



BUDGET HIGHLIGHTS



MESSAGE FROM THE TREASURER

The Honourable Cameron Dick MP



This Budget is focused on delivering our promises made to the people of Queensland.

Before, and during, the 2020 State Election campaign we made more than 1,000 commitments. The hard work in delivering those commitments starts with this Budget.

It follows the path clearly outlined in our COVID-19 Fiscal and Economic Review and in the Palaszczuk Government's Economic Recovery Plan which focused on protecting our health; creating jobs; and working together.

The efforts of Queenslanders in containing the health impacts of the COVID-19 pandemic have seen the State recover faster economically than others and this Budget outlines the continued steps we will be taking on that recovery.

This Budget will deliver on the Palaszczuk Labor Government's clearly defined priorities: safeguarding Queenslanders' health; supporting jobs; backing small business; Making it for Queensland by supporting Queensland manufacturers; building Queensland's infrastructure; growing our regions; investing in skills; backing frontline services; and protecting our precious environment.

More than anything else, this Budget has a single overarching objective – creating more Queensland jobs.

2020 has been a testing time for workers, families and businesses and this Budget outlines the Government's latest investments and initiatives as we continue to Unite and Recover.

Cameron Dick MP

Treasurer
Minister for Investment

BUDGET 2020–21 AT A GLANCE

Jobs supported by
infrastructure
investment in 2020–21

46,000

Total infrastructure
program over four years

\$56B

Percentage of capital
spend outside of
Greater Brisbane

58%

Total spend on
road and transport
infrastructure in
2020–21

\$6.3B

COVID-19 economic
stimulus measures
to date

\$7B

Education and
training in 2020–21

\$17.5B

Health in 2020–21

\$21.8B

Concessions
and lowering the
cost of living

\$6.3B

Building trains in
Queensland over
10 years

\$1B

Social housing
improvements
in 2020–21

\$526.2M



QUEENSLAND'S ECONOMIC RECOVERY

Globally, almost 1.5 million people have died from COVID-19. In Queensland hard-working health professionals, frontline agencies – and crucially Queenslanders following medical advice – have seen the state manage the health impacts exceptionally well. However, COVID-19 will impact the economy long into the future.

REBOUNDED FROM COVID-19 IMPACTS

The coronavirus (COVID-19) pandemic has delivered an unprecedented shock to the global economy, leading to substantial business closures, job losses and declines in economic activity, industrial production and trade across the world. The data indicate that economic outcomes are more favourable where health outcomes are better.

The pandemic and related restrictions led to a record 5.9 per cent fall in domestic economic activity in Queensland in the June quarter of 2020. However, this result is relatively favourable compared with the 7.4 per cent fall in national domestic activity.

Importantly, Queensland's success in containing the spread of the virus means the June quarter is now expected to be the lowest point in the COVID-19 economic cycle, rather than the September quarter as previously anticipated. The substantial and ongoing relaxation of restrictions, as well as the income support and stimulus provided across all levels of government, drove a strong rebound in domestic activity in the September quarter.

Domestic and external conditions have continued to evolve since the COVID-19 Fiscal and Economic Review (C19-FER) released in September but currently appear to be on different trajectories.

Many indicators of Queensland's domestic economy have continued to improve, but the resurgence of COVID-19 cases globally, weaker trading partner growth, and increasing trade and geopolitical tensions mean the global outlook has weakened further and remains the key risk to the State's economic outlook.

The 2020–21 Budget continues to deliver measures for the ongoing health response to COVID-19 and also supports the economic recovery outlined in the Queensland Government's Unite and Recover Economic Recovery Plan.

Unite and Recover highlighted a package of more than **\$7 billion** to safeguard our health and protect jobs, including reducing business costs through payroll tax reductions and other tax relief measures, and accelerating projects to unlock development and increase economic activity.

Building on this support, the government has committed a significant package of election commitments totalling **\$4.3 billion** over four years.

This Budget is focused on getting our economy moving sooner. Priorities include:

- creating jobs
- backing small businesses to support jobs and communities across the state
- increasing investment in manufacturing including **\$1 billion** to make trains in Queensland again
- driving the largest infrastructure program in over a decade of **\$14.8 billion** in 2020–21
- growing our regions and supporting key industries including tourism, agriculture and mining
- protecting the environment
- providing more Queenslanders with access to the skills and training they need for careers
- enhancing frontline services
- delivering lower debt than New South Wales and Victoria.

FOCUSING ON CORE TASKS

To support Queensland's COVID-19 economic recovery, the government is implementing a savings and debt plan to deliver savings of **\$3 billion** over four years to 2023–24.

To date, we have achieved 47 per cent or **\$352.2 million** of our savings target for 2020–21 through a range of measures. Savings will continue to be achieved by focusing on core tasks, ensuring government resources are directed to where they are needed most.

Six workstreams have been established to progress savings opportunities under the plan, with a focus on government advertising, accommodation, data and ICT, workforce, structural reform opportunities and agency functional reviews.

The plan reinforces the need to sustain effective frontline services by limiting secondments of frontline workers to back-office roles and creating opportunities for tasks to be reallocated to frontline roles.

The plan also strengthens oversight of non-frontline recruitment, a natural reduction of senior executive service roles and greater utilisation of existing government buildings to encourage public servants to work closer to home.



SAFEGUARDING OUR HEALTH

\$21.8B
for health
in 2020–21

Throughout 2020 the government's number one priority has been – and continues to be – safeguarding the health of all Queenslanders and building community resilience by ensuring we are ready for any future coronavirus outbreaks. This commitment continues in this Budget with total health funding of \$21.8 billion this financial year.

