




Speech By
Hon. Curtis Pitt

MEMBER FOR MULGRAVE

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MINISTERIAL STATEMENT

Queensland Economy

 **Hon. CW PITT** (Mulgrave—ALP) (Treasurer, Minister for Employment and Industrial Relations and Minister for Aboriginal and Torres Strait Islander Partnerships) (9.39 am): The Queensland state accounts have been compiled since 1993, with a time series prepared by Queensland Treasury going back to 1985. These accounts provide a complete assessment of Queensland's economic activity each quarter. Within the state accounts, gross state product is the central measure of the state's economic growth. Since gross state product records began some 30 years ago, Queensland's economic growth has averaged one per cent each quarter. Strong economic growth of around four per cent annually more often than not has been the envy of Australia. This has defined Queensland's economic strength and our success.

However, when an economy records two consecutive quarters of negative growth, this is technically defined as a recession. There were just two periods over the 30-year history of the Queensland state accounts when the economy contracted in this way. The first was the December quarter 1990 and March quarter 1991—a result of the late 1980s stock market crash. The second was the September and December quarters 2009—in the midst of the global financial crisis.

It troubles me to advise the House today, that we add a third occasion in Queensland. Under the former Newman government Queensland's gross state product declined by 0.2 per cent in the September quarter 2014, followed up by a decline of 0.6 per cent in the December quarter 2014. The member for Clayfield, the member for Surfers Paradise and the member for Southern Downs sat around the cabinet table at that time. Bad policies, bad decision-making, waste and mass sackings led to bad outcomes for Queensland. Their legacy is three years of economic mismanagement, underscored by mass sackings, rising unemployment, bumbling policies and subdued business conditions.

The difference between the contractions in growth of the early 1990s and the global financial crisis is this is a slowdown that Queensland did not have to have. In 2011-12 the economy was growing at 4.7 per cent under Labor and in 2013-14 growth had halved under the LNP to 2.3 per cent. To put this into context, the 0.6 per cent contraction in the December quarter—the dying days of the Newman government—was the single worst quarterly contraction in 30 years.

At the same time the national economy recorded 0.9 per cent GDP growth over six months. The former Nicholls-Newman government slammed the Queensland economy into reverse. The LNP narrative—

Opposition members interjected.

Mr PITT: This is a very serious matter and it is a shame those opposite are not wanting to listen. The LNP narrative was all about discrediting the former Labor government—an exercise in talking down the economy. Comments about Queensland being on a power dive into the abyss were not helpful. Sadly for Queenslanders and for the former premier it became a self-fulfilling prophecy. It was all pain and no gain.

But it is now up to our government to implement a positive economic agenda and one that is about delivering growth, confidence and job opportunities. Labor will deal with the legacy issues of the former government and we take that challenge head on. We know that economic growth is critical for jobs and prosperity, and it is historically stronger under Labor governments. Historical analysis of economic growth in our state draws this out, and the statistics are damning.

Over the course of the last Labor government, Queensland's GSP averaged—

Ms Simpson interjected.

Mr SPEAKER: One moment please, Minister. Member for Maroochydore, you will have a chance to make a private member's statement later if you want to take up that opportunity. I call the minister.

Mr PITT: Over the course of the last Labor government, Queensland GSP averaged 1.1 per cent per quarter. During the Goss government, growth averaged one per cent per quarter. Average growth under the Nicholls-Newman LNP government was less than half the Labor average, just 0.4 per cent per quarter.

The September and December quarters of 2014 reflect a weaker domestic economy—

Mr Nicholls interjected.

Mr PITT: I will say that again. The September and December quarters of 2014 reflect a weaker domestic economy with falling public final demand. Declines in state and local government investment in the second half of 2014 contributed to this result. A primary driver of the weak domestic economy was a decline in business investment, reflecting a transitioning economy as the state's three large LNG construction projects reached completion. While the Queensland state accounts data is revised quarterly, these figures are very sobering.

But the slowdown overseen by the LNP represents a line in the sand. The Palaszczuk government does not subscribe to the zero sum game of deep cuts and mass sackings. That is not how you grow the economy. We will not let this data define Queensland, because there is cause for optimism.

According to the latest Westpac-Melbourne Institute consumer sentiment index, in May Queensland consumer confidence hit an 18-month high—the second highest rise in consumer confidence of any Australian mainland state.

Mr Langbroek interjected.

Mr SPEAKER: Order! Leader of the Opposition, you will have a chance to make a private member's statement later this morning if you choose to.

Mr PITT: It is another encouraging result which shows that Queensland consumers are growing in confidence and getting behind the Palaszczuk government's positive economic agenda. It is the latest in a series of positive economic indicators in Queensland.

Recent economic data shows that Queensland recorded the strongest retail growth of any mainland state in the March quarter at 1.9 per cent; dwelling approvals in Queensland rose 3.0 per cent in March—up 26 per cent on the same time last year; Queensland merchandise exports were up 10.8 per cent to \$11.4 billion in the March quarter; and 5,300 full-time jobs were added in Queensland in April.

In stark contrast to the former LNP government, we will present a responsible budget, with adequate funding for Queensland's service delivery needs—a responsible budget that shows fiscal discipline. In the coming weeks, I will release the independent Treasury's review of state finances, which I expect will draw out the challenges ahead of us, setting the pathway forward. My first budget will deliver on the outcomes we expect for Queensland which includes delivering on our election commitments, laying the foundations for growth and taking a responsible approach to debt reduction. Queenslanders can have confidence that the Palaszczuk government will get our economy growing again.