



Speech by

Hon. PETER BEATTIE

MEMBER FOR BRISBANE CENTRAL

Hansard Wednesday, 19 May 2004

MINISTERIAL STATEMENT

Economy

Hon. P.D. BEATTIE (Brisbane Central—ALP) (Premier and Minister for Trade) (9.40 a.m.): Queenslanders can give themselves a pat on the back. We have passed a milestone in job creation. Since June 1998 Queensland has gained more than 250,000 new jobs—256,700 to April 2004, to be precise. More than 250,000! This fact from the Australian Bureau of Statistics is yet another sign that our vibrant business community and skilled work force are responding to the government's economic policies.

In the past 12 months our employment growth has continued to set the pace for the rest of Australia. More than four out of 10 full-time jobs created in Australia over the year were in Queensland. That is more than double our population share. In April our trend unemployment rate was 6.2 per cent, still the lowest in over 21 years. Compare that to the unemployment rate of 9.5 per cent delivered by the former coalition government. We have already come a long way since those dark days when so many Queenslanders were denied the opportunity to work.

Other recent indications point to Queensland's economic activity leading the nation. Surveys of the business conditions and trade performance indicate ongoing economic strength. The latest National Australia Bank business survey reported business conditions were strongest in Queensland and Tasmania. The quarterly report on trade strategy performance for the March quarter shows that our ambitious trade strategy is on target and, by some measures, even ahead of schedule.

During the period we exceeded our exporter creation target. There were 45 new exporters, taking the total since the start of the strategy in October 2001 to 243—the target was 240. We are also on track to achieve a 50 per cent increase in the value of knowledge intensive exports over the five-year life of the strategy. Our running target is a 12 per cent increase, but we are tracking at 17.4 per cent.

I table for the information of the House the Premier of Queensland's Export Awards for 2004 applications and background information. We are seeking to reward exporters. I also table a briefing that my various departments gave in relation to Bio 2004, which is coming up shortly and which is also a key to our export strategy. I seek to incorporate the rest of the details of my ministerial statement in *Hansard*

Leave granted.

The slight relaxation of the ratio of exports to Gross State Product was similar to the trend in the rest of Australia, although Queensland's share of 21.5% was better than the national figure of 19.6%.

The trend was due to a depreciating Australian dollar, drought and uncertainty over the economic impact of the Iraq conflict.

However Australian Bureau of Statistics retail trade data show that annual Queensland retail trade growth continued to exceed that of all other States in the year to March.

In annual terms, Queensland retail turnover grew 12.7%—well ahead of 7.1% for the rest of Australia.

The Pulse Survey showed a slight easing in business conditions in the March quarter—but it was still consistent with solid growth.

And while Queensland building approvals have declined in recent months, our annual growth of 6 % remains well above the rate for Australia—where approvals fell.

However, we will not take our eye of the ball.

The international economy is a hard task master and we need to keep improving labour force skills and enhancing economic infrastructure if we are to continue delivering jobs and prosperity.

The Federal Government expects the national economic growth rate to slow slightly in 2004-05, with a relatively static national unemployment rate.

The Federal Budget paints an economy where domestic activity slows and the impact is cushioned somewhat by strong export growth.

The risks for the outlook identified by the Federal Government include high oil prices and unseasonal farm conditions.

For some reason the risk to the economy of further interest rate rises doesn't get a run in the Federal Budget.

But clearly this is a risk that cannot be ignored—nothing destroys spending power and investment as quickly as interest rate hikes.

The Deputy Premier and Treasurer will release the Queensland Budget on 15 June.

This will provide a comprehensive update of the economic outlook for this State.

I remain confident that we will continue to be the engine room of Australian growth.