

Queensland Government Budget 2021-22

Strategic Analysis Brief



Picture: Adam Head

HIGHLIGHTS

\$3.34B

JOBS FUND

\$1B

**HOUSING
INVESTMENT FUND**

\$22.2B

HEALTH

\$300M

TREATY FUND

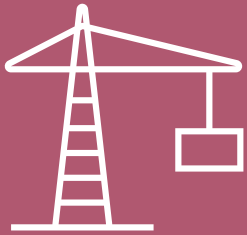
\$500M

**CARBON
REDUCTION FUND**

\$18.3B

**EDUCATION
AND TRAINING**

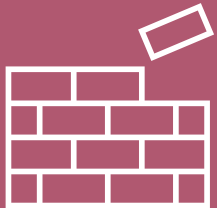
BUDGET IN FOCUS



\$52.2B
Infrastructure
Investment over 4 years



\$14.2B
In COVID-19 Response
Measures



46,500
Jobs created through
Infrastructure

- The 2021-22 Budget creates new records for investment in health and education. It continues the strong pipeline of capital works across the State.
- At the centrepiece of this budget are four new funds to support a Queensland that is bigger and fairer and backs new jobs:
 - **\$1 Billion** Housing Investment Fund with returns to drive new supply for current and future housing needs
 - **\$300 Million** Path to Treaty Fund with returns to support Path to Treaty actions
 - **\$2 Billion** Hydrogen and Energy Fund to increase investment by government-owned corporations in commercial renewable energy and hydrogen projects, and support infrastructure with the private sector
 - **\$500 million** Carbon Reduction Fund, with returns to support the Land Restoration Fund to leverage private finance and investment and support financially sustainable carbon markets

ANALYSIS

Queensland is booming. People are flocking to join the state, jobs are growing, new industries are starting and Government is building extra capacity.

Budget Day in Brisbane started with dark rain clouds that soon turned into bright sunshine. So too are the economic fortunes of Queensland looking brighter in 2021. The State faced down the storm clouds of COVID-19 in early 2020 and today it converted a health response and sound financial balance sheet management into stronger economic growth and new jobs.

Last year Government stepped up where the private sector couldn't – holding the show together during the worst of the pandemic. This year, the Government sets out an economic and social future for the state that is bigger, stronger, better and fairer than before the COVID-19 pandemic.

The macro recovery in Queensland has been better faster and stronger than expected. Queensland leads the nation for recovered jobs, employment growth and net interstate migration.

The Government has made the deliberate choice to take that growing economy and invest it into backing businesses, supporting future industries, training Queenslanders for the skills they'll need and building a Queensland with more capacity.

The Budget delivers a new housing fund, the largest health and education budgets, massive infrastructure spending and new funds for hydrogen, domestic manufacturing and future industries - all while charting towards an operating surplus in 2024-25.

The Palaszczuk Government has shown how to balance domestic fiscal responsibility, the complex new global headwinds of COVID in 2021 and find the room to invest in its people and industries.

ECONOMIC OUTLOOK

STATE FINAL DEMAND

Up 3% since March 2020

RECOVERED JOBS

Over 253,000 jobs added since May 2020

INTERSTATE MIGRATION

85,000 new Queenslanders added over four years

DEBT

Over \$10 Billion reduction in projected net debt



2.75%

Economic Growth
forecast for 2021-22

3%

Projected employment
growth in 2021-22

2.75%

Projected Gross State
Product for 2021-22

5.75%

Unemployment forecast
in June 2022

GOVERNMENT DEBT PLAN IN ACTION

Net Debt
\$10B lower than
forecast last Budget

Debt is lower than forecasted, well below NSW and Victoria levels and the balance sheet is being used to invest in new industry and social funds.

The Queensland Future Fund – Debt Retirement Fund is due to be funded with contributions totalling \$7.7 billion by 30 June 2021.

By retaining around \$1.8 billion from the transfer of the Titles Registry the Government is able to support the new long-term government priorities in housing, treaty and carbon reduction.

Queensland's interest expense is forecast to be around 2.6 per cent of revenue in 2021–22, well below the peak of 4.7 per cent in 2013–14. General Government Sector Net Debt is forecast to reach \$39 Billion in 2023-24 and \$42.5 Billion in 2024-25, both well below projections in the 2020-21 Budget.

Ratings agencies in October 2020 and April 2021 have reaffirmed Queensland's strong credit rating driven by sound fiscal management, a diverse economy and credible debt reduction plan.

A photograph of the Queensland Parliament Building, a grand neoclassical structure with a prominent dome and multiple arches. The image is overlaid with a semi-transparent blue filter. A dark blue rectangular box is centered over the building, containing white text.

