

Queensland Budget 2004 – 2005

June 2004

Disclaimer: The information in this paper is not exhaustive. While every effort has been made to ensure accuracy at the time of print, Hawker Britton does not guarantee the accuracy of all information.

Budget Overview

This paper provides a summary of Queensland's 2004-2005 Budget, released on 15 June. The key measures of the third budget of the Beattie Government include:

- A larger than expected budget surplus of \$2.4 billion.
- Increased spending on capital works.
- Funding to meet election commitments to implement child safety reforms and end broad scale tree clearing.
- Further tax and duty relief.

Tax Relief

The Government's tax relief package will total \$300 million per annum from 1 July 2005, and include:

- the abolition of the Bank Account Debits Tax from 1 July 2005 at a cost to revenue of \$190m;
- extension of the first home buyers transfer duty rebate scheme;
- extension of the concessional duty rate of 1% of the first \$250,000 of the purchase price for homes other than first homes;
- the reduction of the duty rate for Class 1 general insurance from 8.5% to 7.5% from 1 August 2004; and
- abolition of credit card duty from 1 August 2004.

Capital Works

The Government's capital works program for 2004-05 is a record \$6 billion. The Budget outlines a range of projects in the areas of roads, public transport, health, education, port infrastructure and electricity networks. Nearly 60% of this allocation will be spent outside of the Brisbane area.

The increase in capital works funding is largely aimed at meeting the challenges facing the State as a result of its 2.3% population growth rate, double the rate of the rest of Australia. Most of this will be focused on the southeastern area of the State, which accounts for 80% of this growth.

The major capital works projects include:

- \$1.9 billion for transport and main roads projects;
- \$1.66 billion for energy;
- \$452 million for education and training; and
- \$406 million for health.

Expenditure Measures

Science and Research:

In addition to previously announced investment in the Brain Research Institute at the University of Queensland, the government has allocated substantial funding to a number of research programs, including:

- \$9.8 million over four years to the Queensland Biotechnology Strategy, which supports the clinical trials network to assess new drugs, vaccines and therapies; and
- \$33.8 million to the Smart State Research Facilities Fund, providing \$8.1 million for the Queensland Pre-clinical Drug Development Facility and \$5 million for the Medical Engineering Research Facility.

Education and Training:

Following trials of a new preparatory school year, the budget provides funding for the introduction of an additional school year universally from 2007.

Other funding measures include:

- \$60 million over four years for students with disabilities, with \$32 million in 2004-05.
- \$329 million for capital works including classroom upgrades, libraries and administration blocks.
- Additional funding of \$118 million over three years for the SmartVET strategy to promote training in industry.

Business and Employment Development:

The unemployment rate in Queensland is currently at the lowest level in 22 years. New budget measures to promote business growth include:

- \$3.2 million over four years for a range of programs to help Queensland's small business sector including the establishment of a technology park in Cairns.
- \$11 million over four years for the state's Manufacturing Strategy.
- \$3 million over four years for the provision of specialist advisory services to encourage and support ITC uptake by businesses.
- \$3 million over three years invested in the Strategic Employment Development program.

Aviation:

The Government continues to work towards making Queensland an aviation hub of the Asia Pacific Region, with the budget providing an additional \$3.8 million over three years to fund aeronautical skills training. This brings total funding for the Queensland Takes Off program to \$15.9 million.

Roads and Transport:

Over the next four years the Beattie Government will spend an extra \$1.9 billion on road and rail infrastructure, in addition to the \$1.6 billion allocated by the Federal Government in the Auslink five-year plan.

To assist in the planning and development of projects in the burgeoning south-eastern region of the State an Office of Urban Management will be established, with funding of \$6.7 million in 2004/05. Regional planning outside of the South Eastern region will be maintained, with additional funding of \$3.6 million over four years.

Road funding will receive \$487 million for various roads projects, as well as a new four-year Arterial Roads Infrastructure package of \$571 million. This funding will contribute to the construction of:

- stages 2 and 3 of the Caboolture Northern Bypass;
- a new two-lane link between Caloundra and Mooloolaba;
- the duplication of the Gold Coast Highway; and
- the duplication of the Nerang-Broadbeach Road.

A total of \$622 million has been allocated for capital infrastructure in the rail network, including:

- \$300 million, to be spent on track infrastructure and rolling stock; and
- \$167 million, over three-years, for the expansion of the RG Tanna Coal Terminal at Gladstone.

