




Speech By
Hon. Curtis Pitt

MEMBER FOR MULGRAVE

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MINISTERIAL STATEMENT

State Finances

 **Hon. CW PITT** (Mulgrave—ALP) (Treasurer, Minister for Aboriginal and Torres Strait Islander Partnerships and Minister for Sport) (9.45 am): I table an article from the *Courier-Mail* titled 'Queensland Business Monthly: Our two-speed economy'.

Tabled paper. Article from the *Courier-Mail* online, dated 31 August 2016, titled 'Queensland Business Monthly: Our two-speed economy' [\[1425\]](#).

The latest *Courier-Mail*/Galaxy Queensland Index survey shows the statewide number is a reasonably positive net seven figure, indicating that a majority of respondents believe the state is heading in the right direction. It states—

... in the southeast 49 per cent of respondents believe the state is heading in the right direction, while 34 per cent disagree, giving a net positive reading of 15.

However, as I have acknowledged on numerous occasions, the mood is reversed in regional Queensland. David Briggs from Galaxy says—

Overall, it's not a bad result for the Palaszczuk Government, but what the tables are demonstrating is that this really is a tale of two states.

Economist Gene Tunny says that South-East Queensland is being helped by a reasonably strong economy centred on the area, which to some extent is linked to the strong economies in other states. He said—

While things overall are looking better ... there are real challenges in the regions, which are badly affected by the mining downturn and years of drought.

After an extended period where there was a perception in some quarters that the state was in a holding pattern, there is now a growing sense that things are starting to happen again. On the Gold Coast, a combination of strong inbound tourism numbers and spending associated with the 2018 Commonwealth Games is helping boost sentiment and investment. The article states—

In the wider southeast a strong pipeline of construction work, alongside growth in service industry jobs in sectors such as health and education, is providing a boost.

When you add to this, as Gene Tunny notes, some fairly positive announcements from the state government in recent weeks, such as the redevelopment of the old children's hospital site at Herston and the decision to legalise ride-sharing services such as Uber—this represents a significant deregulation move—you get the sort of environment where confidence is boosted. Despite a lengthy federal election campaign, the China slowdown, Brexit and the Trump factor, definitely business confidence has improved in recent months.

The article goes on to say that another great positive is an infrastructure plan which gives industry a clear picture of what the government's priorities are. I, for one, will not ignore the large part of Queensland outside the south-east corner. That is why our 2016-17 budget had such a strong focus on regional Queensland.

On another note, Fitch Ratings has reaffirmed our credit rating. I acknowledge that, while the Queensland government does not contract Fitch as one of our official ratings agencies, they still provide advice to the market about the quality of our credit. Fitch indicated that the outlook is stable. The affirmation largely reflects the following for Queensland: improving direct debt position, sound liquidity, sound debt management and the state's stronger budgetary performance. The stable outlook reflects Fitch's expectations that Queensland, supported by economic growth and its fiscal principles, will maintain an improved budgetary performance.

Fitch estimated that the ratio of general government direct debt to current revenue has improved due to revenue growth and the debt reduction undertaken in 2015-16. Queensland has taken a number of strong measures over the last couple of years to improve its budgetary performance, reduce future general government debt and rebuild its financial position. While we have more work to do across Queensland to drive jobs, increase investment and grow regional economies, it is clear that our government's commitment to strong fiscal management is working.

I can also update the House with the March quarter 2016 Queensland State Accounts. Unlike the previous government, we continue to make this data available for people. They show a resilient Queensland economy that is weathering unsettled global economic conditions and a transition away from a mining boom economy. The gross state product measure in the State Accounts provides a comprehensive measure of economic growth in Queensland. This measure is broader than the quarterly state final demand figures published by the ABS, as GSP includes comprehensive measures of the state's trade sector.

In real trend terms, Queensland GSP rose by 0.5 per cent in the March quarter 2016. In annual terms, compared with the same quarter a year earlier, trend GSP rose 3.1 per cent in the March quarter. Household consumption—the largest component of Queensland's GSP—rose 0.5 per cent in the March quarter, while dwelling investment grew 4.1 per cent. A strong pipeline of housing work yet to be done suggests ongoing strength in Queensland dwelling investment over 2016. Queensland's economic growth in the March quarter reflects gains from the trade sector. Net exports contributed 0.5 percentage points to GSP growth, assisted by the ramp-up in LNG exports.

All of this commentary and statistics point to the Queensland economy recording growth again on the back of two budgets with initiatives to encourage more jobs and build confidence right across the entire state of Queensland.