



Speech by

Hon. PETER BEATTIE

MEMBER FOR BRISBANE CENTRAL

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MINISTERIAL STATEMENT

Job Creation; Business Confidence

Hon. P. D. BEATTIE (Brisbane Central—ALP) (Premier and Minister for Trade) (9.31 a.m.), by leave: Recent data on the Queensland economy shows a state going from strength to strength. Indeed, I applaud the *Courier-Mail* for its front page on Friday, 12 April which stated 'The state powers the nation'. I table that document for the information of the House. For once, I totally agree with that learned journal.

Queensland's trend unemployment rate was 7.8 per cent in March, significantly down from 8.5 per cent 12 months ago. This result has been driven by strong employment growth and is a great achievement given that Queensland's labour force participation rate exceeds the national average. Employment in Queensland increased by 6,200 jobs in March. There are now almost 50,700 more jobs in Queensland than there were 12 months ago. Although our population share is only 19 per cent, we have created almost 32 per cent of the jobs created nationally over the past year. Importantly, we have delivered full-time jobs. Since March 2001, 23,300 full-time jobs have been created in Queensland. Unfortunately, the rest of Australia has lost 19,600 full-time jobs over the same period.

This employment outcome reflects the fact that Queensland has held up very well in the face of the global slowdown in 2001. The December quarter 2001 state accounts show that the Queensland economy grew more strongly than the rest of the nation in 2001. The relative strength of the Queensland economy was driven by strong growth in household consumption and private investment. The construction sector was particularly strong in 2001, with construction of dwelling and other buildings and structures up noticeably in 2001. Another standout in 2001 was our biggest merchandise export—coal. Coal exports increased by almost 30 per cent in the December quarter 2001 compared to the same period in 2000.

Of note is the resilience shown by the accommodation, cafe and restaurant industry in 2001. Employment in this sector, which is heavily influenced by tourism, has grown despite the collapse of Ansett and the reduction in international visitors that followed the terrorist attack on the United States. On Sunday I had an opportunity to meet with Richard Branson and his Virgin team at a function they held in New Farm in my electorate. The Virgin team is going from strength to strength, and I congratulate them. Yesterday I also had a discussion with Joe Hockey, the federal Small Business and Tourism Minister. We have agreed to work on a number of matters together to ensure that tourism in this nation and particularly in this state continues to grow.

Official forecasts for economic activity will as usual be reviewed as part of the preparation of the 2002-03 budget. However, in the meantime, it is interesting to see what the commentators are saying. The March quarter 2002 Access Economics five-year business outlook was released on 12 April 2002. Access expects a strong outlook for Queensland economic activity in 2001-02 with an expected rate of growth of four per cent. Access then expects growth to accelerate in Queensland in 2002-03. Its projected rate of growth of four and a half per cent for Queensland exceeds its national projection of 4.1 per cent. Access suggests that the two key drivers of growth will be a recovering tourism sector and resource development. To quote Access Economics, 'The visitors are coming back and, even better than that, Australia's investment recovery is increasingly centred along the Queensland coastline.'

State government policy is, of course, playing a key role. We have assisted the tourism sector to recover from September 11 and we continue to drive the big investment infrastructure projects which

Tom Barton, the Minister for State Development, and I have been talking about. We have also heard a number of initiatives from the Minister for Tourism, Merri Rose.

Access also predicts continued strong employment growth. However, its figuring shows that it will be tough to continue to reduce the unemployment rate because of our high labour force participation rate. People come looking for jobs in Queensland because of the opportunities available and the strong employment growth. Recent business surveys such as Commerce Queensland's Pulse survey, National Australia Bank's quarterly business survey and the Yellow Pages Business Index survey are unanimous: business confidence is up and a strengthening business operating environment is expected.

Another important indicator of economic health is the number of bankruptcies. Insolvency and Trustee Service Australia data indicates that bankruptcies in Queensland in January to March 2002 fell by 11.1 per cent compared to a year ago. Business is clearly getting back on its feet following the cash flow difficulties posed by the GST. The economic data clearly demonstrates that Queensland, Australia's Smart State, is going from strength to strength.

I table for the information of members the latest Queensland economic update from the Office of Economic Statistical Research, volume 6.3, March 2002.