BUILDING BETTER HEALTH FACILITIES

As part of the government's ongoing commitment to support the delivery of health services, **\$1.6 billion** has been allocated in the 2020–21 Budget for infrastructure projects throughout the state. Among the projects are:

\$979 million to enhance capacity and services at three major public hospitals in the South East Queensland growth corridor involving the redevelopment of the Caboolture Hospital to increase its capacity by 130 beds; expansion of the Logan Hospital to deliver an additional 206 beds and refurbish the maternity ward; staged redevelopment of the Ipswich Hospital including new mental health facilities.

\$86.2 million for a Nambour Hospital redevelopment.

\$50.5 million for a Redland Hospital parking upgrade.

\$45.5 million towards a Princess Alexandra Hospital cladding project.

\$36.8 million for a Redcliffe Hospital parking upgrade.

\$70 million for a Cairns Hospital mental health unit.

\$46 million for a Thursday Island health facility upgrade.

Continuation of projects at the Roma Hospital (**\$116.6 million**), Blackall Hospital (**\$20.1 million**), Torres Strait Primary Health Care Centre (**\$16.9 million**) and the Cairns South Health Precinct (**\$14.9 million**) and Atherton Hospital (**\$74.8 million**).

Funds have also been allocated for a 40-bed mental health unit at Gold Coast University Hospital, new ward fit-out at QEII Hospital, Redland and Cairns Hospital expansions and mental health facilities at Rockhampton Hospital.

\$360.5 million in 2020–21 to continue the support for Queensland Health, Queensland Fire and Emergency Services and Queensland Police Service's responses to COVID-19. This builds on the government's initial **\$1.2 billion** COVID response plan for services including fever clinics, PPE, contract tracing, 13 HEALTH services, costs of aeromedical services and the facilitation of quarantine in government arranged accommodation. A further **\$3 million** has been allocated to continue psychosocial telephone support for people in mandatory hotel quarantine.

\$100 million over three years will be invested to employ 464 additional wellbeing professionals in Queensland state schools and to trial the placement of general practitioners in up to 20 schools.

\$171 million has been committed for a Queensland Health palliative care strategy funding package through to 2025–26.

\$77.4 million has been allocated in 2020–21 to deliver expanded access to specialist outpatient services. Since 2015, over \$500 million will have been invested to enable Queenslanders timely access to specialist outpatient services.

\$61.9 million to deliver the Shifting Minds Flagship range of suicide prevention initiatives including a Crisis System Reform project for crisis service delivery.

Continued delivery of Queensland Health's activities through the Action on Ice plan to address use and harms caused by crystal methamphetamine including support for families, Aboriginal and Torres Strait Islander communities and health and related workforces.

\$5 million over two years for the delivery of allied health and wellbeing facilities at the Clem Jones Centre in Brisbane.

Satellite hospitals

The Budget provides **\$265 million** to build seven satellite hospitals to deliver alternative models of care across South East Queensland, reducing the burden on our acute hospitals and allowing them to safely manage patient care.

The satellite hospitals will also provide virtual health opportunities including a range of rapid access consults, care coordination, remote monitoring and patient literacy services.

The facilities are being planned for Bribie Island, Caboolture, Redlands, Pine Rivers, Ipswich, Brisbane southside and the southern Gold Coast.

Planning for delivery of the hospitals is underway, with final location and health services to be determined by each local health and hospital service in consultation with the local community.





INVESTING IN FRONTLINE SERVICES

The Palaszczuk Government continues to focus on frontline service delivery by ensuring Queenslanders, no matter where they live, can receive the support they need at the time they need it. This Budget continues that focus with investments in more nurses, doctors, other health professionals, teachers, community service staff, firefighters, paramedics and police personnel.

PUBLIC SECTOR FRONTLINE

More than 90 per cent of all Queensland public sector employees are working in frontline or frontline support roles working closely with local communities across the state.

The Budget will support funding for additional frontline health staff including 5,800 nurses, 1,500 doctors and 1,700 allied health professionals through to 2024.

The government will employ 6,190 new teachers and 1,139 new teacher aides over the next four years to support learning outcomes across the state.

Funding of **\$7.2 million** over two years has been allocated for a new fire station at Mount Cotton.

Funding up to **\$36 million** over four years is provided to Surf Life Saving Queensland to support its crucial efforts in safeguarding Queenslanders and the state's visitors. The funding package includes support for operational efforts and \$6 million for infrastructure projects.

\$500,000 has been provided in the Budget to undertake a feasibility analysis on the suitability of the former Townsville sports stadium to be a multi-agency emergency services headquarters for North Queensland.

Over the next five years an additional 2,025 police personnel will be hired, and 25 new mobile police beat vans will be established.

An extra 357 firefighters will be employed over the next five years to help communities prevent, prepare for, respond to and recover from the impact of fires and other emergencies.

The acquisition of a Large Aerial Tanker based in Bundaberg will also deliver better bushfire fighting resources.

Work will also continue on the **\$15 million**, 10-year commitment to the Government Wireless Network program that provides critical radio communications to police, ambulance and firefighters to support public safety.

Supporting the frontline in Queensland's health response

Funding in the Budget will support an additional **475 ambulance operatives** through to 2024.

