

Queensland 2017-18 Mid Year Fiscal and Economic Review

December 2017

Overview

Queensland Deputy Premier and Treasurer, the Hon Jackie Trad MP, yesterday released the Queensland 2017-18 Mid Year Fiscal and Economic Review (MYFER).

The MYFER confirms an expected net operating surplus of \$485 million, an increase of \$339 million since the budget in June. The 2017-18 general government debt position has also improved by \$1.256 billion since the June budget.

Queensland's MYFER incorporates election commitments made by the Premier at the recent state election, which included approximately \$500 million in revenue measures, including a wagering tax, an increase in transfer duty surcharge for foreign speculators and luxury motor vehicle duty tax and new land tax category for properties worth \$10 million and above.

The revised surplus is on the back of stronger royalty income from mineral and LNG exports and a slight improvement in growth in the final state demand.

This Hawker Britton Occasional Paper will outline the key economic aggregates and detail key policy announcements.

Budget Outlook and Key Fiscal Aggregates

The MYFER budget outlook also confirmed the following key fiscal aggregates:

- Economic growth is forecast to grow by 2.75 per cent, broadly in line with national growth.
- Employment growth was revised up by 1 per cent to 2.25 per cent to the 2018 June quarter, with the trend unemployment rate to June 2018 revised down to 6 per cent (from 6.25 per cent).
- Queensland's goods exports increased by \$22.3 billion to \$71.4 billion.

Key policy commitments in MYFER

Key policy commitments confirmed in MYFER include:

- Delivering Cross River Rail – the integrated rail system in South East Queensland, including the proposed 'Brisbane Live' entertainment precinct.
- \$15 million for the Sunshine Coast International Broadband Cable project which will directly connect Queensland with global communications systems. The project will also



allow the government to leverage existing surplus fibre optic networks owned by government owned corporations such as Ergon Energy, by leasing surplus capacity to local internet service providers.

- \$30 million over the forward estimates to establish the government's \$500 Land Restoration Fund which will support land sector carbon projects. Once established, funding (for the fund) will be raised through Treasury issuing newly established Green Bonds.
- \$150 million to develop and expand renewable energy projects, and \$300 million for energy affordability reforms, including the rebates promised to eligible businesses and households promised during the campaign.
- \$93 million over four years in additional funding for the whole of government Advance Queensland program initiatives. This includes \$20 million for the Industry Attraction Fund to attract more cruise ship and airline routes, and \$30 million for the Ignite Ideas Fund which supports businesses to commercialise their innovative ideas.
- An additional \$200 million for the government's Works for Queensland program to support shovel ready infrastructure and maintenance projects overseen by local governments.
- \$20 million in additional funding for the Made in Queensland grants program to support small to medium enterprises in the manufacturing sector adopt innovative processes.
- A \$155 million extension of the Back to Work program out to 2019-20, which provides eligible employers who employ long term unemployed youth jobseekers with a \$20,000 support payment. \$5 million was also confirmed to expand the (Back to Work) program to unemployed mature job seekers from 1 January 2018 for six months.
- \$900,000 for a Sticking Together program pilot, providing coaching and mentoring support for unemployed youth in Cairns, Townsville and Logan.
- \$180 million in funding over three years for the Skilling Queenslanders for Work program which provides participants with access to targeted skills and training courses.
- \$308 million in additional funding for the Building Future Schools for Queensland fund to support the building of ten new schools in identified growth areas.

In her MYFER address, the Deputy Premier and Treasurer also re-stated the Palaszczuk Government's commitment to the development of Market-Led Proposals.

Further information

The MYFER document is available [here](#).

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