

Queensland 2017-18 Budget

June 2017

On 13 June 2017, Queensland Treasurer, the Hon Curtis Pitt MP, handed down the 2017-18 State Budget.

It is the last budget before the next Queensland state election and focusses on attracting more investment, job creation and infrastructure, both in the regions and in the south-east corner.

This Hawker Britton Occasional Paper outlines the budget outlook and details major funding and policy announcements across government portfolios.

The Treasurer's Budget speech is available [here](#).

The 2017-18 Queensland Budget is available in full [here](#).

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Budget Outlook

The budget is built on continuing the fiscal principals introduced in the 2015-16 Budget. These include keeping real growth in government expenditure below the rate of population growth, no asset sales and redirecting profits from government owned corporations to paying down debt.

This year's budget projects an operating surplus of \$2.824 billion for 2016-17, with a surplus of \$146 million in 2017-18 and surpluses projected across the forward estimates. This is despite approximately \$2 billion worth of revenue write downs primarily from natural disaster recovery

costs.

In 2017-18:

- General government expenses are expected to be \$55.7 billion;
- Growth in State Final Demand is predicted to stabilize at 2.75 per cent;
- Unemployment is projected remain at 6.25 per cent, before falling to 6 per cent in 2018-19; and
- Capital expenditure is projected to be \$10.171 billion.

Budget Highlights

Infrastructure

The 2017-18 Budget details funding for key infrastructure projects including:

- \$2.8 billion to commence construction on Brisbane's Cross River Rail project, with a commitment to fully fund the \$5.409 billion scheme without Commonwealth support over future Budgets if required;
- \$176 million over two years from 2018-19 for the Cairns Convention Centre expansion project;
- An ongoing \$140 million commitment by the Palaszczuk to the construction of the North Queensland Stadium; and
- \$15 million for the Whitsunday Airport upgrade project.

Jobs, industry and innovation

The budget allocates an additional \$15 million for the whole-of-government innovation Advance Queensland Program, bringing to the total investment in this program to \$420 million. New program initiatives include:

- An additional \$15 million in funding over the forward estimates to develop 10-year priority industry roadmaps and action plans to support emerging and priority sectors; and
- \$10 million redirected into the Advance Queensland Ignite Ideas Fund, which supports the development of new or improved products, processes or services to secure investment, launch into global markets and grow business.

Other budget initiatives in the innovation and digital economy portfolio include:

- \$20 million for the delivery of a One-Stop Shop online government services program;
- \$1.1 million over two years for the expansion of the publication of high value data sets; and
- \$12.7 million over two years for a digital archiving solution.



The 2017-18 Budget also committed \$60 million in funding for the ongoing \$240 million Skilling Queenslanders for Work program and \$10 million over two years for a Regional Skills Adjustment Strategy to drive local training solutions for high demand sectors in regional areas.

Transport and Main Roads

The 2017-18 Budget details \$5.810 billion in funding across the transport and main roads portfolios including:

- \$70 million in 2017-18 for the Mackay Ring Road;
- \$3.885 billion in road building and maintenance expenditure including:
 - \$252.5 million towards construction of the Toowoomba Second Range; and
 - \$236.3 million towards widening the Gateway Motorway North.
- \$233.5 million for the completion of the Gold Coast Light Rail Stage 2.

Resources

The 2017-18 Budget details \$445.905 million in funding across the natural resources portfolio. Initiatives include:

- \$27.125 million over the forward estimates to expand mining exploration and development through the Strategic Resources Exploration Program. This includes the allocation of \$3.6 million for gas exploration for gas in the Georgina, South Nicholson and Isa Super Basins.

Trade and Tourism

The 2017-18 Budget outlined the initiatives in the trade and tourism portfolios including:

- \$35 million in funding over five years to support the Queensland Trade and Investment Strategy 2017-2022.

Further information on the Queensland Trade and Investment Strategy 2017-2022 is available in the Hawker Britton Occasional Paper [here](#).

Additional tourism initiatives outlined in the budget include:

- \$1.5 billion for the 2018 Gold Coast Commonwealth Games;
- An additional \$47 million in 2020-21 for Tourism and Events Queensland; and
- \$882,000 for Screen Queensland.

Energy, Biofuels and Water

One of the Budget centerpieces in the energy portfolio was \$1.16 billion in funding for the implementation of the government's Powering Queensland Plan. This includes:

- \$386 million for the Government's *Powering North Queensland* plan comprising:



- \$150 million, reinvested from Powerlink dividends, for the development of strategic transmission infrastructure linking Far North, Central, and North Queensland through specific renewable energy hub projects;
- \$100 million, reinvested from Stanwell dividends, for a feasibility study on the expansion of Queensland's hydro-electric facilities – including at Burdekin Falls; and
- The commissioning of a hydro-electric study to assess options for new hydro-electricity across the state, specifically in regional Queensland.