In 2020–21, the Queensland Ambulance Service will invest **\$55.8 million** in a series of infrastructure projects designed to provide our paramedics with improved operational facilities. This investment includes:

- completing new ambulance stations at Urraween, Yarrabilba and Munruben; a new ambulance station and Local Ambulance Service Network office at Drayton; and replacement stations at Kirwan and Mareeba
- commencing planning for new or replacement stations at Ormeau, Ripley and Caloundra South
- refurbishing of the Rockhampton ambulance station and operations centre
- continuing planning for the redevelopment of the Southport ambulance station and Gold Coast operations centre and the Cairns ambulance station and operations centre
- commissioning 135 new and replacement ambulance vehicles and continue the rollout of power assisted stretchers
- investing in software development projects to enhance patient care and integrated service delivery.



BACKING SMALL BUSINESS

Small businesses are the backbone of the Queensland economy. This Budget continues to support small businesses which represent more than 97 per cent of all businesses in the state and employ around 42 per cent of all private sector workers.

BACKING BUSINESS

Small businesses across the state have been among the hardest hit by the economic impacts of COVID-19. In response to the pandemic the Palaszczuk Government implemented a number of programs and initiatives to support small businesses, their employees and the communities they serve.

These programs included:

- **\$1 billion** in concessional jobs support loans, interest free for 12 months, to support businesses to keep Queenslanders in work. More than 6,900 Queensland businesses have drawn down loans from the scheme supporting over 86,000 local jobs. Almost 90 per cent of businesses accessing loans were small, having 20 employees or fewer
- substantial State Government tax relief across the 2019–20 and 2020–21 years through payroll tax refunds, payment waivers and deferrals; exemptions for payroll tax on JobKeeper payments; land tax relief, deferrals and payment extensions; and the deferral of gaming machine tax and health services levy payments until June 2021
- up to **\$196 million** in Small Business Adaption Grants of up to \$10,000
- **\$100 million** in electricity bill relief for small businesses; along with **\$54.5 million** to support the transport industry as well as support for Far North Queensland ports and related businesses.

\$140 million has been allocated to help small businesses to boost their competitiveness and resilience. This includes:

- an initial **\$100 million** Business Investment Fund for small and medium sized businesses that have significant growth potential
- **\$30 million** including grants and small business support
- funding for the newly established Office of the Queensland Small Business Commissioner to provide information and advocacy for the state's small business operators.

The government is supporting small business by introducing a procurement target, with 25 per cent of all government spend to go to small and medium businesses. The Queensland Government's on-time payment program is improving payment practices and timeframes.

The government is embedding a Buy Queensland approach to procurement by providing advice, support, frameworks and tools that enable government agencies to pursue economic, environmental and social outcomes. This includes increasing opportunities for local suppliers, growing regional economies and embedding non-price considerations (e.g. social procurement and local benefits) into government procurement processes.

More than **\$81.6 million** has been allocated over three years to reduce irrigation water charges for the state's farmers and fruit and vegetable growing businesses.

\$500M FUND BACKS QLD BUSINESSES

The **\$500 million** Backing Queensland Business Investment Fund will target investments in businesses that:

- are based in Queensland and will create Queensland-based jobs
- have a proven product and defined market opportunity but require significant capital to aggressively build scale or grow market share
- are relatively mature, well beyond proof-of-concept and are profitable or approaching profitability
- are seeking capital to expand or restructure operations, enter new markets or finance significant acquisition
- have well-established and reputable owners who are committed to growing the business from and in Queensland.

The fund will be managed between Queensland Treasury and QIC.





INVESTING IN SKILLS

\$17.5B
for education
and training
in 2020–21

Queensland's future economic prosperity depends on having a skilled workforce. This Budget continues the Palaszczuk Government's investment to ensure the current and future workforce has the highly skilled and adaptable employees needed to support economic growth in the decades ahead.

SUPPORTING TEACHERS AND STUDENTS

The Queensland Government will continue to support Queensland's students and teachers by ensuring state schools and training facilities can meet enrolment demand and the requirements of the rapidly changing learning environment.

Funding in this Budget includes investment in new schools facilitated by the **\$1.7 billion** Building Future Schools Fund, which includes **\$346.2 million** for four new schools opening in 2022 and 2023, completion of the Lee Street Special School at Caboolture and land acquisitions for future new schools.

This is in addition to the eight new schools that opened in 2020 and the five new schools that will open in 2021, including the Brisbane South State Secondary College.

Investing almost **\$1 billion** over four years for school upgrades through the Great Schools, Great Future commitment, including \$394.2 million for new classrooms and administration buildings, \$235 million for new or upgraded multi-purpose school halls and performing arts centres, \$100 million for infrastructure renewal, \$180 million for capital projects at Catholic and Independent schools, \$45 million for shovel-ready school projects and \$20 million for planning new schools.

Continuation of **\$477 million** in funding over five years (from 2019–20) for the Cooler Cleaner Schools Program to air-condition state schools and expand the Advancing Clean Energy in Schools program.

\$8 million has been provided over four years for the establishment of new Homework Hubs in 120 Queensland state schools where children will be supervised by teacher aides to alleviate pressure on parents.

This Budget provides **\$200 million** to invest in the future skills requirements of Queenslanders. This includes additional funding of **\$83.4 million** for future skilling programs, including **\$32.4 million** over two years for the TAFE Priority Skills Fund; **\$25 million** for pre-apprenticeship support as well as funding for the development of a digital professional workforce plan and a range of other skilling initiatives.

This investment also includes **\$100 million** over three years to upgrade TAFE campuses.