QUEENSLAND BUDGET

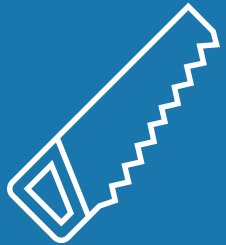
2021-22

BUDGET IN-DETAIL

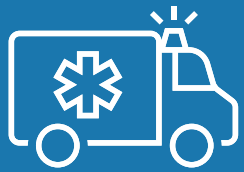
HEALTH



\$22b health investment for 2021-22



\$2b Hospital Building Fund



\$648.7m for patient flow

- **\$22 billion** has been allocated to health across the state
 - **\$2 Billion** Hospital Building Fund, including at Toowoomba Day Surgery and expanding the Mater Public Hospital
 - **\$648.7 million** towards emergency patient flow and elective surgery wait times
 - **\$233.6 million** for capital works projects including replacement of health technologies
 - **\$177 million** for the care of public patients at the expanded Springfield Hospital
 - **\$43 million** for the Gold Coast University Hospital and Mental Health Rehabilitation Unit
 - Delivering election commitment for satellite hospitals in Bribie Island, Caboolture, Brisbane South, Pine Rivers, Gold Coast, Ipswich and Redlands

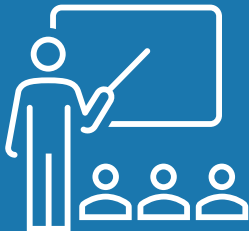
EDUCATION



\$16.8b for
Education in
2021-22



\$1.4b into
10 new
schools



\$541m for
300 new
classrooms

- **\$16.8 billion** has been allocated towards Education in 2021-22
 - New schools to open in 2023 and 2024 with **\$1.4 billion**, including **10 new state schools** in high growth areas of the state
 - Continuation of the **\$1 billion** Great Schools, Great Future infrastructure program
 - **\$53.9 million** has been allocated in 2021-22 for air-conditioning installation and replacement under the **\$477 million** Cooler Cleaner Schools Program
 - **\$17.3 million** to link industry and local high schools together to create pathways from education to work
 - Growing the frontline of teachers and teacher aides, boosting teacher numbers by **13%** since March 2015

HOUSING



\$1b for the
Housing
Investment Fund



\$1.9b Housing
& Homelessness
Action Plan



\$20m into
safe housing

- **\$1 billion** will be allocated to establishing a new Housing Investment Fund to boost housing supply
 - The fund will deliver **\$160 million** of returns over four years
- **\$1.9 billion** will be delivered over four years by the Housing and Homelessness Action Plan through increased social housing supply
 - **\$20 million** into safe and crisis housing for those suffering domestic or family violence
 - **\$20 million** over four years expand crisis housing

JOBS & TRAINING



\$3.34b
Queensland
Jobs Fund



\$460m for
Jobs, Skills
and Training



\$47.8m for
TAFE in 2021-
22

- **\$3.34 billion** commitment to job creation
 - The new Queensland Jobs Fund will coordinate **\$1.84 billion** of job programs
 - **\$1.5 billion** in additional funding for the Queensland Renewable Energy and Hydrogen Jobs Fund, bringing it to **\$2 billion**
 - **\$350 million** for the Industry Partnership Program to support business, industry and research
- **\$460 million** for Jobs, Skills and Training
 - **\$320 million** for the Skilling Queensland for Work
 - **\$140 million** for the Back to Work program
 - **15,000** disadvantaged Queenslanders each year will benefit from targeted Skilling Queenslanders for Work programs
- **\$47.8m** for TAFE as part of a total **\$100 million** under the Equipping TAFE for our Future program to be delivered in 2021-22

RENEWABLES & HYDROGEN



\$2b Renewable Energy and Hydrogen Jobs Fund

- A **\$2 billion** Queensland Renewable Energy and Hydrogen Jobs Fund will be established to expand on the previous **\$500 million** Renewable Energy Fund. This will increase investment in the sector, support infrastructure and assist Queensland in reaching the **50% renewable target by 2030**
- **\$500 million** Carbon Reduction Investment Fund with returns to support the existing Land Restoration Fund
- **\$222 million** planned capital expenditure for 2021-22 by CleanCo, Queensland's publicly owned clean energy generator
 - CleanCo will operate the **\$250 million** Karara Wind Farm in the Darling Downs
 - Precinct set to provide **400 jobs** during construction

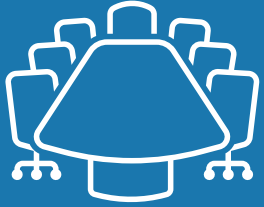
INFRASTRUCTURE & TRANSPORT



\$52.2b
capital works
program

- **\$14.7 billion** has been allocated for infrastructure in 2021-22 out of the **\$52.2 billion** 4-year capital works program
 - **46,500 jobs** set to be supported by infrastructure projects
 - **29,800 regional jobs** will be supported
- Continued upgrades to the Bruce Highway including **\$1.1 billion** for the Rockhampton Ring Road Project
- **\$1.5 billion** for the on-going build of Cross River Rail and **\$113 million** for stage three of Gold Coast light rail
- **\$148 million** is allocated in 2021-22 as part of the **\$1 billion** Works for Queensland Program to assist projects by regional councils, creating **21,000 jobs**
- **\$74 million** has been provided in 2021-22 for the expansion of the Cairns Convention Centre
- **\$70 million** in additional funding is providing for round 6 of the Building Our Regional program

