occur they need to see real reward and prosperity as a result of their efforts and the risks involved for them, their families, and perhaps shareholders.

I am firmly of the view that the best way to encourage business development is to make finance available on reasonable terms and conditions. Now before I hear the old cry "funds have never been more affordable" I advise the business I managed from 2001 to 2012 was charged an average of 14%, Why, because since Banks were deregulated in the eighties by the then Labour Government, they can charge whatever they like without fear of competition.

Following deregulation Banks quickly moved to remove/incorporate/close down banking bodies charged with supporting business development and those under financial stress, these organizations also restricted trading Banks from charging exorbitant interest and fees because business had somewhere else to go. These Lenders included, Commonwealth Development Bank, Queensland Industry Development Corporation and Primary Industries Bank, while these banks may in some cases have created distortion in the market, they kept the greed of trading banks under some control while supporting business growth, employment and export income.

Having a Banking License is a privilege, not a Right, and should come with a social conscience not just a corporate vision.

To my mind and many others the Big Four Banks achieved a real cue against the Australian people by removing these institutions while at the same time securing for themselves exorbitant almost obscene profits. For this country to prosper the power and ruthlessness of these institutions must be brought back under control! An examination of the major Shareholders of our Banks make the situation appear much worse as these shareholders, in the main, are not Australian but offshore Banks and Corporations, That is the lions share of these Obscene profits are not being enjoyed or spent in Australia.

Over the last thirty years no Government has identified the need , had the will, or the intestinal fortitude to Legislate to stop what could be called the theft of Australian Liquidity. In the thirties trading Banks achieved a similar position but this was challenged during that same decade and their position reversed to the benefit of the community by Politicians of vision, resourcefulness, determination and Calibre.

I am of the view that we urgently need to re-establish a Government controlled Bank, State and or Federal, with the capacity to both create money for on lending and be able to lend either generated or borrowed funds to all areas of Business. It could be argued Government is already lending similar funds to University Students, payed for by all Taxpayers for the benefit of what has been described by some as the economic Elite, and with Questionable outcomes. Why not lend funds to Business where interest would be earned, the Loan secured by real assets and many Jobs created.

I note in the Federal Budget Papers that Government is currently providing \$320,000,000 to support Farmers, A PITTANCE equal to an average lend of \$1600 per farmer. The Cost to Government (Tax Payers) of my proposal is Zero, in fact it would generate revenue because Interest would be payed and the loan repaid. I also note in the Federal Budget that total Taxation Revenue is projected at \$391.4 Billion of which \$183 Billion is derived from personal Taxation.

For the sake of argument, if say 400,000 businesses, including farmers in Australia were lent an average of \$500,000, the Total lend would be \$20 Billion. Or about five percent of tax revenue. If the assistance provided encouraged just one extra employee per Business (and my experience indicates ever business could gainfully employ at least one more), it would create 400,000 new Jobs nationally, many of these in Queensland, an additional 6% of the workforce, this doesn't even consider the enormous increase in productivity that would be enjoyed by all Australians

While much of my comment is Federally based, I see no reason Queensland could not re- establish a State Bank, A Banking License costs \$50 million, to support Business growth. This would provide the opportunity to create money for lending and could be an enormous boost to our small business economy.

It is accepted this proposal will require better brains to establish and maintain the discipline needed to Manage and establish parameters for returning borrowers to our more traditional forms of borrowing on reaching certain Milestones.

Bob Yabsley