\$21 million has also been provided to extend Free TAFE and Free apprenticeships to Queenslanders aged under 25. This opportunity has already been available to Queenslanders aged under 21, providing training opportunities to more than 24,000 young people. Extending that to under 25s means another 37,000 young Queenslanders will be able to get world-class vocational training for free in priority qualifications.

Working and learning from home

The year 2020 has thrown countless challenges at Queenslanders, including enforced remote working arrangements and learning practices due to the onset of the COVID-19 pandemic.

Not only did millions of Queenslanders commence working from home and undertake home schooling activities, but the digital requirements and skills have also changed.

Queensland will continue partnering with the Australian Government to deliver the JobTrainer Fund to prioritise no or low fee training places for jobseekers, school leavers and young people to support them into jobs as part of the economic recovery from the COVID-19 pandemic.



Infrastructure investment will continue to support Queensland's economic recovery, grow the state's regions and underpin business-led growth. The capital program will directly support substantial employment and economic activity across all regions, with the \$14.8 billion capital program in 2020–21 estimated to support 46,000 jobs.

BUILDING FOR THE FUTURE

The government's capital works program in 2020–21 will deliver a wide range of projects across the state with around **58** per cent of the capital program and **28,700** of the jobs supported being outside the Greater Brisbane area.

In 2020–21, the government will deliver a **\$6.3 billion** investment in transformative transport infrastructure. Highlights of the 2020–21 transport capital program include **\$1.5 billion** to continue construction work on Cross River Rail, and substantial ongoing investment to fund major upgrades to the M1 Pacific Motorway and the Bruce Highway.

Construction of Cross River Rail commenced in 2019 and is being delivered across three major works packages and multiple worksites. The new 10.2km rail line from Dutton Park to Bowen Hills will increase network capacity and support 7,700 full-time equivalent jobs and 450 apprenticeship and traineeship opportunities during construction. The project also includes a series of new train stations and upgrades to existing stations.

The M1 Pacific Motorway is the state's busiest major highway and plays an important role in connecting communities across South East Queensland. The **\$3.4 billion** M1 program of works, jointly funded by the Australian and Queensland governments, includes major projects such as the Varsity Lakes to Tugun upgrade, Eight Mile Plains to Daisy Hill

upgrade, and the Yatala South (Exit 41) and Pimpama (Exit 49) interchange upgrades. The M1 program of works is complemented by the jointly funded **\$1.5 billion** Coomera Connector (Stage 1) project between Nerang and Coomera, to provide for a 'second M1'.

Among other major highway projects ongoing are:

- work on the **\$400 million** Ipswich Motorway upgrade from Rocklea to Darra
- work on the **\$164 million** Smithfield Bypass on the Captain Cook highway.

\$709.9 million in joint funding is allocated for the Gold Coast Light Rail Stage 3A, to extend the line south to Burleigh Heads. Work is continuing on the **\$550.8 million** jointly funded North Coast Rail Line between Beerburrum and Nambour.

Joint State and Australian Government funding of **\$244 million** has been allocated for the Centenary Bridge upgrade which will greatly improve traffic movement to Brisbane's west.

The Budget also includes substantial ongoing investment in key infrastructure supporting the state's delivery of enhanced justice and public safety services, including **\$178 million** over three years from 2019–20 on additional youth justice infrastructure.

In 2020–21 **\$526.2 million** will be invested through capital purchases and grants to construct new social housing dwellings, upgrade existing properties and provide housing services, including in Indigenous communities.

WORLD-CLASS CORRECTIONAL PRECINCT

Construction is expected to commence during this Budget period on the **\$654 million** expansion of the Southern Queensland Correctional Precinct near Gatton

The 2020–21 Budget includes **\$110.2 million** with building on the expansion expected to start early in 2021.

A number of major benefits will be achieved through the construction of a new 1,000-bed correctional centre, including the delivery of over **400 jobs** in the Lockyer Valley region with up to **900 jobs** supported during peak periods of construction.

This new facility, with a therapeutic health-centred operating model, will help address substance addiction and mental health issues. Further, it will enable Queensland Corrective Services and Queensland Health to provide rehabilitation and treatment in a world-class correctional facility.

The new facility will ease overcrowding across Queensland's correctional services system and deliver a safer environment for staff and the prison population.



Strengthening Queensland's spine – the Bruce Highway

Connecting communities across almost 1,700 kilometres, the Bruce Highway is critical for ensuring freight, holiday travel and commuter traffic is safe and efficient. The Queensland Government will continue to work with the Australian Government to deliver the Bruce Highway Upgrade Program, aimed at improving safety, flood resilience and capacity along its length.

The 2020–21 capital program incorporates several key projects on the Bruce Highway, supporting jobs across the regions, including:

- **\$1.1 billion** for the Rockhampton Ring Road
- **\$1 billion** to construct Cooroy to Curra Section D
- **\$932.2 million** for widening between Caloundra Road and Sunshine Motorway

- **\$662.5 million** for upgrades between Caboolture-Bribie Island Road and Steve Irwin Way
- **\$514.3 million** to construct bridges and approaches on the Haughton River Floodplain
- **\$481 million** for widening as part of the Cairns Southern Access Corridor Stage 3
- **\$230 million** for the Townsville Ring Road (Stage 5)
- **\$158 million** for widening as part of Rockhampton Northern Access (Stage 1).

In addition, the Queensland Government has committed an additional **\$100 million** in state funding towards a \$500 million funding injection for the Bruce Highway (subject to negotiation with the Australian Government), noting the Queensland Government's priority for upgrades between Mackay and Proserpine, and between Gladstone and Rockhampton.



