




Speech By
Hon. Curtis Pitt

MEMBER FOR MULGRAVE

Record of Proceedings, 8 November 2016

MINISTERIAL STATEMENTS

Queensland Economy

 **Hon. CW PITT** (Mulgrave—ALP) (Treasurer, Minister for Aboriginal and Torres Strait Islander Partnerships and Minister for Sport) (9.46 am): When the Palaszczuk government came to office we faced a Queensland economy at its lowest point in 30 years outside of the global financial crisis. Demand was being sapped in Queensland from the end of the boom in mining investment and a state government wedded to job cuts and service cuts. From day one we got to work implementing our positive economic plan for Queensland. We backed Queensland's economic potential instead of talking down Queensland. We have built instead of cutting and invested instead of planning to sell off our investments in Queensland.

Our economic plan has achieved results. As I announced last week, the Queensland state accounts show economic growth in Queensland accelerated to 3.2 per cent in 2015-16. That is four times the 0.8 per cent growth in 2014-15 left behind by the former government. According to the latest state budget forecasts, this places Queensland—

Honourable members interjected.

Mr SPEAKER: One moment, Treasurer. I apologise for interrupting. Member for Lockyer and member for Pine Rivers, if you would like to continue please take your conversations outside.

Mr PITT: I thank the member for Pine Rivers for her kind defence of these wonderful economic figures.

According to the latest state budget forecasts, this places Queensland as the fastest growing state economy. Today the release of Deloitte's Queensland Business Outlook again highlights Queensland's economic improvements from 21 months ago. It says Queensland has a solid growth outlook of 3.8 per cent each year on average across the forward estimates out to 2019. Specifically, the Deloitte outlook says Queensland should 'outpace the national average—outperforming the southern states of Victoria and New South Wales, and moving well ahead of the west'. That will probably be the case for the next decade. Deloitte also says that when we 'combine the strengthening domestic economy with strong exports—we get a gross state product result that tops the nation'. Deloitte also forecasts that state final demand will continue to improve with average real growth per year of 2.6 per cent across the forecast period to 2018-19, a result which is nation leading. The growth is broad based across three of the four major components of final demand including household consumption, housing investment and public final demand. The Deloitte report also notes that business investment is improving since last year. It points out that Queensland's growth prospects are more secure, as recognised by Moody's and S&P's recently reaffirming their credit ratings for the state.

As I have said before, stronger economic growth in Queensland is being influenced by increasing LNG shipments. However, it is in other sectors that Queensland's future export success will be underpinned. Deloitte says strong demand from income growth in emerging Asian economies will support Queensland's international exports in coming years. It points out that the China market is fuelling growth in international tourist numbers to Queensland with forecasts showing growth in international arrivals of 6.8 per cent per year on average out to 2019. That is great news for the tourism sector and great news for jobs.

The return to significant economic growth in Queensland has not been felt evenly across the state, and this is why the last budget introduced Back to Work as a big jobs scheme for our government. It is why we have implemented our accelerated works program and other regional initiatives to stimulate local economies and create jobs. Importantly for regional Queensland, the sharp rise in spot prices for our major commodity export, coal, has increased mine viability, leading to new production and new jobs. This is welcome news for an industry which has endured through extremely tough international conditions and now has cause for optimism about improved prospects for regional Queensland specifically.

The Deloitte Queensland Business Outlook is another welcome sign of an improving economy in Queensland. While there are regions of Queensland where there is more to do to improve economic conditions, the latest report is yet another indicator that Queensland is successfully transitioning to a postmining-boom economy and that our plan is working.