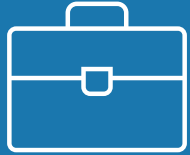
SMALL BUSINESS



\$140m Small Business Strategy

- **\$140 million** towards the Big Plans for Small Business Strategy
 - **\$100 million** Business Investment Fund
 - Establishment of a permanent Queensland Small Business Commissioner
 - **\$30 million** to increase small business capabilities through grants and other support
- **\$140 million** has been allocated in the 2021-22 Budget over four years for a revitalized Back to Work program which will enable small business to employ those looking to reenter the labour market
- **\$100 million** in 2021-22 for the Business Investment Fund which supports small and medium sized businesses to innovate and create more Queensland-based jobs
 - Facilitation of co-investment opportunities from **\$2.5 million** to **\$10 million**

WOMEN



Supporting
workforce
participation



Safe and secure
homes and
communities

- Equal workforce participation: **\$320 million** over four years for the Skilling Queenslanders for Work program and **\$140 million** over four years for the Back to Work program which currently assist nearly **42,000 women**
- **\$30 million** to boost services for victims of domestic, family and sexual violence across the state
- **\$800,000** over three years for the Working Women's Queensland who provide free advice, advocacy and referral services on work-related issues
- **\$670,000** to continue the provision of legal advice and representation to sexual assault victims
- **\$60 million** in breast cancer screening services
- **\$7.7 million** in perinatal and infant health services

COMMUNITIES & SAFETY



\$156.1m for
frontline services
in 2021-22

- **\$156.1 million** will be delivered in 2021-22 for the Queensland Police Service Capital Program to fund police facilities, motor vehicles and essential equipment
- **\$60 million** proposed for the Queensland Fire and Emergency Services Capital Program in 2021-22
- In 2021-22, more than **\$138 million** provided to Domestic, Family and Sexual Violence (DFSV)
 - Over 4 years from 2021-22, **\$30 million** will be allocated to boost DFSV services across the State
 - **\$20 million** is allocated over the forward estimates for DFSV housing
 - **\$4.4 million** over the forward estimates for critical frontline DFSV services and perpetrator interventions
- This budget expands on the **\$113.5 million** Youth Justice Strategy
- **\$7.3 million** over 4 years to provide support for former Disability Services clients who are ineligible for services under the NDIS

ABORIGINAL AND TORREST STRAIT ISLANDER PARTNERSHIPS



\$300m Treaty Fund

- **\$300 million** to establish a Path to Treaty Fund with returns to support the government's response to the Treaty Advancement Committee report
- A further **\$89.6 million** to be provided in grants to upgrade existing social housing dwellings
- **\$40.8 million** to deliver **47** social housing dwellings in Aboriginal and Torres Strait Islander Communities
- **\$6.7 million** will be delivered in 2021-22 as part of the **\$27.6 million** allocated to the Native Title Compensation Office

TOURISM & OLYMPICS



Getting ready for the Olympics



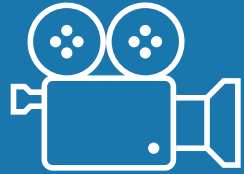
Building back tourism



Supporting eco-tourism

- **\$10 million** is being invested over two years to start rebuilding aviation connectivity
- **\$29.3 million** to the Department of Tourism, Innovation and Sport as an allocation for Olympic Games preparations
- **\$28.5 million** over four years to rebuild Queensland's international student market including placing global education specialists in key markets ahead of open borders
- **\$15 million** in 2021-22 to build resilient businesses, regions and communities
- **\$9.9 million** in 2021-22 for the Wangetti Trail including construction of eco-accommodation facilities
- **\$9 million** to support the World science Festival
- Backing the Good to Go, Work in Paradise, Holiday Dollars and Great Barrier Reef Education programs

ARTS



\$71m for
screen

- **\$71 million** will be invested into screen projects
 - **\$53 million** for the Production Attraction Strategy
 - **\$10 million** for Post, Digital and Visual Effects
 - **\$4 million** for the Screen Finance Fund
 - **\$4 million** for the North Queensland Regional Program
- **\$61.7 million** over 4 years to delivery of critical infrastructure and maintenance to support the continued preservation of the heritage-listed Queensland Cultural Centre and the Arts Infrastructure Investment Fund and the Queensland Museum Network
- **\$7 million** for live music support in 2021-22
- **\$6 million** will be invested into major blockbusters



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Elliot has worked for over a decade in Australian and Queensland Governments followed by time in the United States strategic communications industry.

He is a former Palaszczuk Government Chief of Staff and published public policy academic.


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Jill has worked in the building, development and planning space for the Department of Energy and Public Works. Prior to this, Jill held junior advisory roles at the ACT Legislative Assembly and has worked on election campaigns across the country.

Full biography available [here](#).





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