



Speech by

Hon. PETER BEATTIE

MEMBER FOR BRISBANE CENTRAL

Hansard 9 August 2001

MINISTERIAL STATEMENT

Regional Economic Zone

Hon. P. D. BEATTIE (Brisbane Central—ALP) (Premier and Minister for Trade) (9.38 a.m.), by leave: I have written to the Prime Minister today proposing a plan to establish a pilot regional economic zone in Queensland. This pilot zone could prove to be the blueprint to ignite the state and Australia's struggling regions. If successful, the pilot could be used in struggling regions across the nation.

Since announcing in February my intention to pursue regional economic zones, my government has undertaken extensive research which I have presented in a submission to the Prime Minister. This is all about encouraging the introduction of new industry and the expansion of existing industry in underperforming regional areas; in other words, areas with high unemployment. This is not just an issue for the Liberal Prime Minister, but one for the Labor leader as well. We want bipartisan commitment. We must optimise the opportunity linked to the federal election, and a pilot regional economic zone could be established in Queensland before the year's end—that is if there is sufficient will at a federal level to do it.

Under my proposal a pilot zone would be established for 10 years with a provision for extension under strict conditions. The zone's operations would need to be supported by all levels of government through tax and non-tax incentives but primarily managed by the state and local government in cooperation with the local community.

Criteria for selection as a regional economic zone would include a composite index of employment—in other words, looking at the employment structure, at levels of high unemployment—income and other measures of relative economic strength. International experience shows that successful economic zones require strong local community support. This would be an ideal opportunity for local chambers of commerce to stand tall and tell the Commonwealth that they want taxation support to drive their economy back to growth.

The Queensland submission reviews a range of schemes operating around the world, finding the key elements of success to be a mix of tax and non-tax incentives; encouraging activity in sectors which are enablers of local business—for example, education, infrastructure and finance; a minimum 10-year commitment—you would need that to make certain that it was entrenched in the community; support from all levels of government; programs tailored to meet each zone's individual needs; commitment from the local community; and small zones with well-targeted incentives.

The state government stands ready to play its part, but the tax and other incentives that could be applied lie mainly with the responsibility of the Commonwealth. That is why I am calling on John Howard and Kim Beazley to join Queensland to help our struggling regions.

The pilot regional economic zone would help governments develop an effective model that could be readily applied in other disadvantaged regions. The special economic zone could be administered with representatives of business, industry, local government and appropriate state and Commonwealth agencies. The state government already has in place a range of regional development initiatives, including regional economic development organisations and regional business advisers. Areas of serious disadvantage require Commonwealth leadership as well as state leadership to ensure that they enjoy the nation's great prosperity.