The government's capital program includes providing grants to councils and non-government organisations to support their work within communities across Queensland. In total, the government will provide **\$2.2 billion** in capital grants in 2020–21, including \$180 million to all local governments through the government's \$200 million COVID Works for Queensland program to support jobs and provide economic stimulus to local economies.

\$52.2 million will be invested in 2020–21 to continue work on the \$232 million channel capacity upgrade at the Port of Townsville.

\$4 million has been allocated for initial planning for a new Bribie Island Bridge.

Construction on the new **\$175 million** 1,500 seat performing arts venue at Brisbane South Bank will continue over the next two years. When completed the new theatre will provide the potential for an additional 300,000 visitors to the Queensland Performing Arts Centre each year.

STADIUMS AND SPORT FACILITIES

The government has committed to funding new stadiums across the state to improve patron and player facilities and support local jobs.

Harrup Park in Mackay will become a hub for marquee cricket and AFL events with **\$10 million** in state funding earmarked for Stage One of the development.

Browne Park in Rockhampton, the home of rugby league in Central Queensland, will be expanded in stage one to accommodate approximately 4,000 seats with **\$25 million** in funding.

In Brisbane, the Ballymore Precinct will undergo a major redevelopment with a **\$15 million** state contribution, to support a range of rugby union programs including the National Rugby Training Centre, women's rugby and other local sporting teams.

\$20 million has been allocated over two years for the upgrade of the Sunshine Coast Stadium, **\$43 million** over three years for local community sporting infrastructure, and work will continue on the **\$35 million** upgrade of the Gabba Stadium in Brisbane.

With almost half of Queensland's population living outside of Greater Brisbane, the Palaszczuk Government is strongly focused on delivering the necessary support to enable our regions to grow and economically prosper.

SUPPORTING THE REGIONS

The 2020–21 Budget contains a wide range of programs and initiatives developed to support the regions. Among these are:

An additional **\$200 million** for the Works for Queensland program to support local governments outside South East Queensland. The latest investment takes total funding to **\$800 million** in Works for Queensland and provides councils with job-creating maintenance and minor infrastructure projects relating to assets owned or controlled by local governments.

In addition, **\$180 million** in 2020–21 has been fast-tracked funding to support job retention across the State during the impacts of COVID-19. Councils have estimated that the program will support more than 4,600 jobs.



In 2020–21 funds have been allocated for the establishment of the Office of Rural and Remote Health to improve health outcomes for Queenslanders.

As the most disaster-impacted state in Australia, it remains imperative to assist local communities prepare for natural disaster. **\$10.5 million** will be delivered in 2020–21 as part of the five-year, jointly funded \$65 million Queensland Resilience and Risk Reduction Fund.

\$30 million to support the upgrade to infrastructure at the Ports North-owned Cairns Marine Precinct and fund a business case for the future development of the precinct. Construction of two new wharves and additional early works to upgrade services are expected to expand Cairns' capacity to carry out in-water maintenance on vessels used by the Australian Defence Force and Border Force.

Also in the Far North is **\$6.8 million** over two years for a new film production studio.

The refurbished and expanded Cairns Convention Centre is due to reopen for business in February 2021 following a **\$176 million** investment by the Queensland Government.

\$40 million has been committed to support the proposed \$175 million Wellcamp entertainment precinct near Toowoomba while funds have been allocated for the completion of the **\$7.5 million** Highfields to Toowoomba bikeway.

\$21 million over two years to revitalise Queensland's coastal shipping industry and create maritime jobs, including the establishment of a new shipping service between Townsville and Brisbane.

Funds have also been allocated to support the CopperString 2.0 electricity transmission project. This has the potential to fast track resource operations in the North West Minerals Province and support renewable energy generation.

WATER FOR THE FUTURE

Having a clean, safe and affordable water supply is crucial for communities and businesses across the state. This Budget outlines a number of projects supporting these outcomes and include:

- Government-owned water businesses Sunwater and Seqwater have budgeted over **\$150 million** for dam improvement projects in 2020–21. These will ensure dams continue to operate safely during extreme weather and deliver significant investment into the Queensland economy and support jobs. Construction in 2020–21 include works at the Ewen Maddock Dam and Paradise Dam.
- **\$42.5 million** over three years from 2021–22 for the proposed \$80 million Bundaberg flood levee to protect the local community from widespread inundation.
- The Queensland Government is contributing **\$195 million** to the Townville City Council toward Stage 2 of the Houghton Pipeline which will connect to earlier stages of the project and ultimately improve water security for the North Queensland region.
- River-based works associated with the Rookwood Weir project west of Rockhampton are expected to commence in April 2021. Once completed the weir will add up to 76,000 megalitres of extra water supply for the Central Queensland region.

SUPPORTING RENEWABLE ENERGY IN QUEENSLAND

Queensland's publicly-owned clean energy generator, CleanCo, is set to build, own, and operate the **\$250 million** 102.6 megawatt Karara Wind Farm in the Darling Downs. Karara will be part of the MacIntyre Wind Farm Precinct being developed by Acciona Australia, with a project value of around **\$2 billion**. CleanCo is also supporting the larger precinct by agreeing to purchase a further 400 megawatts of renewable energy from Acciona.

