



Speech by

## Hon. Andrew Fraser

MEMBER FOR MOUNT COOT-THA

Hansard Tuesday, 9 October 2007

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### MINISTERIAL STATEMENT

#### Queensland Economy

**Hon. AP FRASER** (Mount Coot-tha—ALP) (Treasurer) (10.10 am): As the Premier has affirmed this morning, prudent economic management remains at the core of this government. The latest Queensland state accounts show our economy has continued to strengthen, outperforming the rest of the nation, with continued job creation and population growth that both underpins and reinforces our economic success.

The March 2007 quarter accounts show that year on year annual economic growth in Queensland strengthened to an eight-year high of 6.6 per cent in trend terms. It is clear that we can expect a final figure for fiscal 2007 that checks in above the original budget forecast of 5.5 per cent.

Much is made of the performance of the Australian economy, but the national benchmark of 2.8 per cent is in the shade of our towering success—as it has been for the past 11 years. It is the composition of this growth, however, not the headline figure or the mere fact of it which reveals why we have been out in front and, more importantly, why we are positioned to remain in front.

Investment has been a major driver of overall economic growth in recent years. Business investment surged by 19.1 per cent in 2006-07, reaching nearly \$30 billion, more than double its level five years earlier. While much attention has been given to a surge in mining related investment, mining directly accounted for just 12 per cent of business investment in 2006-07. Our growth is broad based and diversified. This is the realisation of the Smart State vision.

The latest Access Economics investment monitor shows Queensland had the highest level of non-mining investment projects under construction or in the pipeline in the June quarter, at \$87.9 billion. That is \$87.9 billion worth of future capacity within our economy ready to provide the future path of prosperity. Our prosperity has seen rising household incomes and population growth encouraging sustained investment across many other sectors, including retail and commercial property. Housing investment rose by 10.1 per cent compared with growth of only 1.4 per cent in the rest of Australia. I spoke recently at the HIA industry breakfast where the story of our construction sector remains optimistic.

Continued population and income growth, besides sustained buoyancy in property prices, has underpinned strong growth in consumer spending in the state—despite increases in interest rates from a federal government that pledges long and checks-in short. Retail spending rose by 11.4 per cent over the year to August 2007 compared with 6.1 per cent in the rest of the country. On the trade front exports continue to expand.

With both the domestic and trade sectors of the economy performing strongly, Queensland has recorded significant job gains. The trend unemployment rate in Queensland reached 3.5 per cent in August 2007, representing the lowest on record in the 29 years of these statistics. Our challenge then is to extend this path of prosperity by continuing to build the platform for sustainable growth with prudent investment in capacity.

To continue the story of our unbridled economic success requires of us a deference to our fiscal history and an acceptance of the unique armoury provided to us to confront the challenges of the next phase in the development of this state. We must take the broader lesson here and not merely luxuriate in our immediate prosperity. Our growth is our greatest opportunity and our greatest challenge. It is a challenge which this government is geared to meet.