

## **Queensland 2016-17 Budget**

**June 2016**

On 14 June 2016, Queensland Treasurer the Hon Curtis Pitt MP handed down the 2016-17 State Budget.

The key themes of the budget were Innovation, Investment and Infrastructure with funding to accelerate Advance Queensland, a \$405 million program to boost jobs, economic activity and investment. A \$2 billion State Infrastructure Fund will underpin statewide activity.

The state's outlook has remained positive with Queensland's forecast growth the strongest of all States.

The 2016-17 Budget forecast a \$867 million surplus - the largest for a decade - and forecast surpluses over the next four years totalling almost \$3.2 billion. This is despite \$3 billion worth of revenue write downs from falling commodity prices and lower projected tax revenues recorded since the last budget.

The Queensland Government will maintain its commitment to no asset sales.

Overall the Budget allocates record funding of \$15.3 billion for health and \$12.9 billion for education and training and a \$10.7 billion capital works program to provide transport, health, education, energy and water infrastructure and support 31,000 jobs. The investment is part of a four-year \$40 billion investment in infrastructure which includes capital expenditure, capital grants and public-private partnerships to drive jobs and growth in Queensland.

This year's budget includes an additional \$100 million for a regional Back to Work Program which provides grants to help regional employers hire new workers and keep them in jobs for at least 12 months.

The government will require its departments to find savings of \$450 million (without public sector redundancies) and spending growth will grow at an average of 2.9 per cent over four years, lower than the forecast revenue growth of 3.2 per cent.

Queensland will also embark on a tax compliance crackdown in relation to key taxes, such as land tax and payroll tax. A new 3 per cent transfer duty surcharge for foreign buyers of residential property in Queensland will be introduced.

The government will increase the Queensland First Home Owners' Grant to \$20,000 for 12 months starting 1 July 2016 – a \$5,000 increase – to increase home ownership.

Growth in State Final Demand is predicted to increase to 4 per cent in 2016-17 up from 3 per cent from 2015-16.



Employment growth is projected to increase to 1.75 per cent up from 0.3 per cent at the last budget. Unemployment is projected remain at 6.25 per cent for the next two years slightly lower than the 6.5 per cent predicted in the last budget.

## **Budget Highlights**

### **JOBS, INDUSTRY AND INNOVATION**

One of the centerpieces of the Budget was an additional \$225 million to accelerate the Advance Queensland program. This will attract investment and new businesses to the state as well as generate jobs and economic activity with a range of incentives including:

- \$22.7 million for an Advancing Small Business Queensland Strategy
- \$10 million for a Platform Technology Program to develop new (platform) technologies for business in areas such as drones, big data and the internet of things
- \$6 million for Regional Innovation Hubs
- \$10 million for the Cairns Innovation Centre at James Cook University which will on innovation, commercialisation and entrepreneurship
- \$33.5 million for an Advance Queensland: Connecting with Asia – tourism jobs in the regions package
- \$3.9 million for a New Agricultural Economy
- \$40 million for an Advance Queensland Industry Attraction Fund which will attract innovative, job-creating industries to Queensland, and specifically North Queensland
- \$9 million for Industry Accelerators
- \$19.7 million for a Queensland Biofutures 10-year Roadmap and Action Plan
- \$35 million for an Integrated Healthcare Fund
- \$25 million for a Clinical Genomics Service
- \$7.1 million for a Global schools initiative and
- \$3.3 million for a Schools for the Future initiative.

The Queensland Government will continue to use Market Led Proposals to identify specific precincts and economic zones across urban areas that can be unlocked through partnerships with the private sector.

### **INFRASTRUCTURE**

- A \$2 billion State Infrastructure Fund which includes:
  - \$180 million towards a significant regional infrastructure program to bring forward social and economic projects and
  - \$50 million to establish a Cross River Rail Authority for Brisbane.
- An additional \$40 million towards the \$100 million already committed for Townsville Stadium and
- A \$175 million increase in funding for the Building Our Regions Program which provides funding to local councils through the Transport Infrastructure Development Scheme.

## HEALTH

The Palaszczuk Government has allocated \$15.3 billion for Queensland Health in the 2016-17 Budget – an additional 7.7 per cent on the previous year:

- \$230 million for health infrastructure upgrades
- \$170 million for critical ICT infrastructure
- \$16 million for new and replacement ambulance stations
- \$25 million to establish a Clinical Genomics Service and
- \$6.6 million for a neonatal ward at the Townsville Hospital.

## EDUCATION

The Palaszczuk Government has allocated \$12.9 billion for Education Queensland in the 2016-17 Budget.

- \$43 million over two years for universal kindergarten access
- \$72 million to replace the old Overall Position (OP) Senior High School Assessment methodology and bring Queensland in line with the rest of the country on tertiary entrance scores
- A \$250 million increase in spending on education infrastructure over four years and
- \$25.3 million over five years to deliver a new, whole-of-government international education and training strategy.

## TRANSPORT AND MAIN ROADS

- \$100 million from the State Infrastructure Fund for upgrades to the Sunshine Coast rail line
- Roll out of the 'Fairer Fares' Scheme for transport in South East Queensland which lowers public transport cost for daily commuters and
- \$4.4 billion in road building and maintenance expenditure including
  - \$400 million for the Toowoomba Range Crossing
  - \$250 million for the Gateway Motorway North.

## TRADE

- New trade commissioners will be established in Chengdu, China and Singapore
- An additional \$25.3 million over five years to roll out a government-wide strategy to grow the state's international education and training sector.

## INDIGENOUS AFFAIRS AND ATSI PARTNERSHIPS

- A pilot 'Jail to Jobs' program in partnership with the Queensland Resources Council aiming to provide 30 jobs for Aboriginal or Torres Strait Islanders leaving prison and
- \$2 million to deliver a new Economic Participation Partnership Project focused on better mapping economic opportunities in remote indigenous communities.



## FAMILY AND COMMUNITIES

- An additional \$1.7 billion in disability services, growing to \$2 billion as the National Disability Insurance Scheme (NDIS) continues to be rolled out and
- \$1.2 million through the Department of Communities including \$200 million targeting to implement the recommendations of the Not Now, Not Ever Report into domestic violence.

## RESOURCES

More than \$450 million for natural resources and mines including:

- \$42 million over five years for the Abandoned Mines Lands Program
- Government commitment to industry certainty by flagging no changes to royalty rates
- \$7.8 million over four years to buy high-resolution satellite imagery coverage of Queensland
- \$7.3 million over two years (\$3.6 million in 2016-17) to fund a specialist coal seam gas compliance unit which investigates landholder concerns about CSG.

## PRIMARY PRODUCTION AND DROUGHT ASSISTANCE

- Stamp duty exemptions on the transfer of the farm to the next generation of the family
- Establishment of the Queensland Rural and Industry Development Authority as a Queensland Government agency focused on rural debt and
- Creation of an Office of Rural Affairs within the Department of Agriculture and Fisheries.

### **Further information**

View the Queensland 2016-17 Budget papers [here](#).

View the Treasurer's speech [here](#).

For further information, contact [Eamonn Fitzpatrick](#) +61 401 719 488, [Lydia Deutscher](#) +61 408 308 338.