

Queensland 2018-19 Budget

June 2018

On 12 June 2018, the Queensland Deputy Premier and Treasurer, the Hon Jackie Trad MP, delivered the 2018-19 Queensland Budget. This is the fourth Palaszczuk Government budget and Ms Trad's first as Treasurer.

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

The 2018-19 Budget is available in full [here](#).

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The Budget Outlook

The 2018-19 Queensland State Budget will drive job creation and continued economic growth through a \$45.8 billion investment in infrastructure over the next four years.

The Treasurer unveiled a \$1.512 billion surplus in 2017-18 - three times more than forecast in the Mid-Year Fiscal and Economic Review in December. This is due largely to higher royalties from coal. The surplus for 2018-19 is forecast to \$148 million.

The state's economy is expected to grow from 2.5 per cent in 2016-17 to 3 per cent in 2018-19.

Debt levels for 2017-18 finished \$2.4 billion lower than estimated. In 2018-19, general government sector debt is projected to be \$32.3 billion, \$4.1 billion lower than forecast in last year's budget.

Strong gains in late 2017 will deliver employment growth of 2.75 per cent in 2017-18 before an expected re-adjustment to a more sustainable 1.5 per in 2018-19 and 1.75 percent in 2019-20.

With Queensland's economy continuing to transition from the resources boom, the 2018-19 Budget will deliver an estimated 38,000 jobs in Queensland through major projects, including a \$4.2 billion pipeline of investment in renewable energy projects.

The Queensland Government has pledged to keep the size of the public sector in line with population growth. This includes public service growth of 1.71 per cent in 2018-19, with most new jobs in education and health. Employee expenses are expected to grow by 4.5 per cent over the five years to 2021-22.

General government expenses are expected to remain stable at 3 per cent in 2016-17 to 2017-18. It is expected they will dip to 2.25 per cent in 2018-19 before rising to 2.75 per cent in 2019-20.

A \$1 billion savings target has been set for the public sector across the forward estimates - Queensland Health is exempt – without forced redundancies and without the sale of strategic assets.

The Queensland Government will also proceed with commitments made at the 2017 Queensland Election including:

- A 2 per cent duty increase on luxury cars valued over \$100,000
- A 15 per cent tax on online betting
- A 0.5 per cent increase in land tax on holdings worth more than \$10 million
- An increase in foreigner acquirer duty increasing from 3 per cent to 7 per cent on property purchases

An overall payroll tax rate of 4.75 per cent and the highest exemption threshold of any mainland state at \$1.1 million will keep Queensland below Victoria and NSW.



Commitments

Health

The 2018-19 budget will spend more on health than any previous Queensland government. The \$18.3 billion health budget is up \$798.7 million on the year before and will support new and upgraded health and hospital infrastructure and frontline services including:

- \$570.8 million over six years to the Building Better Hospitals package
- \$85.8 million to the Enhancing Regional Hospitals Program
- \$50 million to the Health Technology Replacement Program
- \$28.1 million for adolescent mental health
- \$154 million to extend the Specialist Outpatient Strategy
- \$106.4 million over four years for community mental health services
- \$10 million delivering the Winter Bed Strategy to meet demand in flu season
- 3,500 nurses and midwives over four years to 2020
- 100 ambulance officers in 2018-19
- \$14.3 million to deliver a new 42-bed drug rehabilitation facility in Rockhampton
- \$281.2 million for the Logan Hospital redevelopment
- \$252.7 million for the Caboolture Hospital redevelopment
- \$124.5 million for Stage 1A of the Ipswich Hospital expansion

Skills, Employment, Industry and State Development

A total of \$1.1 billion will support work force training and skills development, promoting small business and jobs growth. More than \$770 million will be invested in the Vocational Education and Training (VET) Investment Plan. Other initiatives include:

- \$85 million over three years for TAFE facilities
- \$50 million for Advance Queensland to support technology and innovation investment
- \$65 million boost for the Industry Attraction Fund to encourage interstate business to relocate to Queensland
- \$40 million for the Business Development Fund to fund new Queensland businesses
- \$1.3 million to support Queensland Apprentices
- A \$20 million boost to the Jobs and Regional Growth Fund
- \$175.5 million for the Back to Work program
- \$180 million over three years for the Skilling Queenslanders for Work program
- \$200 million to continue the Works for Queensland program supporting regional councils to undertake job-creating maintenance and minor infrastructure projects
- \$26 million to extend the 50 per cent payroll tax rebate scheme for apprentices and trainees

Education

Education will receive a record \$14.4 billion investment to fund new schools, classrooms and staff including:

- \$470 million over three years to enable schools to incorporate Year 7 students by 2020
- \$250 million over two years for additional classrooms
- Continuing the Building Future Schools fund with a further \$308 million to support future school planning and investment
- 6 brand new schools, including a new special school in Caboolture



- 48 schools will be upgraded or refurbished

Transport, Infrastructure and Roads

\$45.8 billion will be spent on infrastructure over the next four years, including \$11.6 billion in the first year of Queensland's Capital Works Program. Regional Queensland will receive a record 65 per cent of infrastructure expenditure.

