

Question on Notice

No. 1814

Asked on 12 November 2009

MR NICHOLLS ASKED THE TREASURER AND MINISTER FOR EMPLOYMENT AND ECONOMIC DEVELOPMENT (MR FRASER)—

QUESTION:

With reference to Reserve Bank Governor Stevens' recent statement that the current downturn is one of Australia's mildest and that we may already be recovering—

Will the Treasurer explain under what circumstances it would no longer be necessary to undertake the Renewing Queensland Plan?

ANSWER:

I note the considerable divergence of views within the Shadow Treasurer's office between those who have penned this Question, and the authors of the Shadow Treasurer's media release dated 20 November 2009.

The Government's proposed asset sales deal with, instead of hiding from, the downturn visited on Queensland by the Global Financial Crisis, while at the same time revisiting the activities that Government believes it should be involved in and its priorities for the long term future of the State.

It is true that the downturn in the economy has not been as severe as previously anticipated. However, economic growth in 2008-09 in Queensland, at 0.8 per cent, was the weakest it has been since 1990-91, as a result of the global financial crisis, and growth is expected to continue to be below trend in 2009-10 and 2010-11.

The assets are being sold to move the State towards regaining a AAA credit rating. This fiscal policy goal should not be confused with economic forecasts which, despite revision, remain below trend.