

Question on Notice

No. 573

Asked on 6 August 2014

MR PITT ASKED THE TREASURER AND MINISTER FOR TRADE (MR NICHOLLS)—

QUESTION:

With reference to page 46 of Budget Paper 2 which mentions that there has been ‘a \$249 million (or 20.3 percent) increase in dividends from the Public Non-financial Corporations and Public Financial Corporations sectors’—

Will the Treasurer provide further information on what has contributed to this increase in dividends?

ANSWER:

The increase in dividends referred to primarily reflects strong estimated returns from the Queensland Investment Corporation and Queensland Treasury Corporation in 2013-14.

In the case of Queensland Treasury Corporation, the strong returns have been influenced by a narrowing of bond spreads between Queensland Treasury Corporation and other central borrowing authorities and the associated management of QTC’s funding task and balance sheet. This narrowing of spreads indicates that financial markets have a positive view of the Queensland Government’s fiscal management, as demonstrated through ongoing expenditure discipline and a commitment to return to fiscal surplus in 2015-16.