




Speech By
Hon. Curtis Pitt

MEMBER FOR MULGRAVE

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MINISTERIAL STATEMENT

Global Outlook and Exports

 **Hon. CW PITT** (Mulgrave—ALP) (Treasurer, Minister for Aboriginal and Torres Strait Islander Partnerships and Minister for Sport) (2.17 pm): While global conditions remain challenging, there are signs that prospects for Queensland's mineral and energy exports have been improving. Spot prices for premium hard coking coal, Queensland's largest export, have more than doubled since the beginning of the year. Thermal coal spot prices have also increased 47 per cent since the start of the year. While we welcome the increase in price, we still await confirmation that this can be sustained. Further, prices for some of Queensland's major metals exports—zinc, lead and aluminium—have increased since December, up 45 per cent, seven per cent and five per cent respectively.

Although the majority of Queensland remains in drought, recent rainfall and weather patterns have improved, and prices for Queensland's major agricultural products have been increasing. The latest climate outlook released by the Bureau of Meteorology indicates that the El Nino pattern is over and conditions are likely to remain neutral for the remainder of 2016-17. Most of Queensland has received above average rainfall over the past three months, and the latest outlook indicates there is a fair chance of this continuing through November.

International prices of Queensland's major agricultural exports have increased since the beginning of the year, with sugar prices up 38 per cent, cattle prices up 22 per cent and cotton prices up 11 per cent. Queensland's LNG exports are continuing to ramp up, with five out of the six LNG production trains now exporting. ABS data indicates that \$5.1 billion worth of LNG was exported from the port of Gladstone in 2015-16. This is forecast to grow to over \$9 billion in 2016-17 and to over \$13 billion by the end of the forecast period. The lower Australian dollar is also supporting activity in key services export sectors.

Queensland's international tourism industry is performing well, as we have heard, with international tourist nights up 9.2 per cent in 2015-16. A combination of a sustained lower Australian dollar and the ever-growing middle class in Asia is expected to continue to drive growth in the sector. The international education sector in Queensland is also benefiting from a lower Australian dollar, rising incomes in Asia and increased demand for higher education from developing Asian countries such as China and India. So far in 2016, international student enrolments have grown by 7.5 per cent, driven by increased vocational and higher education enrolments. The value of Queensland goods exports rose \$1.1 billion in 2015-16, the largest rise in the nation.

When combined with some recovery in domestic activity, this strong growth in exports underpins forecast growth of four per cent in the Queensland economy in 2016-17, the strongest in the nation. In fact, midyear consensus forecasts show that the Queensland economy is outperforming other advanced economies including the United States, the United Kingdom, the eurozone, Japan and South

Korea. It is encouraging that new export sectors have grown and our traditional export products are experiencing a rebound in prices. From day one, the Palaszczuk government has recognised that the diversity of the Queensland economy is one of its key strengths. It is this diversity that has ensured that the Queensland economy is turning the corner.