With CleanCo's involvement, the precinct development will achieve a local spend on the Darling Downs of more than **\$500 million** during construction, supporting **400 jobs** and local businesses. The development will be progressively connected to the grid from 2022. Queensland's own government-owned transmission business, Powerlink, has already commenced working on the connection of the project to the national electricity grid, supporting a further **240 jobs**.

The Karara Wind Farm is one of a number of major renewable energy projects being built or in the planning stage across Queensland. The renewable energy sector will be supported further through a **\$500 million** Renewable Energy Fund announced in September. Already Queensland has seen 44 large-scale renewable energy projects commence operations, under construction or financially committed since 2015,



representing more than **\$8.5 billion** in investment and supporting more than **7,000 jobs**.

The fund will complement the government's **\$145 million** commitment to establish three Queensland Renewable Energy Zones – northern, central and southern.

In these areas, the government will undertake strategic network investments, streamline the development of new renewable energy projects, and work to match industrial energy demand with renewable energy to grow Queensland's position as an investment destination and create more jobs as part of Queensland's COVID-19 road to recovery blueprint.

Backing tourism businesses



Tourism, events and arts businesses were among the first sectors to feel the impacts of COVID-19.

One of the State's biggest tourism attractions and environmental wonders – the Great Barrier Reef – will benefit from an additional **\$40 million** worth of support. This includes \$10 million for a Reef Assist Program and \$6 million over four years for the GBR Island Arks project to deliver ecotourism in the region. A further **\$27.1 million** has been allocated to support reef water quality activities. The latest reef funding builds on more than **\$400 million** committed by the Palaszczuk Government since 2015.

Additional support includes **\$5 million** in grants to support regional tourism operators reliant on international tourism to redesign their businesses; **\$25 million** in 2020–21 in the Growing Tourism Infrastructure Fund; **\$25 million** in the Queensland Tourism Icons program; and **\$15 million** in aviation industry support.

The #GoodToGo promotional campaign will continue to underpin Queensland tourist operators including the Year of the Outback Tourism activities, while **\$7 million** has been allocated to assist grow Indigenous tourism programs.

\$20 million over four years has been allocated for a Tourism Activation Fund, a further **\$20 million** over four years will assist event attractions, while **\$15 million** will establish a regional tourism organisation fund.



MAKING IT FOR QUEENSLAND

Queensland's manufacturers collectively contribute more than \$20 billion to the Queensland economy per year supporting around 165,000 jobs. Encouraging the growth of the manufacturing sector in both traditional and new industries will support economic diversity and resilience – and create new jobs.

MANUFACTURING A ROAD TO RECOVERY

As part of this Budget, the Palaszczuk Government will continue to support Queensland's manufacturing sector, with a strong focus on attracting new businesses to the state.

Enhancing Queensland's manufacturing base will play a key role in the state's economic recovery from the impacts of COVID-19.

Among the suite of programs included in the State Budget are:

- establishing an Immersive Technology Hub to promote Queensland's capabilities nationally and internationally, and assist local industry, corporate and government organisations to better understand and engage with immersive technologies
- delivering programs to connect research and technology companies with corporates to grow value, adding revenue and global routes to market
- an agreement with Vaxxas to manufacture needle-free vaccine technology at a new facility in

Brisbane. This project is expected to create up to 139 jobs over 10 years and aligns with the Queensland Biomedical 10-year Roadmap and Action Plan

- continuing support to Rheinmetall Defence Australia's **\$170 million** facility at Redbank. The facility will be a regional hub for design, build and support for up to 500 military vehicles in Australia and the Asia-Pacific, creating around 450 Queensland jobs and injecting \$1 billion to the Queensland economy over 10 years
- **\$40.5 million** has been allocated over four years to support the Making it in Queensland strategy to secure advanced manufacturing jobs and the skills needed for existing and future industries. This includes a \$15.5 million to boost the Made in Queensland grants program; and \$16.5 million to drive development of advanced manufacturing skills through the creation of Manufacturing Skills Queensland (as part of a \$200 million investment in future skilling programs). Two new regional manufacturing hubs will be established on the Gold Coast and in

Mackay to support the growth of local manufacturers and the jobs they create

- **\$10 million** over four years to continue the development of Queensland's hydrogen industry.

HISTORIC AEROSPACE MANUFACTURING DEAL

A partnership with aerospace giant Boeing is set to deliver more high-skilled jobs, local supply opportunities and defence industry stimulus for Queensland.

As part of the agreement Boeing will, for the first time, manufacture unmanned planes outside of the United States. The development of the first military aircraft to be designed, engineered and manufactured in Australia in more than 50 years supports the government's long-standing commitment to advanced manufacturing.

The project reinforces Queensland's status as a centre for defence industries and also underpins the government's 10-year Roadmap and Action Plan for Defence Industries.

BUILDING TRAINS IN QUEENSLAND

For the first time in nearly a decade, Queensland trains will be built in Queensland. A **\$1 billion** investment pipeline will support hundreds of workers in Maryborough, and expand the state's manufacturing expertise, as part of a 10-year plan. The investment pipeline includes:

- **\$600 million** for 20 new Queensland trains and the infrastructure needed to build them in Maryborough, delivering jobs to the region
- **\$1 million** for a business case to replace carriages for the Westlander, Inlander and Spirit of the Outback long-distance services
- continuing the **\$300 million**, 10-year pipeline of manufacturing work to refurbish and maintain the existing Queensland Rail fleet
- continuing a **\$85 million** investment for Maryborough workers to repair incompatible internationally built trains.