The Queensland Transport and Roads Investment Program (QTRIP) will receive \$21.7 billion and will include:

- \$5.4 billion for Cross River Rail, a project that will drive economic growth in south east Queensland by providing extra capacity on the passenger rail network and creating new stations and precincts in Brisbane.
- \$897 million for M1 upgrades between Varsity Lakes and Tugun and between Eight Mile Plains and Daisy Hill
- \$497.4 million for the Mackay Ring Road (Stage 1)
- \$1.606 billion for the Toowoomba Second Range Crossing
- \$1.143 billion for the Gateway Motorway North project
- \$160.8 million for the Beerburrum to Nambour Upgrade
- More than \$100 million for park 'n' rides at rail stations and busways

Major infrastructure investments include:

- \$12 million over two years to deliver an upgrade of infrastructure for the Torres Shire's drinking water
- \$176 million for the Cairns Convention Centre
- \$176 million for Rookwood Weir
- \$250 million to the Townsville Stadium

Environment, Waste and Recycling

The return of the Waste Levy from January 2019 will raise more than \$1 billion over four years, to help fund investment in recycling and the waste industry. Measures include:

- A \$100 million fund to encourage investment in resource recovery and energy conversion projects on dollar for dollar basis for up to \$5 million
- \$5 million for the new Waste to Bioenergy Fund
- \$3.9 million to support the EcoBiz program to help small and medium businesses find environmentally friendly practices and eco-savings.

Tourism

Queensland will continue to invest in tourism as a major driver of economic activity and job creation, also seeking to leverage off the Commonwealth Games in April 2018. This will see an additional \$180 million put towards the industry including:

- \$94.6 million over five years, to the Growing Tourism, Growing Tourism Jobs program
- \$48 million to the Attracting Tourism Fund



- \$46 million to the regional Tourism Infrastructure and Experience Development program and Outback Tourism Infrastructure Fund
- \$330 million over five years to protect the Great Barrier Reef
- \$125 million towards a new theatre at the Queensland Performing Arts Centre in Brisbane

Communities

Keeping Queenslanders safe is a top priority of the 2018-19 Budget and the following initiatives have received funding:

- \$3.3 million this financial year to continue the delivery of the Safe Night Precinct Support Services in 15 communities across the state
- \$1.26 billion for Child and Family Services
- \$133 million commitment to help women and children experiencing domestic violence
- \$12.7 million for neighbourhood and community centres across the state;
- \$500 million to victims of child sexual abuse

Emergency Services

The 2018-19 Budget allocates \$800 million to support Ambulance Services and \$702 million for firefighters, equipment, and facilities upgrades including:

- \$29.5 million commitment over four years to provide 100 frontline firefighters and 12 extra fire communications officers
- \$82.3 million to be invested into fire and emergency services facilities, vehicles, information and communications systems and equipment
- \$44.3 million has been allocated in 2018-19 for the replacement and delivery of 180 new urban and rural fire appliances

Energy and Water

The 2018-19 Budget continues to reinvest dividends from publicly-owned electricity businesses including \$2 billion over two years to deliver the Affordable Energy Plan for households across the state. In addition, renewable energy has been prioritised with a \$4.2 billion pipeline of projects. Major investments in energy will include:

- \$750,000 to support the investigation of producing and supplying hydrogen
- \$97 million to help schools install solar panels and employ energy efficient practices

Other commitments

The 2018-19 Budget also saw significant commitments to the following areas:

- \$5.5 billion in concessions, up \$200 million from last year
- More than \$2 billion in financial support for people with disability and the National Disability Insurance Scheme (NDIS) rollout
- \$239 million towards better housing options for Aboriginal and Torres Strait Islanders
- \$8.8 million invested in improving customer service in local government



- The State Crime and Corruption Commission received a boost in the 2018-19 Budget of \$7.4 million, almost doubling the funding total to \$14.12 million next financial year

Further information

Hawker Britton's Occasional Paper on the 2018-19 Queensland Budget is available in full [here](#).

For further information, contact your Queensland Hawker Britton consultant, [Eamonn Fitzpatrick](#), on +61 401 719 488.