

Hon. Terry Mackenroth MP
Deputy Premier
Treasurer and Minister for Sport

18 June, 2002

STATE BUDGET PROVIDES PLATFORM FOR JOBS AND GROWTH

The 2002-03 State Budget would enhance Queensland's position as the Smart State and provide a platform for growth in jobs and the economy, the Deputy Premier and Treasurer, Mr Terry Mackenroth, said.

"Queensland is currently creating jobs at a much faster rate than the national average," Mr Mackenroth said.

"Over the twelve months to May, we created over 30 percent of the jobs created in Australia and almost 80 percent of the national full time jobs.

"This strong performance is expected to continue in 2002-03 with a forecast year average rise in employment of 2 ½ percent or an additional 43,000 jobs.

"As a result we expect our unemployment rate to fall to a year average 7 ½ percent - the lowest in over a decade.

"We have funded projects and initiatives in this Budget which we believe will help contribute to jobs growth and drive continued economic growth."

Mr Mackenroth said the forecast was economic growth of 4 ¼ percent in 2002-03, on the back of strong business investment growth of 17 ¼ percent.

He said the State's balance sheet was also strong with the total net worth of the State expected to grow to \$58.5 Billion by June next year.

"Despite the completion of major projects such as the Statewide Health Building Program and the Pacific Motorway upgrade, which inflated capital works budgets in recent years, we have still managed to map out a capital works program for 2002-03 valued at \$4.8 Billion - a 1.4 percent increase on expenditure this financial year," he said.

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“This includes capital investment by Queensland’s Government Owned Electricity Corporations of \$1.26 Billion, \$1.6 Billion capital works funding for transport and main roads, \$273.9 Million for education such as new schools and maintenance, \$254.1 Million for health and \$226.6 Million for law, order and public safety.”

Mr Mackenroth said the State Government was also helping the private sector undertake several billion dollars worth of projects which would provide public infrastructure and contribute significantly to the net worth of the State.

He said these projects included future expansion of the Dalrymple Bay Coal Terminal, a Brisbane cruise ship terminal, the Millmerran Coal Fired Power Station, the AMC Magnesium processing plant, the Townsville Power Station Project, Comalco Alumina Refinery, Integrated Ticketing and the Southbank redevelopment.

“The State Government has also recently released its Public Private Partnership initiative which aims to respond to the changing needs of our community by increasing private sector involvement in public sector infrastructure,” Mr Mackenroth said.

“After community consultation it is expected the final version of PPP guidance material will be released later this year and pave the way for the development of billions of dollars worth of new projects to aid the growth of our State.”

Mr Mackenroth said through strong and prudent budget management he had been able to substantially reduce the impact of a worldwide downturn on the equity markets and still provide increases in services and infrastructure without any new taxes or charges.

“Queensland will remain the low tax State,” Mr Mackenroth said.

“In fact, payroll tax will be reduced further from next month, dropping to 4.75 percent compared to 5.35 percent in Victoria and 6 percent in New South Wales.”

“Overall we estimate that Queenslanders will pay 25 percent or approximately \$400 per person less in tax than the average of the other States next financial year.”

Mr Mackenroth said he was proud of the 2002-03 State Budget because it had been formulated in difficult financial circumstances but still delivered on key commitments in service areas such as families, health, education and law and order.

He said it had been underpinned by sound financial management and would maintain Queensland’s AAA credit rating while delivering projects and infrastructure that would drive the economy into the future.

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