



Speech by

**Dr DAVID WATSON**

**MEMBER FOR MOGGILL**

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Hansard 14 March 2000

**QUEENSLAND ECONOMY; JOB CREATION**

**Dr WATSON** (Moggill—LP) (Leader of the Liberal Party) (6 p.m.): I move—

"That this Parliament notes with great concern the deteriorating performance of the Queensland economy particularly in the area of job creation evidenced by the latest fall in full-time jobs, recent retrenchments in manufacturing and Queensland's failure to match the rest of Australia in the creation of full-time jobs."

We take this motion very seriously, because it is about having a job, keeping a job and, in the event of losing a job, being able to find another one. Last week's unemployment figures were not very good news for Queensland. Let us examine them very briefly to see exactly what occurred last month. Firstly, the Australian Bureau of Statistics revised January's unemployment rate upwards from 8% to 8.1%. Secondly, the number of full-time jobs in Queensland fell by 7,800. That is not good news for Queensland. Thirdly, the participation rate was down. Last month more than 1,000 people gave up hope and stopped looking for a job altogether. That is also bad news. Employers do not want to put on more permanent staff, because they are frightened off by some of the laws that have been introduced by this Government, for example, the industrial relations laws. Youth unemployment was also up by 0.3% to 22.7%. The one good point was that part-time employment was up, about which I will speak in a moment, and the QCCI also had something to say about that.

The important issue is not simply that those figures were absolutely bad for Queensland; they were relatively bad compared with the figures for the rest of Australia. In the rest of Australia things were going the other way. Australia's unemployment rate was actually down. At the same time, the participation rate was up. Despite more people joining the work force Australiawide, unemployment was still able to be brought down.

Just as importantly, the labour force figures are up. In other words, there were more people wanting to get into jobs in Australia. Full-time employment was up by about 40,000 positions across Australia, although in Queensland the number fell by 7,800. Therefore, the gross figure would have been even greater than 40,000. Of course, the figures for part-time jobs are also up. Some other States in Australia had the sorts of figures that Premier Beattie is aiming for. But the fact of the matter is that Queensland was not doing poorly just in an absolute sense; it was also doing poorly in a relative sense. The QCCI summed up Queensland's conundrum at the moment in a press release, when it stated—

"We are also concerned that much of the employment growth in Queensland was in part-time and casual employment, which is now a continuing trend. If strong growth in full-time employment is a goal for the State, it is time to examine the disincentives for full-time employment in the labour market regulatory regime."

That is what I spoke about earlier. Employers are concerned about the industrial relations climate in Queensland, which acts as a disincentive to employment. Queensland is simply not performing well compared with New South Wales, where unemployment fell to 5.8%—nearly 2% better than in Queensland. We are just across the border—

**Mr Beattie:** Hang on, they've got a different participation rate.

**Dr WATSON:** They have a different participation rate, but it is nearly 2% better.

**Mr Santoro:** It is much higher than ours.

**Mr Beattie:** No, it is not.

**Dr WATSON:** Its rate is nearly 2% better than ours.

More importantly, recently the Premier's Federal colleagues also started to distance themselves from him. In their Work Force 2010 paper—I do not think it is a policy; I am not sure that the Labor Party has any significant policies—Mrs Kernot and Mr Beazley indicate that they do not believe that Queensland can improve its unemployment rate in the long term and get it below 8% or 9%. When we start looking at some of the figures for Queensland, we see why we might have a problem. Queensland's unemployment rate has been stuck at around 8%. If anything, it tends to be trending higher rather than lower.

**Mr Beattie** interjected.

**Dr WATSON:** It is. Last month it dropped, but for the previous three months it was going up.

**Mr Beattie** interjected.

**Dr WATSON:** I will quote some Treasury figures. Let us have a look at them. Last month, the Treasurer hailed the forecast increase in the Gross State Product from 3.75% to 4%, but he studiously avoided talking about unemployment. When we look at Treasury's Economic Update for February this year, we see some of the reasons. This is a Treasury document, not ours. It states—

"In annual terms, employment growth of 2.0% was recorded in Queensland in the year to January, 0.8% point below the increase experienced in the rest of Australia ..."

Treasury documents are confirming that Queensland is performing poorly compared with the rest of Australia. In addition, it states that "job vacancy indicators suggest a subdued outlook for employment in Queensland". It continued—

"In January, both the ANZ Job Advertisement Series and the DEWRSB Skilled Job Vacancy Survey fell by 0.3% and 4.5% respectively."

One has only to look at the ANZ job advertisement figures to see why we have a problem. If we look at the ANZ Job Advertisement Series—and this goes back to September last year—we see that for the past six months the number of job advertisements in Queensland has fallen. For September last year, the seasonally adjusted figure for one month was plus 6.6% and for the previous year it was 18.6%. By February of this year, the seasonally adjusted figure was down to 1.9% from the previous month and 12.9% compared with the previous year. In this case, though, it is important to look at the trend. When we look at the seasonally adjusted figures, we see that they fluctuate from month to month, although each of the fluctuations tends to be heading lower. That is picked up by the trend estimate. When we look at the trend estimate—and I know the Premier likes the trend estimates; he keeps citing them—we see that it was 15.4% in September last year, 15% in October, 14.3% in November, 13.5% in December, 12.8% in January and 11.8% in February this year. Clearly, the trend is downwards. That indicates that the future for Queenslanders is not rosy, because the ANZ Job Advertisement Series tends to be a predictor of the future; it is not a concurrent figure.

