



Speech by

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MEMBER FOR SANDGATE

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UNEMPLOYMENT

Mr NUTTALL (Sandgate—ALP) (11.40 a.m.): As the Premier said on 3 March this year, we as a Government have been very aggressive about our 5% unemployment strategy. We introduced the Breaking the Unemployment Cycle initiative, which was designed to create 24,500 additional jobs and training opportunities for both young and long-term unemployed people. Given that economic activity is relatively strong, employment growth should further accelerate in the ensuing months. As honourable members would know, we came to Government when the unemployment rate was 8.9%. We are certainly on track to achieving our 5% target. Queensland has its lowest unemployment rate in nearly a decade.

As the Treasurer indicated on 10 March this year in this Parliament, the Queensland Government is well on its way to delivering on its election commitments and achieving what we forecast in the September Budget last year. The Queensland economy is firmly on track, despite international conditions, to achieve growth in the 1998-99 financial year of 3.5%. The Treasurer's midyear fiscal and economic review has shaved 0.25% off the State's projected unemployment rate for the 1998-99 fiscal year, taking it down to 8.5%. Given last month's figures, we are even more optimistic now that we can do even better than this 8.5% projection by 30 June 1999.

A massive 46% increase in the number of new apprenticeship approvals in the past year indicates that this Government's job creation strategy is firmly on track. In the year to 28 February there were 10,272 new apprenticeship approvals, which was an increase of 3,256 on the figure for the same period last year. What is particularly good news is that, in regional Queensland, apprenticeships are way up. For example, in north Queensland, apprenticeship approvals are up 65%; in central Queensland and Wide Bay, they are up 45%; and in south-west Queensland, they are up 29%.

Mr Reynolds: They're tremendous figures, aren't they?

Mr NUTTALL: They are indeed. The Opposition in this Parliament is certainly out of step with the prevailing thinking when it comes to reducing unemployment in Australia. When the Premier said that this Government was about getting unemployment to 5% over five years, we were ridiculed by the State Opposition. It has criticised the State Treasurer and many of us in the Government on this target figure. Since then, the Federal Treasurer, Mr Costello, has conceded that a 5% unemployment target is achievable, and we should all thank Mr Costello for his support on this issue. However, where does that put the Opposition in this State? Mr Costello announced his goal of 5% and said that he was pleased that the Federal Government would now be working with the Queensland Government to try to bring down unemployment. As Mr Costello also says, low wages are a recipe for low productivity and low growth, so advocates of reducing wages for jobs for the long-term unemployed are insensitive and immoral.

While the US economy has created about 18 million jobs since 1992 and has driven unemployment to around 4.3%, which is a 28-year low, and finally delivered real wage gains to workers in the last three years, there is a catch. That catch is that employers find it easy to hire and fire and to adjust wages up or down as they see fit. US employers do not have to pay for as many social benefits as do employers in other OECD countries, including Australia. Workers have fought long and hard for these benefits.

Not surprisingly, migrants from non-English-speaking backgrounds are disproportionately represented among the unemployed. About 13% of unemployed people do not have English as their first language or speak it at home, compared with about 6% of employed people. Through a range of

initiatives by this Government, including the Multicultural Queensland policy, efforts are being made to address the disadvantages experienced by our migrants. Working Queensland—the Community Jobs Plan—is about job training being boosted, jobs for capital works, jobs for regional Queensland, jobs for women, jobs for youth, green jobs, and a range of other initiatives as economic growth continues in Queensland. Queensland is the most decentralised State, a State with vastly different needs in terms of jobs, services and support mechanisms.

We as a Government are out there listening to the people of this State. Through the Minister for State Development, there are a range of initiatives in place to assist regional Queensland, and these include: progressing regional business and industry opportunities by assisting economic development organisations, business, community groups and local government; integration of Government programs into regional Queensland; management of the Regional Business Development Scheme delivered at local level by State Development Centres; social impact assessment of the Carpentaria-Mount Isa minerals province; the South East Queensland Development Strategy; and the Centre of Excellence for Regional and Rural Services.

In February, Cabinet agreed to provide full rebates on the payroll tax due on the wages of anyone employed under the State Government's Community Jobs Plan initiative. Over the next three and a half years, Community Jobs Plans will provide full-time employment for between three and six months for some 9,000 Queenslanders who have been unemployed for at least a year or who are at risk of experiencing long-term unemployment. I do not believe that we can rely solely on economic growth to wind back the unemployment figure to 5%. As honourable members would know, the Government said that it would create 30,000 jobs in its first year; and after nine and a half months, some 33,000 jobs have been created.

The Queensland economy is going well against the region in which we live. With an unemployment rate on the way down, and with real jobs growth, there is every reason to believe that we will get down to the 5% target that we have set ourselves. Economic growth alone can greatly assist us to achieve our 5% target. The absence of a recession provides the climate for sustained employment opportunities for our people well into the new millennium. One of the ways in which the Commonwealth Government can assist Queensland to achieve our 5% unemployment rate would be a systematic approach for labour market programs to be introduced into the labour market along the lines of the hugely successful Keating Government Working Nation strategy. For example, labour market programs such as New Work Opportunities were particularly successful and, with some refinement, would again offer the long-term unemployed work in this State.

I need now to offer a word of caution about the 5% target which, while achievable, will be tougher to get down to if we have a GST. This insidious tax, which has ruined the lot of fixed, low and middle-income earners where it has been introduced, can only add to costs. In any jobs plan in this State there needs to be a realisation that currently over 50% of the Queensland Government's Budget comes from the Commonwealth. Under a GST, that figure will rise to 80%. Queensland simply cannot afford any further attrition of its financial base that puts in jeopardy our 5% unemployment target. According to the Australian Financial Review of 4 February this year, the GST would slash jobs from the tourism industry. Of course, many of these job losses will be concentrated disproportionately in Queensland. We must continue to oppose this tax. For labour market reform, one of the most productive ways is for the Commonwealth to inject significantly more funding into training programs to make the long-term unemployed more job ready. Wages for previously long-term unemployed have to be subsidised by the Commonwealth. There has to be a continuing evolution of labour market flexibility together with strong economic growth.

In conclusion, we are well on our way to getting to the 5% unemployment rate for Queensland over five years. As I have outlined, our employment strategies are far reaching. With the support of industry and the people of Queensland we can achieve our objective.
