

## Queensland primed to be the nation's powerhouse

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BUMBLING leadership in NSW is setting up Queensland as the country's new economic powerhouse, says business commentator Robert Gottliebsen.

In broad-ranging address at a business breakfast in Southport yesterday, the founding editor of BRW magazine also said the Gold Coast property market would get a major kick-along from a surge in buying activity from Korea, the Middle East and China thanks to an appreciating Australian dollar.

Mr Gottliebsen said Queensland was on track to fare better than other states in the aftermath of the credit crisis that has rocked confidence since the beginning of this year.

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He said Queensland, which is rolling out \$17 billion in infrastructure spending to cater for burgeoning population growth, should not be seen as a boom state solely because of its mineral wealth.

He said the state was actively luring people from NSW, and to a lesser extent Victoria, because of a difficult business environment that has been created by the Lemma Government in NSW.

He said the writing was on the wall five years ago, when apartment developer Harry Triguboff declared Sydney was dying.

People were now taking Mr Triguboff seriously.

Mr Gottliebsen described Anna Bligh as a strong premier, providing a stark contrast to NSW which he said was 'badly managed' and had masked the underlying strength of the Australian economy.

He said Victoria also was taking advantage of NSW's woes to boost its population inflows.

But he said Queensland would fare 'better than most states' as the economy regained its stride.

Mr Gottliebsen, who addressed yesterday's launch of Raptis Group's final commercial offering at Southport Central, said there were still likely to be aftershocks from the credit crisis.

One of them would be higher interest rates, which he said were here to stay for 'the next year or so' because of high inflation.

"I know everyone respects central bankers, but they're a bit like robots," he told 400 business people at the breakfast.

"They're programmed to look after inflation.

"Make sure your business can cope with higher (interest) rates because they could be around for a while. We have to adjust to it, just like we have to adjust to oil being at a higher price."

Inflation pressures were likely to be sustained by infrastructure spending, as well as the resources boom. Mr Gottliebse said if Rio Tinto could be believed, demand for commodities would double by 2022.

"This will underpin the economy quite dramatically," he said.

He said it was possible that Australia may be forced to import guest workers to cope with further labour shortages expected to stem from the boom.

Mr Gottliebse said the 'bear raid' phenomenon that had plagued the likes of Allco Finance Group, MFS and ABC Learning Centres this year had probably run its course.

"I think we might be through all of them," he said, adding that this could provide welcome stability for the stock market.

Both the stock market and property were likely to get a fillip from a surge in offshore investment, he said.

Middle Eastern, Korean and Chinese investors were getting 'sick and tired' of putting money in the US and losing it on an increasingly unfavourable exchange rate.

Mr Gottliebse said the Gold Coast property market may be experiencing a brief interest rate-induced shock at present, but offshore investors were lining up for bargains.

He said buyers from Korea and the Middle East would 'take up some of that slack because they're excited by the higher Australian dollar'.

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