Further information on the *Powering North Queensland* plan is available [here](#).

- \$1.6 million in funding for the implementation of the government's response to the Renewable Energy Expert Panel Final Report on pathways to a 50 per cent renewable energy target by 2030, including the undertaking of a reverse auction in the second half of 2017, and further reverse auctions post 2020.

Further information on the Powering Queensland is available in the Hawker Britton Occasional Paper [here](#).

Additional budget initiatives in the energy portfolio include:

- \$75 million for the Townsville Port Channel Capacity Upgrade (TCCU) project. The TCCU project was part of the Townsville City Deal signed by the state, local and federal governments last year.
- \$120 million over two financial years from 2018-19 for the Cairns Inlet Capacity Upgrade project.
- \$8.64 million for the Mackay bio-refinery plant project.
- \$225 million over the forward estimates for the Townsville Water Security project.

Housing and Public Works

The 2017-18 Budget details \$2.007 billion in funding across the housing and public works portfolio. Key initiatives include:

- \$889 million in funding over the forward estimates, towards the government's Queensland Housing Strategy 2017-2027, which commits \$1.6 billion over the coming decade for the construction of 4,522 new social homes and 1,034 affordable homes.
- \$10 million for regional planning and program implementation to support a land supply monitoring program

Further information on the Queensland Housing Strategy 2017-2027 is available in the Hawker Britton Occasional Paper [here](#).

Health

The 2017-18 Budget details a record \$16.6 billion in funding across the health portfolio, including:

- \$208 million in funding for upgrades to rural and regional Queensland health facilities;



- \$200 million in funding for the expansion of hospital capacity and services in South East Queensland, including:
 - \$131.8 million for planning and preparatory works for proposed redevelopments at Logan, Caboolture and Ipswich hospitals; and
 - \$68.9 million for a new adolescent mental health facility at The Prince Charles Hospital and associated support services in Brisbane, Logan and the Gold Coast.
- 126.5 million in 2017-18 to continue specialist outpatient wait time reduction initiatives.

Education

The 2017-18 Budget details \$13.7 billion in funding across the education portfolio, including:

- \$500 million for the Government's *Building Future Schools Fund* to support the delivery a new state secondary school at the former Fortitude Valley State School site, expansion of West End State School and purchase of land for four new regional schools;
- \$200 million for 98 school infrastructure projects; and
- \$250 million for new secondary school classrooms.

Police, Fire, Emergency Services and Corrective Services.

Key budget announcements across the police, fire and emergency services and corrective services portfolios include:

- \$46.7 million for a state-of-the-art counter-terrorism facility at Wacol for use by Queensland Police;
- \$200 million for the expansion of the Capricornia Correctional Centre;
- \$108.6 million over the forward estimates for an additional 30 police officers to be allocated to the counter terrorism division, 20 police officers to be stationed throughout the state and 20 police to be stationed with the rapid response unit;
- \$199.6 million to deliver the transfer of 17-year olds from the adult justice system to the youth justice system.

Communities, Child Safety and Disability Services

The 2017-18 Budget details \$3.652 billion in funding across the communities portfolio. Initiatives include:

- \$548.9 million for the National Disability Insurance Scheme (NDIS) roll out in Ipswich and extended to Bundaberg, Rockhampton, Gladstone;
- \$200 million over the forward estimates for the funding of an additional 236 new child safety workers; and



Environment

Key budget initiatives in the environment portfolio include:

- \$2.5 million for the delivery of a Container Deposit Scheme from 1 July 2018.
- \$175 million for Great Barrier Reef water quality improvement and protection policies.
- \$23.3 million over the forward estimates to support the enforcement of environmental protection laws.

Agriculture and primary production

The 2017-18 Budget details initiatives in the agriculture portfolio, including:

- \$5.2 million over three years to support the expansion of food exports.

Additional initiatives

Additional initiatives announced in the Budget include:

- A \$5.3 billion in cost-of-living concessions package for Queensland households, for expenses including, but not limited to, electricity, water and prescription glasses.
- \$22.7 million over the forward estimates to re-establish the Drug Court in Brisbane.
- \$6 million over the forward estimates for redevelopment projects at 113 (racing) clubs across Queensland.
- \$8.3 million over two years for the Local Fare Scheme supporting Cape York and Torres Strait communities.

Further information

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