

Question on Notice

No. 1062

Asked on 4 September 2018

MR J KRAUSE ASKED DEPUTY PREMIER, TREASURER AND MINISTER FOR ABORIGINAL AND TORRES STRAIT ISLANDER PARTNERSHIPS (HON J TRAD)—

QUESTION:

With reference to the recent downgrading of the state's credit rating from 'positive' to 'stable' and given the state's projected debt burden is expected to blow out to more than \$83b by 2022—

Will the Treasurer advise (a) how the government intends to restore the state's AAA credit rating and (b) what measures the government has in place to reduce further borrowing, and start to rein in debt?

ANSWER:

This Government's success in managing debt and delivering operating surpluses was reinforced by Moody's Investors Service's decision to revise the outlook on Queensland's Aa1 credit rating from negative to stable in April 2017. The negative outlook had been in place since November 2012.

In more recent commentary, Moody's noted Queensland had a stable outlook with improved fiscal outcomes in 2015-16 and 2016-17. Moody's has also recognised the Palaszczuk Government's success in reducing Queensland's debt burden. On 21 August 2018 Moody's reaffirmed Queensland's stable outlook.

A stable outlook from all ratings agencies reflects our solid financial position, diverse economy and successful reduction in debt levels.

This Government has made it clear that we do not intend to embark on a program of selling assets, cutting services and sacking frontline staff in order to accelerate a return to AAA.

The Government's fiscal principles and proven track record of delivering surpluses demonstrates our commitment to managing debt. The debt to revenue ratio in the General Government sector has fallen to an estimated 54% in 2017-18, significantly lower than the peak of 91% in 2012-13.

I note that the former Government's 2014-15 Budget projected that Non-financial Public Sector borrowings would reach \$82.1 billion in 2017-18, which is \$12.6 billion higher than the estimated outcome for 2017-18 in the Palaszczuk Government's most recent Budget.