Since the first impacts of COVID-19 on Queensland early in 2020, the Palaszczuk Government has provided billions of dollars of support to businesses, industry sectors, workers, home owners, renters and individuals.

SUPPORTING QUEENSLAND

The 2020–21 Budget includes a wide range of support measures to help Queenslanders continue to recover from the economic impacts of COVID-19.

When COVID-19 struck the government provided **\$400 million** in utility bill relief for household electricity and water costs to all Queenslanders; **\$24.7 million** in housing and homelessness support; and paid sick leave for workers who test positive for COVID-19.

From September 2020, a further **\$100 million** is being provided to households to reduce their electricity bills, through the Government's \$50 asset ownership dividend payment.

In addition to specific COVID-related support, the Budget provides a range of other programs to help Queenslanders. These include:

- **\$166.6 million** to continue to implement the Supporting Families Changing Futures reforms with sector and community stakeholders to build a proactive family support system that helps prevent escalation to the child protection system
- **\$10 million** over four years to support the Queensland Government strategy for Australia's military veterans, including employment assistance, infrastructure funding, legal help, homelessness support and a range of other services.

Additional funding of **\$2.6 million** in 2020–21 to continue the provision of services to support people with disabilities, including funding All Abilities Queensland, management of complaints and investigations, and approval for guide, hearing and assistance dogs, and National Disability Insurance Scheme performance monitoring.



The government will continue to progress the Build-to-Rent pilot program, for which agreement has been secured with two leading national builders to develop the first two affordable housing projects expected to create more than **400 jobs** during construction. This is on top of the government's **\$100 million** commitment over two years to the Works for Tradies program, delivering even more jobs and social housing throughout the state.

\$3.5 million has been allocated towards the cost of establishing a Holocaust Museum.

Additional funding of **\$6 million** over four years will be provided to support the prevention of domestic and family violence in vulnerable populations, and **\$5 million** will be allocated to programs raising awareness and assisting victims of elder abuse.

\$6.3 BILLION CONCESSIONS

The Queensland Government will provide an estimated **\$6.3 billion** in 2020–21 in targeted discounts, fee waivers, rebates, and subsidies to support Queenslanders. These concessions will reduce costs of living including for transport, electricity and water costs. Concessions will also provide significant support for individuals, households and businesses across both 2019–20 and 2020–21 as part of the government's response to COVID-19.

Supporting Indigenous communities

\$241 million has been allocated in 2020–21 to improve housing outcomes for Aboriginal and Torres Strait Islander people across the State. This includes:

- **\$18 million** being provided in 2020–21 to support community members to access home ownership opportunities
- **\$21.8 million** being allocated in 2020–21 to progress new housing across 17 local councils.

Implementing historic legislation to enable legal recognition of Torres Strait Islander traditional child rearing practices. The legislation will help remove identification barriers to participation in important areas such as education, health and housing.

\$9.3 million over four years has been provided to build the Aboriginal and Torres Strait Islander community sector to support implementation of the new National Agreement on Closing the Gap and improve outcomes for Indigenous Queenslanders.

Continue work on the **\$9.9 million**, four-year program to improve the operation and management of drinking water supplies in Indigenous communities.

\$5.7 million over four years has been allocated for the On Country program to give young Indigenous people a range of life skills.



ECONOMIC OVERVIEW

The COVID-19 pandemic has delivered an unprecedented shock to the global economy, with data indicating that economic outcomes are more favourable where health outcomes are better.

The pandemic and related restrictions led to a record 5.9% fall in domestic economic activity in Queensland in June quarter of 2020.

However, this was less than the 7.4% fall recorded in national domestic activity, and less than the declines in New South Wales (down 8.6%) and Victoria (down 8.5%).

Importantly, Queensland's success in containing the spread of the virus means the June quarter is now expected to be the lowest point in the COVID-19 economic cycle.

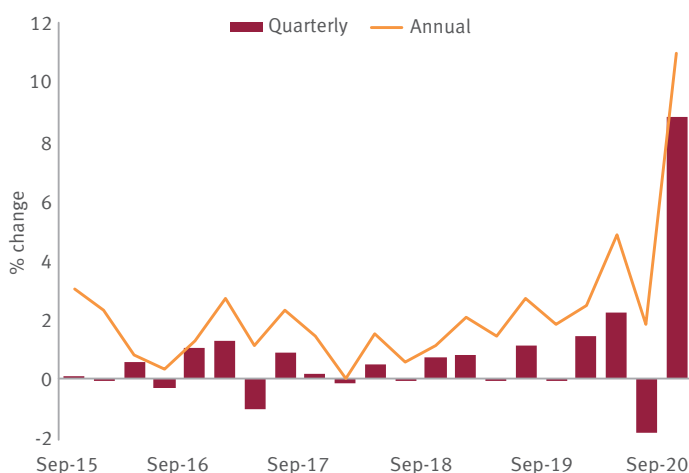
The substantial and ongoing relaxation of restrictions across the state, as well as the substantial income support and stimulus provided across all levels of government, led to a strong rebound in domestic activity in the September quarter.

Queensland's Gross State Product (GSP) is still forecast to return to growth of $\frac{1}{4}\%$ in 2020–21, unchanged from the C19-FER forecast.

Economic growth is then expected to strengthen to $3\frac{1}{2}\%$ in 2021–22, with ongoing solid growth of around $2\frac{3}{4}\%$ in the later years of the forward estimates.

