

Prosperity could follow Queensland flood

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THE Queensland flood has sadly led to tragedy, with the loss of several lives and billions of dollars in property damage.

I debated with myself, especially given the awful events in Toowoomba, whether to comment, but too much of the coverage, especially concerning the economy, is overly negative.

These floods, catastrophic as they are, can ultimately have some positive results, setting up not only Queensland, but much of Australia, for an economic boom in the years to come.

This is the circuit-breaker that has been missing - this year's probable factor X and a key ingredient to restore long-term confidence.

We have been waiting for a GFC-induced Armageddon, which hasn't arrived; but instead of getting on with our lives, many of us still have our fists clenched ready to fight something, anything even shadows.

But now a fight has arrived and, after it all settles down, the rebound is likely to be very strong.

The stoic nature of those directly involved heightens one's pride in being Australian and is resonating around the country and overseas. These images, which are being beamed around the globe, will have more impact than any artsy jingle or smart tourism one-liner. Even Oprah Winfrey's recent visit cannot top this.

Mark my word, tourism Down Under will improve once this calms down; and not by those who want to gawk at the damage but because people travel to places with character.

This event, and the way those affected are handling it, reinforces our image overseas tough, can-do, stoic, mateship and a land of extremes.

Yes, the short-term economic negative impacts will be high but there is a silver lining.

Flood assistance is costly, but it is generally a one-off, upfront expense.

While inflationary, the good news is these floods are unlikely to influence the RBA's thinking on interest rates. Global demand for coal remains strong, contract prices are on the rise and once the Queensland mines are pumped dry and the coal is loaded on to ships, it will be worth more, helping to offset any losses. Similar factors are at play for the farming sector.

Yes the floods have destroyed crops, but also increased soil moisture for the future. To a large extent, the effect of the floods on the economy is a timing issue, slowing growth now, but adding to it once rebuilding efforts are under way.

This is a year of two halves - hard over the next six months or so, but much better, economically, as we head into spring.

Sadly, it is breaking our hearts, but it won't break our will