

UNEMPLOYMENT — GOVERNMENT ACTION

325. Mr I.M. BRITZA to the Premier:

I refer to the unemployment figures released today showing that Western Australia's unemployment has increased from 4.1 per cent to 4.9 per cent. Recently, businesses such as Iluka Resources Limited have made decisions that have caused job losses right across the state. Will the Premier inform the house of what the Liberal-National government is doing to advance Western Australia and to combat the impact of the current global financial crisis?

Mr C.J. BARNETT replied:

I thank the member for the question. Many businesses in his electorate—indeed in all of our electorates—particularly small and medium businesses, are facing a very difficult time. We are experiencing nationally and internationally the sharpest downturn in decades. We have not seen conditions anywhere near approaching the current economy since the recession of the early 1990s.

Western Australia is an internationally exposed economy; we tend to have a more volatile ride than others. It is true that the state has grown for decades at a faster annual average than the Australian economy. However, the ride that we have, latched onto Asia, is a more volatile ride and we can expect to see sharper swings in this economy because of the structure of the economy.

There have been large numbers of job losses, predominantly in the mining industry, but, as I said yesterday, I believe that is starting to bottom out. However, the bad news will be heavily concentrated in the first half of this year. The unemployment figures to which the member referred to indicate a jump in the unemployment rate from 4.1 per cent to 4.9 per cent. That is a large jump on a monthly basis; there is no doubt about that.

Mr E.S. Ripper: The second largest in the country.

Mr C.J. BARNETT: It is a large jump. However, this state has an unemployment rate significantly below the national average.

Mr E.S. Ripper: But it's getting a lot worse, isn't it?

Mr C.J. BARNETT: The Leader of the Opposition has asked me whether it is getting a lot worse. I believe unemployment will continue to rise during this year.

Mr E.S. Ripper: Do you have a plan?

Mr C.J. BARNETT: I have good manners.

Several members interjected.

Mr C.J. BARNETT: It is inevitable, unfortunately, that unemployment will rise. I am very conscious that many people are concerned about their job security, if not for themselves, for the members of their family and friends. Many people are worried about their ability to maintain a mortgage and to hold on to their home. This will be a very difficult year for many Western Australian families and we, as members of Parliament, need to be sensitive to that difficulty.

Although the figures show a jump in unemployment, members should bear in mind that the monthly unemployment figures are taken from survey data and are by their nature volatile. It is probably more relevant to look at the trends in employment. If members look at the total number employed, they will see that there was a fall in employment late last year-early this year, and that at least in the past two to three months there has been stability in the employment level. I hope that can be maintained.

What are we doing? We are putting a huge amount of effort as a government into major capital works projects and major private sector projects that drive this state's economy—Gorgon, LNG projects in the Kimberley, Oakajee, sinking the rail line through Perth and so on. However, in the medium term, although I am confident that all those projects will happen, they will not really have an impact in terms of jobs on the ground until next year. This year, therefore, will be difficult. We are very conscious of the impact on and the need to maintain employment, particularly in the small to medium business sector, and members will see that reflected in the budget when it is handed down. Meanwhile we have brought forward capital works projects that are either ready to go or can be brought on quickly. Members can see that in the decisions to allocate not only federal government funding for schools programs, but also an additional \$300 million to schools, in the commitment to the Northbridge —

Mr E.S. Ripper: You have put Ellenbrook back; you haven't brought it forward.

The SPEAKER: Order, Leader of the Opposition!

Mr C.J. BARNETT: It is just not true. We are working on comprehension, numeracy and literacy in schools, as an example. The Minister for Health has accelerated capital works projects: work will start on the Fiona Stanley Hospital, work has started in Kalgoorlie, work will start later this year on the Albany project and so on. The allocation of money under the royalties for regions program includes \$100 million to local government, which is something members opposite were critical of. That is money that was spent immediately, and it will have a sustained effect.

Because many of the big projects are in the country, there is an immediate need for projects in the metropolitan area. That will be reflected and addressed in the budget. The government needs to maintain employment through a difficult year. I am confident that public and profit enterprise can guide this economy through this year, and next year will be a far better year for Western Australia. That is the reality.

The unemployment figures will continue to rise, but we should watch employment figures. I suspect that because the basic structure of this economy is sound, as attention around the nation starts to focus on some of the very large projects, which will be very heavily concentrated in Western Australia—there will not be a lot of projects in the other parts of Australia—Western Australia can expect to see an even greater rate of interstate transfer, with people moving across the borders looking for employment on construction projects. Realistically, we will need to focus on employment levels, rather than unemployment, if we really want to gauge what is happening in the Western Australia economy.