



Speech By  
**Hon. Curtis Pitt**


**MEMBER FOR MULGRAVE**

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Record of Proceedings, 9 May 2017

## MINISTERIAL STATEMENTS

### Tropical Cyclone Debbie, Queensland Economy

 **Hon. CW PITT** (Mulgrave—ALP) (Treasurer and Minister for Trade and Investment) (10.06 am): I advise the House that the preliminary economic impact of Tropical Cyclone Debbie and subsequent floods is estimated at this stage to be up to \$2 billion, with a financial impact on the state budget of \$1.5 billion. Economic losses will flow from impacts on our export coal industry, tourism activity in hard-hit areas and impacts on agricultural producers. We will recoup some of these financial costs through the National Disaster Relief and Recovery Arrangements but the state needs to pay the money up-front, which is why there will be an impact in our budget in June, before reimbursement. I want to take this opportunity to pass on my thoughts to those still recovering from this major natural disaster and again thank all those who responded to it. As a general statement, government, emergency services professionals, NGOs and insurers have clearly learned much since the last major weather event in preparation and in response.

The Insurance Council of Australia advises that insurers have received more than 56,000 claims so far worth an estimated \$897 million, including 28,000 domestic home policies and 17,000 home content claims. At the time of the disaster I met with Insurance Council CEO Rob Whelan as well as representatives from individual insurance providers and was very pleased at the level of responsiveness on issues that were raised with me or my office and by my cabinet colleagues, including their responsiveness in ensuring local tradespeople have the best chance of undertaking repair work. Despite the costs generated by Cyclone Debbie, our economic plan is still to see a budget in surplus. That is because our state economy is diverse and robust and capable of withstanding shocks such as the impacts of cyclones and floods. Since the last time the House sat, a number of analyses have been handed down in terms of our economy which has seen an upturn under our economic plan. Ratings agency Moody's has affirmed Queensland's Aa1 credit rating—equivalent to AA+—and revised its outlook to 'stable' from the 'negative' outlook applied in the wake of the 2012 state budget. Moody's notes that its decisions reflect Queensland's disciplined financial management and other elements of our economic plan such as our Debt Action Plan.

The December quarter 2016 Queensland State Accounts showed gross state product rising 2.6 per cent compared with the same quarter in 2015 and compared with 1.8 per cent across the rest of Australia. Business investment, which is a major component of gross state product, rose 0.5 per cent—its second consecutive increase after 11 quarterly falls. Despite the cyclone hitting some export industries, the diversity of our economy still sees us posting record results, currently \$59 billion for the year to the end of March.

Those export industries and the cyclone affected roads, rail lines and ports they rely on have recovered well and will continue to help fuel growth. The state accounts show that our domestic economy is experiencing an upswing. State final demand, which, unlike GSP, does not take into account our trade performance, was 1.6 per cent higher over the year. After eight consecutive negative quarters,

it grew for the fourth quarter in a row. The latest Deloitte Access Economics *Investment monitor* showed us that Queensland is one of the nation's leading investment states. The value of known projects in Queensland totalled \$156 billion—higher than in New South Wales and Victoria.

The outcomes of our economic plan would not be possible without stronger business and consumer confidence, which is vital for making investment decisions that create jobs in this state. Even with the impacts of Tropical Cyclone Debbie, confidence is stronger. The NAB Quarterly Business Survey has ranked us highest or second highest on business confidence for 26 of the past 28 months. The Sensis Business Confidence Index for SMEs has us at our highest level in seven years. The Westpac-Melbourne Institute Consumer Sentiment Index places us at the top of all mainland states. To build on this, our third budget will have a clear focus on Operation Queensland Recovery. It will continue to strengthen our state economy by lifting business confidence, encouraging more investment and creating more jobs across our state.