**Mr Beattie:** Since the GST.

**Dr WATSON:** It has nothing to do with the GST. It is to do with the Premier's policies. It has been going on now for at least six months. It has probably been going on for somewhat longer than that.

Of course, those figures were also confirmed by an analysis done by Michael Knox from Morgans. When Michael Knox produced his information, the Government decided to slur the individual rather than looking at the facts. However, all Michael Knox did was confirm what was in the Treasury's own documents. Also, all he did was take the Australian Bureau of Statistics figures and put them into a context. The context was clear. It showed—and we can see it from the diagrams—that the trend rate for the creation of jobs in Queensland has fallen from May 1998 to its current position in January 2000. What Michael Knox said—

**Mr Beattie:** Who? Your old mate.

**Dr WATSON:** These are ABS statistics. The Premier can slur the individual, but these are ABS statistics. In May 1998 Queensland was generating 65,000 jobs a year. This year, it was down to 21,800. A fall of nearly 40,000 jobs in 21 months—that is the legacy of the Premiership of the honourable member for Brisbane Central.

Time expired.

**Mr SLACK** (Burnett—NPA) (6.10 p.m.): I formally second the motion moved by the member for Moggill. On ABC radio last week, Premier Peter Beattie said that the GST was destroying business confidence. He said—

"It's destroying jobs, because it's destroying confidence. That will reduce investment."

So what is this Premier, the self-confessed jobs guru, doing about it? He is running around this State, whipping up further hysteria and fuelling unfounded rumours about the introduction of the new taxation system. Instead of being part of the solution, he is costing us even more jobs. Nowhere is this smear campaign having a greater impact than in regional Queensland. In provincial and rural parts of this State, business confidence is already racked with insecurity over this Government's disastrous handling of the tree clearing laws, its lack of commitment to regional water infrastructure and the upcoming water management legislation.

The Department of Employment figures released last week highlighted this growing gulf between city and country. It showed that jobs growth was concentrated in affluent city areas, while many rural areas had unemployment in double digits—as high as 19.5% in some areas of the Wide Bay/Burnett region. At a time when the State Government should be increasing the level of infrastructure spending to regional Queensland, the Beattie Labor Government has decreased the percentage of capital works expenditure outside of metropolitan Brisbane.

Capital funding for road building in regional Queensland was slashed in the last Budget and water infrastructure development has been reduced to a snail's pace. As the Premier well knows, one of the keys to improving employment prospects in regional Queensland is to foster competitive export industries. All the ingenuity, efficiency and smart technology that the Government can muster will only go so far in our small domestic market. Without the corresponding support of competitive and productive export market systems, including more cost effective ways to get the products from farm gate to the overseas ports, Australia's regional economy has no future.

The proposed taxation changes will remove \$30 billion worth of indirect taxes from Australia's export industries. Wholesale tax will be abolished and the removal of the diesel fuel rebate from the rail transport system will mean \$80m a year is deducted from this impost. There will also be significant reductions in the cost of diesel fuel for heavy road transport.

Already one in five Australians rely on exports for their jobs. If these industries are allowed to become more competitive in the global market it will mean more jobs. The heavy engineering export company Evans Deakin Industries may not have had to retrench 230 workers had it already received the benefits of the GST package. There are many others in a similar position to EDI who need the relief of the new tax regime to simply survive.

Under the GST tax reform package, farmers will be better off to the tune of almost \$1 billion. That is the amount by which their business input costs will be reduced. This all means more jobs, not fewer jobs. But what do we get from the Government? An incessant politically motivated scare campaign which is driving down business confidence across the State! In Roma the other day, the Premier made the statement that everyone will have to pay 10% more because of the GST—a blatant untruth made purely to alarm people and divert attention away from his vegetation management fiasco. Contrary to what he would have honourable members believe, not a murmur of support greeted that statement—not a murmur. If they did believe him, the uninformed would attempt to cut expenses by 10% and create waves across the economy, eroding confidence and harming job security. Thankfully, they knew better than to believe the Premier at Roma.

The question that the Government must now answer is: why has Queensland's jobs growth taken a nosedive? Relative to the rest of Australia, economic analysts Morgans showed that Queensland's jobs growth fell from 4.2% to 1.7% last year. That was 0.86% behind the rest of Australia last year. While unemployment dropped in February along with the nationwide trend, the increase was in part-time employment while full-time employment actually went down. There is, in fact, no poorer sign for the economy than the widespread practice of businesses choosing the cautious option of part-time and casual workers instead of committing to additional permanent staff. Could it be that the Government's policies, coupled with the Premier's widespread reported GST rhetoric, are having a negative impact on our business confidence? There is no doubt about it. Hence the Opposition motion before the House, because even if the Government members opposite believe their own spin doctors—

Time expired.

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