




Speech By
Hon. Curtis Pitt

MEMBER FOR MULGRAVE

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MINISTERIAL STATEMENT

Queensland Economy

 **Hon. CW PITT** (Mulgrave—ALP) (Treasurer and Minister for Trade and Investment) (9.48 am): In a few weeks I will deliver the third state budget for the Palaszczuk government. Since our first 2015-16 budget, this government has been implementing an economic plan to revitalise our state's billion dollar economy and create jobs now and for the future. Our disciplined and methodical approach has significantly improved the state's financial position. The government's strong fiscal management has seen us deliver surpluses on our first two state budgets. Significantly, both were in surplus before the spike in world coal prices, which increased each forecast surplus.

I have spoken previously about the fiscal impacts of Tropical Cyclone Debbie. We estimate a financial cost of \$1.5 billion. The state must initially bear that cost in our budget before any reimbursement occurs through federal-state disaster relief arrangements. Despite this significant cost, it is still my aim to have the 2017-18 budget in surplus.

Our next budget will continue to progress the commitments we made to the people of Queensland. In particular, it will continue our focus on job creation and supporting regional economies and communities. The latest ABS figures show a trend unemployment rate in April steady at 6.4 per cent from March. They show close to 60,000 net new jobs created since the election under our economic plan. Our unemployment rate is lower now than the 6.6 per cent trend rate we inherited at the 2015 election. Compare that to the former government that inherited a trend rate of 5.5 per cent at the 2012 election. Despite a promise to head to a rate of four per cent, the trend rate hit 6.7 per cent for four months in late 2014.

Despite lowering the state's unemployment rate since we took office, we know there is much more to do. We know the challenges that many Queenslanders are facing with finding jobs, particularly in regional Queensland. That is why in the last budget we introduced our Back to Work program giving regional employers incentives of \$10,000 and \$15,000 for hiring unemployed or long-term unemployed jobseekers. At the December 2016 Mid Year Fiscal and Economic Review I was able to deliver a new \$20,000 Back to Work Youth Boost to enable regional employers to engage jobseekers aged 15 to 24. Our previous budgets have improved front-line services while delivering job-creating infrastructure across the state.

Unlike the federal budget, our budgets have had real money allocated to real projects. We are investing in the future through our Advance Queensland agenda—developing new industries while supporting innovation in our traditional strengths such as agriculture, resources, tourism, manufacturing and others. At the same time we are delivering on our commitment to reduce general government debt. We have done that without selling our income-generating government owned corporations. We have achieved it without increasing taxes on Queenslanders and without cutting front-line services or jobs. No state budget I deliver will have as its centrepiece 14,000 job cuts.

As a result of our economic plan, including two state budgets, our state's economy and finances are in better shape, business confidence is back and our economy is growing strongly. This was confirmed by the recent announcement by ratings agency Moody's to affirm our Aa1 rating equivalent to AA+ and to change Queensland's outlook to stable from the negative outlook it applied after the former government's first budget in 2012.

While we acknowledge this positive rating outcome, we know there is more work to do. Our 2017-18 budget next month will continue to deliver on our commitments to restore front-line services, support the state's economic transition and continue to demonstrate responsible management of our state's finances.