



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) (9.40 am): Thanks to the foresight of Labor in supporting the establishment of an LNG industry, the Queensland economy is improving under the Palaszczuk Labor government. Our positive economic policy settings are laying the foundations to return to the kind of growth that we have traditionally seen characterising state Labor governments. The job cuts, service cuts and stymied growth from the bad policies that were the hallmark of Campbell Newman's LNP government have been consigned to history.

I am pleased to advise the House that, according to the latest state accounts that will be released later today, in the June quarter 2015 Queensland recorded its strongest economic growth in more than three years. In real trend terms, Queensland's gross state product rose by 1.3 per cent in the June quarter 2015, to be 2.2 per cent higher over the year. This was the strongest quarterly trend growth since the December quarter 2011. It was also higher than the rest of Australia, which was up 0.3 per cent over the same period.

The Queensland state accounts provide a complete assessment of Queensland's economic activity each quarter, including the all-important trade sector. State final demand, a good measure of our domestic economy, was minus 2.6 per cent in 2014-15. This contrasts with the last year of the former Labor government when annual growth in the state final demand peaked at 9.2 per cent in the December quarter 2011. In the June quarter, state final demand weakened 0.6 per cent, which reflects the transition the Queensland economy is undergoing following the decline in business investment for LNG construction. Of course, there are regular revisions of this data, but clearly we saw growth slowed and it remained subdued throughout last year under the LNP. I am the first to recognise that much of the growth we are seeing right now is export-led. However, there remains much work ahead to grow the domestic economy and repair the damage done by the previous government.

What these numbers show is that the \$60 billion investment in LNG, the state's newest major industry, is bearing fruit. While the wind-down in LNG construction saw declining business investment drive lower overall domestic activity, this was more than offset by a boost from the trade sector. The LNG sector is a brand-new export industry that was conceived and developed under Labor governments. Recent trade data shows the value of the state's LNG exports has totalled more than \$1.3 billion so far in 2015. LNG exports are expected to surpass \$17 billion by 2018-19, to become Queensland's second largest resource export after coal. However, the Queensland economy is more diverse than just the resources sector. In fact, no one, single industry makes up more than 11 per cent of our GSP. While the resources sector is important to us, it contributes around 10 per cent of Queensland's overall economic output. To put this in context, our construction industry is about the same size as our mining industry in terms of economic output.

In more good signs for Queensland, the nominal value of Queensland's overseas merchandise exports rose 15.7 per cent over the year to the August quarter 2015, to total \$47.9 billion in annual terms. Growth over the year was driven by the ramp-up of LNG exports, which commenced in January 2015, while exports of coal, meat, grain and grain sorghum also contributed to growth. Recent ABS data shows Queensland housing investor finance commitments remain at near record levels. Another encouraging sign is that Queensland's business confidence is now the highest of all mainland states for the third month in a row, according to the NAB Business Survey for September. More importantly, Queensland has added 28,500 extra jobs since the Palaszczuk government was elected in January.

The Palaszczuk government is delivering for Queenslanders: there is a \$10.1 billion capital works spend supporting 27,500 direct jobs this financial year; a \$1.6 billion Working Queensland jobs plan; \$180 million for Advance Queensland strategy; the strongest forecast growth of any state in Australia at 4.5 per cent in 2015-16 and 2016-17; and, of course, nation-leading budget surpluses of \$6.9 billion over the next four years. What these figures show is that the fundamentals of the Queensland economy are strong and there is cause for optimism from business and consumers that the economy is well positioned to deliver more jobs and more growth in the future.