In addition, \$500 million over four years has been allocated to the MetTrip project for Citytrain network upgrades.

Other transport infrastructure projects include:

- \$34 million in 2004/05 for the Port of Brisbane expansion; and
- Continued investment in the Busway network, with \$27 million in 2004/05 as part of the \$200 million four-year program.

Energy:

The \$1.66 billion allocation to energy infrastructure includes the \$1.2 billion allocated to the expansion and upgrade of Queensland's transmission and distribution network. It also features:

- \$36.8million for improvements at the Callide, Swanbank and Mica Creek power stations; and
- \$26.4 million for the Brisbane CBD substation works.

Health and Emergency Services:

The 2004/05 Health Budget will be increased by \$500 million.

This funding allocation, over the next four years, will provide:

- \$20 million for cardiac services;
- \$44 million for cancer care;
- \$13.2 million for dental care;
- \$37.8 million for hospital emergency departments;
- \$13 million for mental health services;
- \$8.5 million for the provision of blood and blood products;
- \$8 million for the Home and Community Care program;
- \$7.2 million for child health initiatives; and
- \$4 million for Indigenous health services.

Over the next three years, \$1 billion has been allocated for the health capital works program, including:

- \$77 million for a new emergency department and 120 additional beds at Prince Charles Hospital;
- \$200 million for the integration of community and hospital based health services and emergency department upgrades;
- \$249 million for information and communication technologies, including new developments and replacement of existing technical infrastructure.
- \$148 million for medical technology;
- \$10 million for renal services development;
- \$10 million for the introduction of a 24hr health hotline; and
- \$88 million to fund the public component of the Mater Hospital Reconstruction project.

Emergency Services:

Queensland's Police Service is supported in this budget through the allocation of \$29.5 million for new facilities.

The Ambulance levy has also resulted in the allocation of funding for:

- 240 additional paramedics;
- 22 new or refurbished ambulance stations; and
- 200 new or refurbished ambulances.

In addition to this, the three Royal Flying Doctors aircraft operating out of Brisbane will be replaced at a cost of \$24.2 million over two years.

Housing and Community Services:

Funding measures include:

- \$76.9 million for public rental housing;
- \$11.9 million for the Brisbane Housing Company;
- \$30 million over three years to improve the supply of affordable housing;
- \$30 million over three years for boarding house accommodation and public housing upgrades;
- \$75 million over five years to expand the Community Renewal Program into the Cairns and Gold Coast areas;
- \$16.2 million towards infrastructure improvements in the Torres Strait and Northern Peninsula, contingent on the Federal Government matching the allocation; and
- \$214 million in additional funding to address the foster care crisis, including the funding of 500 new staff for the department of child safety and an increased number of alternative care places.

Environment:

Following election promises to end broad scale tree clearing in Queensland by the end of 2006, the Government has doubled its original funding package to allow for a \$150 million adjustment assistance package.

This Budget also provides \$15 million over the next three years to buy strategic parcels of land to add to the State's protected land estate, including \$12.5 million for acquisitions in Cape York and the Daintree.

About Hawker Britton

Hawker Britton was founded in 1997 by Bruce Hawker and David Britton, former chief of staff and senior media adviser respectively to Premier Bob Carr. From Sydney, Hawker Britton has grown to eight offices in Australia, the United Kingdom, the United States and New Zealand.

Hawker Britton is Australia's only national and international public affairs firm, working with Top 100 companies, peak bodies, and not-for-profit organisations. Hawker Britton specialises in providing services tailored to the unique needs of each business, in the areas of government relations, strategic communications, and campaigns.

Government Relations

Key services in Government Relations include:

- High-level strategic advice on all areas of government
- Expertise in infrastructure developments
- Unrivalled experience in public-private partnerships

Strategic Communications

Hawker Britton's Strategic Communications include:

- Media and issues management
- Crisis management
- Media training
- Stakeholder communications
- Financial communications
- Reputation management

Campaigns

Key Campaigning services include:

- Community campaigns and consultation
- Corporate and association elections
- Public affairs campaigns
- Corporate campaigns

Hawker Britton brings to the corporate boardroom a unique approach to strategy and campaigns, borne out of corporate and political experience. Our specialist consultants are drawn from the ranks of former ministers, members of parliament, chiefs of staff, and senior policy and media advisers. Corporate clients appreciate our political and strategic communications heritage and the value that it brings to corporate planning.

For more information, contact our Brisbane office (07) 3254 4671 or email MarkNolan@hawkerbritton.com