



Speech by

Hon. Andrew Fraser

MEMBER FOR MOUNT COOT-THA

Hansard Tuesday, 26 February 2008

MINISTERIAL STATEMENT

Queensland Economy

Hon. AP FRASER (Mount Coot-tha—ALP) (Treasurer) (9.56 am): The latest release of the Queensland state accounts today by the Office of the Government Statistician is not only solid testimony of the continuing strength of our economy but also a solid reminder that we can at no stage take our eyes off the ball. The September quarter accounts show the state's economy grew by 1.9 per cent to be 8.7 per cent higher over the year. On any assessment, that is an economy in a strong position. That 8.7 per cent annual growth was three times the growth for the rest of the nation and is, in fact, the highest level of growth recorded since the inception of the Queensland state accounts. I caution, firstly, that the figure provided through ABS data is subject to revision and indeed the last reported 12-month growth of 6.8 per cent has been revised down to 5.6 per cent by the provision since then of more robust data from the ABS.

This is an economy powered by investment. Total investment, both public and private, grew 17 per cent over the year, accounting for 5.5 percentage points of the 8.7 per cent expansion in the state economy. The government's clearly articulated and ambitious capital program—to bank and build in the growth dividend of the last decade—saw investment by the general government sector increasing by 28.4 per cent over the year. These are the numbers that flow from our commitment to do exactly what the Reserve Bank has identified is required: build the productive capacity by expanding our infrastructure platform.

These accounts show the resilience of the Queensland consumer. Household consumption rose by 1.6 per cent in the quarter to be 5.2 per cent higher over the year, supported largely by continued jobs growth and well ahead of national growth rates. Other recent data shows us the first signs of the continued hiking of interest rates against the pent-up inflation residing in the national economy. Dwelling investment has dropped, retail sales growth has slowed and consumer sentiment is greatly reduced, with the 12-month outlook in Queensland down 15.2 per cent. We see again this morning reports about the impact of the fallout from the US subprime mortgage crisis on superannuation funds.

The real story is the fundamental optimism underlying our prospects. Consumer sentiment for the next five years has been resistant of the contemporary problems besetting global finances, rising 20.4 per cent. That reflects our view. There are problems in front of us, but the horizon of Queensland's prosperity remains long.