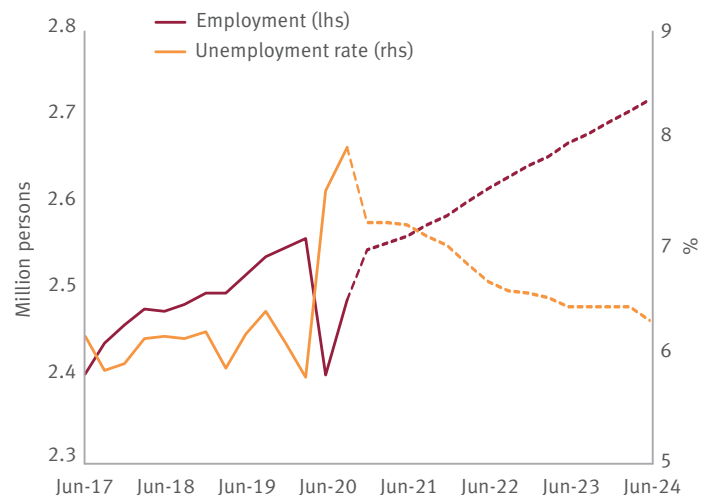
QUEENSLAND REAL RETAIL TURNOVER

The volume of retail turnover in Queensland has rebounded a record 8.9% in September quarter 2020, to be 11% higher over the year, underpinned by significant government income support measures and the gradual easing of virus restrictions since May.



QUEENSLAND'S LABOUR MARKET FORECASTS

There has been a rapid and strong recovery in the Queensland labour market with employment surging by 205,900 people between May and October as restrictions were unwound. Queensland's labour market is forecast to continue to recover, in line with the ongoing strengthening of domestic economic activity. The state's unemployment rate is now expected to have peaked at 7.9% in September quarter 2020, lower than the 9% forecast for the December quarter at C19-FER.



The 2020-21 Budget is focused on ensuring the health of Queenslanders through this pandemic as well as laying the foundations for our economic recovery.

The government's policy response to COVID-19, as well as election commitments to support economic recovery over the longer term, have increased General Government Sector expenses across 2019-20 to 2023-24.

The pandemic has led to sharp falls in key revenues. The fall in revenues, and the necessary increase in expenditure to respond to the crisis, have had a substantial impact on Queensland's fiscal position. However, this impact will be temporary. Total expenses are projected to grow at an average annual rate of 1.6% over the four years to 2023-24. From 2021-22, revenues are forecast to grow at a faster rate than expenses.

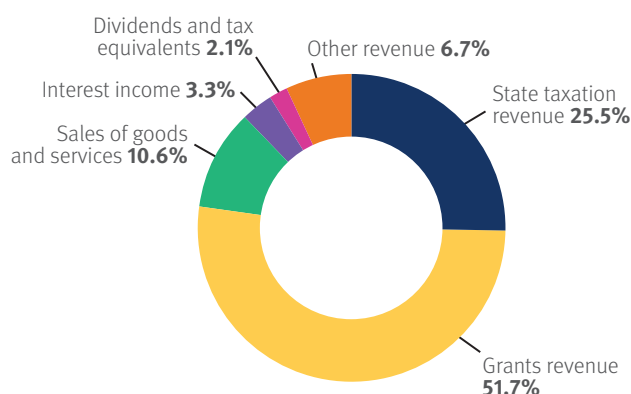
While the pandemic has resulted in a deterioration of the government's fiscal position, a strong response to the pandemic was necessary, and Queensland was fortunate to enter this crisis in a robust fiscal position. Through consecutive pre-crisis State Budgets, the government had delivered a series of operating surpluses and debt reductions.

The government is focused on economic recovery and will deliver a growing infrastructure investment program. The 2020-21 Budget commits to a four-year capital program of **\$56.031 billion**. The government's capital program supports economic growth across Queensland and provides long-term employment opportunities.

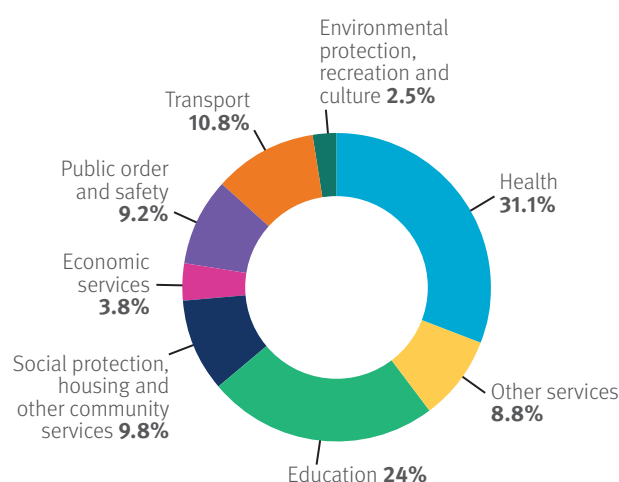
In order to provide support for the economic recovery and in the face of falls in key revenues, government borrowing will rise in the near term. While borrowings will increase, Queensland's General Government Sector debt levels will remain lower than those of New South Wales and Victoria, both in absolute terms and as a proportion of revenue.

To better position the government in an environment of record-low interest rates, Treasury is actively reducing refinancing and interest rate risk by extending the duration of its debt maturities. General Government Sector interest expenses have fallen from a peak of \$2.3 billion in 2014-15 to \$1.5 billion in 2019-20, while the yields on Queensland Government bonds are comparable to those of our AAA-rated state peers.

2020-21 REVENUE



2020-21 EXPENSES



QUEENSLAND BUDGET 2020-21



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