Speech By

Hon. Cameron Dick

MEMBER FOR WOODRIDGE

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MINISTERIAL STATEMENT

Budget, Economy

Hon. CR DICK (Woodridge—ALP) (Treasurer and Minister for Investment) (9.50 am): The budget I delivered on Tuesday forecasts a return to surplus for the Queensland economy within the forward estimates, but it is important to reflect on the vital role that our stimulus spending has played to protect our economy and to drive the recovery we see underway.

In 2020, the Palaszczuk Labor government made the calculated decision to put the budget into deficit to defend the lives, the livelihoods and the businesses of Queenslanders. As improving revenues in this week's budget show, in 2020-21 our deficit is projected to be $3.8 billion, a staggering decrease of $4.8 billion from what had been forecast in December last year—a $9.6 billion deficit. However, through the depths of the pandemic, all revenue lines fell; in many cases to zero. The Queensland Office of State Revenue started pumping payroll tax refunds out the door to help tens of thousands of Queensland businesses and hundreds of thousands of Queensland jobs. With revenues so low, that meant we borrowed to pay operational costs. We borrowed to pay the wages of frontline workers, and we did not resile from that for one second.

Just this week, I have heard the argument that borrowing should only ever be for capital and never for operating expenses. If we had gone down that path, if we had not gone into deficit, tens of thousands of nurses, police officers and other frontline staff would have lost their jobs in order to bring expenses down to match revenue. Put simply, that would have been a catastrophe for the Queensland economy. More importantly, it would have been a personal catastrophe for thousands of Queenslanders and their families. Unemployment queues would have been lengthened. Spending in our economy from those no longer employed would have been stopped from such savage cuts. It would have decimated our ability to deliver the COVID-19 health response that has put us where we are today.

In fact, during this period of deficit spending, overall government worker numbers continued to increase. This was the right thing to do and consistent with the approach taken by the Morrison coalition government and other OECD countries. While our stimulus measures had a temporary impact on our bottom line, they did not damage our state's credit ratings. In fact, our ratings have remained stable while New South Wales and Victoria have been downgraded. Today, S&P Global says Queensland has the strongest credit rating of any Australian state.

The approach the Palaszczuk Labor government has taken through the current financial year and the one prior is in contrast to the last time the government went into deficit. In 2012-13, total public sector employment decreased significantly, and S&P Global put Queensland on a negative outlook.

As has been noted by ratings agencies from financial year 2021-22, Queensland's budget is forecast to have a cash surplus from operating expenses. Because our economic recovery plan is working, the cash revenue the government collects will exceed our cash expenses. That means we will not need to borrow to pay wages. We will, of course, continue to borrow for capital investment, delivering our $50 billion infrastructure guarantee to deliver the roads, the schools and the hospitals and, most importantly of all, the jobs that Queenslanders need.