

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

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QUEENSLAND SET TO LEAD THE NATION IN GROWTH

Queensland was poised for a strong period of growth in the next financial year helping Australia bounce back from a tough global economic downturn this year, the Deputy Premier and Treasurer, Mr Terry Mackenroth, said today.

Mr Mackenroth said all major economic indicators in the State Budget for 2002-03 including household consumption, business investment, and employment growth were forecast to outstrip national figures announced in the Federal Budget last month.

“Tough economic conditions in countries that are our State’s major trading partners such as the United States and Japan were exacerbated by the September 11 terrorist attacks which further damaged business and consumer confidence,” Mr Mackenroth said.

“This in turn had flow on effects to our State’s overseas export performance, market performance and investment by businesses still struggling from the introduction of the GST and national tax reform.

“However, strong growth in dwelling investment and robust growth in interstate exports helped offset this and our economy is estimated to grow by 3 ¾ percent this financial year.

“In 2002-03 strong growth in business investment and a recovery in exports are expected to underpin growth and our economy is forecast to grow by 4 ¼ percent, topping the national figure of 3 ¾ percent announced in the Federal Budget last month.”

Mr Mackenroth said export of goods and services was forecast to grow by 6 ¾ percent and household consumption by 4 ¼ percent.

“Business investment is set to grow by a massive 17 ¼ percent with investment in machinery and equipment up by 15 ¾ percent and other buildings and structures by 20 ½ percent,” he said.

“However, dwelling investment is set to level off decreasing by ½ percent with the rise in interest rates and the end of the First Home Owners Grant.

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“Our population is forecast to grow by another 1 ¾ percent next financial year as more and more people pull up stumps and head for paradise.

“This will continue to contribute to a high participation rate, however we expect employment to grow by 2 ½ percent or almost one and a half times the national average and our unemployment level to drop to 7 ½ percent in year average terms - the lowest average figure in over ten years.”

Mr Mackenroth said the Beattie Government had created an environment that was attractive for interstate and overseas migrants looking for lifestyle, employment and business development opportunities and our economy would reap the rewards.

He said the positive forecasts for all major economic indicators endorsed the continued strength of the Queensland economy.

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