




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) (2.13 pm): I am pleased to advise the House that today marks a turnaround for the Queensland economy.

Opposition members interjected.

Mr PITT: I will wait for those opposite to settle. Under the Palaszczuk Labor government Queensland's state final demand has returned to positive growth, recording 0.1 per cent in seasonally adjusted terms in the March quarter 2015. As we all know, state final demand is a key ABS measure of domestic spending in the economy. This figure represents a quarterly rise in household consumption, dwelling investment and public final demand. This is good news for Queensland following a 0.9 per cent decline in the December quarter under the LNP and another decline of 1.7 per cent in the September quarter last year, again under the LNP.

Today's ABS figures confirm that domestic spending in the economy fell in the second half of last year, reinforcing Queensland Treasury gross state product figures—which, for the benefit of the member for Surfers Paradise and apparently also the federal Treasurer, include exports—that showed the economy contracting over the second half of last year.

While the March quarter trend figures sees a decline of 0.7 per cent, this reflects the fact that Queensland is an economy in transition. I note the federal Treasurer today, as well as the ABS in its media release, is using seasonally adjusted figures to talk up the national economy. Similarly, seasonally adjusted figures for Queensland show the state economy is turning the corner. Before Canberra's man in Clayfield comes out to criticise what the trend data means for the Queensland economy, when he was Treasurer he would cherry-pick his use of state final demand figures when it suited. When the figures were up he would put out press releases saying 'Queensland is the powerhouse state of Australia with growth in state final demand.' When the figures were down he would instead use the very measure he tried to rubbish in this place last sitting. State final demand, unlike GSP, is only a partial measure of activity. Sometimes he would use seasonally adjusted, sometimes trend, depending on what was the flavour of the day or what was in his political interests.

I have made a commitment to keep Queenslanders up to date with accurate data that provides the full picture of the state's economy. Thankfully, today's state final demand figures show that we have inherited tough economic conditions but the seasonally adjusted result shows the Queensland economy is turning a corner. The March quarter shows this improvement and particularly the strength of household consumption, proving beyond doubt that Queenslanders have confidence that the Palaszczuk government will get Queensland growing again. Household consumption grew by nearly one per cent over the March quarter, with purchases of motor vehicles, insurance and other finance and furnishings and household equipment being the main contributors.

These increases in household spending reaffirm recent retail trade data showing Queensland has the strongest growth in the nation. Consumers are spending again. Queenslanders are increasingly confident in this direction and, of course, the direction we have taken this state over the first three months of this year. The first large scale poll of Queenslanders on the economy since the election, the *Galaxy Courier-Mail* Queensland index, shows that 55 per cent of Queenslanders believe the state is headed in the right direction. The index returned a net positive reading of 20 per cent, up markedly on the last result of just one per cent when the LNP was in government.

On each measure referenced in *Queensland Business Monthly*, the Queensland economy has improved under the Palaszczuk government. Dwelling investment rose by a strong 13.8 per cent in the March quarter 2015, construction of new dwellings up 19.0 per cent and alterations and additions up 6.5 per cent—rising in the quarter. Total dwelling investment was 15.7 per cent higher over the year. These figures are supported by more attractive rental yields in Brisbane relative to Sydney and Melbourne and investor demand in medium- to high-density dwellings has grown strongly. This is great news for the real estate industry, construction workers, tradies and Queenslanders as a whole.

On a sobering note, business investment is falling from the unprecedented levels delivered by the former Labor government as three large LNG projects near completion and transition to production and exports. However, overall business investment is expected to return to a more sustainable longer term growth path from 2016-17. As Treasurer, I am determined to keep Queenslanders up to date in terms of how our economy is travelling and I am pleased to say that Queenslanders should have every right to be confident about where we are headed under the Palaszczuk Labor government.