




Speech By
Hon. Curtis Pitt

MEMBER FOR MULGRAVE

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MINISTERIAL STATEMENTS

Queensland Economy

 **Hon. CW PITT** (Mulgrave—ALP) (Treasurer, Minister for Aboriginal and Torres Strait Islander Partnerships and Minister for Sport) (10.05 am): I might add that it appears that we also have the former member for Woodridge, Desley Scott, in the gallery. Welcome.

Since the House last met a range of reports and indicators have provided more independent evidence and hard data highlighting the strength and growth of the Queensland economy. In its latest Business Outlook publication, Deloitte Access Economics forecast the Queensland economy to grow 3.7 per cent in 2016-17 and 3.9 per cent in 2017-18. These nation-leading forecasts are broadly in line with the Treasury's 2016-17 budget forecast as well as a range of other private sector forecasts such as the Commonwealth Bank, National Australia Bank and Westpac. All these forecasts show Queensland is expected to record the strongest economic growth in the nation in 2016-17. Deloitte forecast this trend to continue through to 2025-26, over the next decade. Deloitte has also released its Investment Monitor for the September quarter. It shows Queensland with a pipeline of major projects underway or planned worth \$182.9 billion. Once again, it shows us leading New South Wales and Victoria, with forecast work of \$134 billion and \$67.5 billion respectively.

In October ratings agency Standard & Poor's Global reaffirmed Queensland's AA-plus credit rating, citing the 'very strong economy, strong financial management and budgetary performance and low contingent liabilities'. Standard & Poor's noted that our recent budgets delivered surpluses by controlling spending in the face of revenue writedowns. Moody's also affirmed its AA-plus equivalent, AA1, credit rating. However, the state remains on the negative outlook flagged in 2012 after the first budget handed down by the former treasurer. Moody's recognises significant balance sheet reform initiatives of the past two budgets as well as the government's ongoing fiscal discipline. It should be noted that maintaining our position should be viewed in the following context. Since all of the budgets of states and territories have been handed down this year, Standard & Poor's has put New South Wales, Victoria and the ACT on negative watch. Moody's has downgraded Western Australia, Tasmania and the Northern Territory.

Prospects for the state's vital export resources sector continue to improve. I have informed the House previously of recent rises in coal prices. The latest spot price was US\$257 a tonne. While we are yet to see if higher prices can be sustained, we are seeing some tangible benefits. In particular, Glencore has said it will start recruiting for more than 200 jobs as its Collinsville mine returns to production. Peabody and Glencore have signed contracts for the December quarter 2016 for premium hard coking coal at US\$200 a tonne, up from the less than \$100 per tonne in the previous quarter and higher than the US\$88 per tonne in the budget. In addition, Australia Pacific LNG has confirmed the start of operations from its second LNG production train. This means that all six trains at LNG plants in Gladstone are up and running, boosting the state's exports and economic growth.

The latest ABS labour force data shows the state's trend unemployment rate edged lower to 6.1 per cent in September 2016. This is a full half a per cent lower than the 6.6 per cent rate in January 2015 when we were elected. Over this same period we have seen a net increase in jobs of more than 40,000. At a regional level, we have also seen some pockets of improvement. Unemployment rates for Darling Downs, Maranoa, Fitzroy, Mackay, Sunshine Coast and Wide Bay all declined in the 12 months to September 2016. In terms of youth unemployment rates, two regions recorded significant falls in the year to September 2016: Fitzroy, down 5.7 per cent and Mackay, down 5.9 per cent. Unfortunately, employment conditions in North Queensland remain challenging. I can assure Queenslanders that this government knows we must do more to tackle regional and youth unemployment.

The information I have presented is just some of the hard data and indicators showing the strong fundamentals and the growth of our state economy. While we have more to do as we transition to a post mining boom economy, the hard data totally rebuts the blatantly political campaign of negativity that some have been pursuing. Above all, the information presented here shows Queenslanders can have confidence that our economic plan, as expressed through the last two budgets, is working.