




Speech By
Hon. Curtis Pitt

MEMBER FOR MULGRAVE

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MINISTERIAL STATEMENTS

Budget

 **Hon. CW PITT** (Mulgrave—ALP) (Treasurer, Minister for Aboriginal and Torres Strait Islander Partnerships and Minister for Sport) (9.46 am): The 2016-17 budget is all about continuing Queensland's strong fiscal management and driving the economy forward through growing innovation, attracting investment and building infrastructure. The budget contains two key initiatives to ensure our economy is well positioned to deliver more growth, more jobs and more opportunities for success. Firstly and most importantly, we have budgeted for a \$10.7 billion capital program this year to support directly around 31,000 jobs. Secondly, we are continuing the critical debt reduction task that the Palaszczuk government commenced last year with our Debt Action Plan. From 2016-17 to 2019-20, Queensland's total capital expenditure, capital grants and public-private partnerships will be a combined \$40 billion. This represents a significant pipeline of infrastructure across our regions and cities. It sends a clear signal to the construction industry, the contractors and the consultants across the state that we have all got a job to do to deliver this infrastructure.

The economic and fiscal plan we took to the election was to reduce general government debt by \$12 billion over 10 years. This budget shows that general government debt is more than \$10 billion lower under Labor than was forecast for 2016-17 under the former treasurer's last budget. This is a significant achievement in the current economic climate. This outcome stands in contrast to the \$13.6 billion increase in general government debt we saw under the previous government. I reiterate my comments that as Treasurer and as a government we remain steadfast in our commitment to upholding the quality of our state's credit. In addition, the state is forecast to save more than \$800 million in interest expenses in 2016-17 when compared to the 2014-15 budget. Again, when comparing directly to the 2014-15 budget, interest expenses are \$1.9 billion lower than forecast under the former government out to 2017-18. I want to bring to the attention of members of the House the Deloitte special budget edition titled 'Shifting gears, a clearer focus?' which is the Deloitte Access Economics take on the 2016-17 budget. It states—

In line with our recent *Business Outlook*, Queensland's growth is firmly ahead of the state pack. However there still isn't a 'feel good' factor as the growth is dependent on exports.

Deloitte goes on to say—

Despite the fiscal headwinds, this budget aims to position Queensland to take advantage of its current strengths to build future economic opportunities.

On the government's decision to utilise a portion of the defined benefit scheme's surplus, Deloitte says—

Unlike other States, the Defined Benefits Scheme in Queensland has a \$10b surplus—some of this lazy money can be put to work. The defined benefits cookie jar has been opened, with \$4b to be split between reducing debt and investing in infrastructure.

While there has been a lot of commentary on the source of this funding, it is more important how it gets used.

I could not agree more with this sentiment. On growth, Deloitte say—

Queensland has a solid growth outlook over the forward estimates, with Gross State Product forecasts underpinned by strong LNG exports.

However, Treasury's growth forecasts have been downgraded half a percent since the MYFER, from 4% to 3.5% annual growth. This is consistent with Deloitte Access Economics' forecasts over the next five years.

Deloitte also point out—

The Non-financial Public Sector (which includes Queensland commercial entities) debt to revenue ratio is also forecast to decline, despite the total value of borrowing increasing over the forward estimates.

On general government sector debt, Deloitte say—

General Government Sector debt to revenue ratio is forecast to decline across the forward estimates to 68% in 2019-20. This places Queensland in a more secure position in terms of its credit rating.

I am confident that this budget will deliver for Queenslanders, but its success will depend on business, industry and government working together to deliver jobs and growth.