

Queensland Budget 2016-17

Budget Speech

Budget Paper No.1

Appropriation Bill 2016

(First reading speech, 14 June 2016)

Treasurer

The Honourable Curtis Pitt MP

Treasurer

Minister for Aboriginal and Torres Strait Islander Partnerships

Minister for Sport

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Mr Speaker

I move that the Bill be now read for a first time.

Mr Speaker,

At the last election, Queenslanders elected a Palaszczuk Labor Government...

To save our revenue-generating state assets from sell-off...

To create jobs and restore frontline services...

To bring stability back to Government by replacing confrontation with consultation in our dealings with business and other sectors of our community.

This Budget, the second of the Palaszczuk Government, will respond to the economic conditions facing Queenslanders – those who are working, and those who want to be working.

It is a Budget with a clear intent to drive economic growth across all parts of Queensland.

My job as Treasurer and the job of this Government is to ensure the confidence that has returned in our economy – and in the community more broadly – continues.

Our economic plan is to build on the successes of the last 17 months, and to be pragmatic about the challenges that lie ahead.

Since the election in January 2015, 52,500 new jobs have been created in Queensland.

This includes more than 1,200 full time jobs each month, compared to the loss of around 360 full time jobs each month under the former Government.

This has been achieved in challenging global and domestic conditions.

We have consistently delivered the highest business confidence of mainland States, month in month out, since last year's Budget.

We have worked hard to ensure people are engaged and positive about our great state...

About the opportunities across key sectors like tourism, agriculture and resources, and how these sectors can benefit from innovation.

But there is still more work to be done.

Innovation, Investment and Infrastructure

Mr Speaker, this Budget sets out a clear economic plan for Queensland, and is focused on three priorities.

Job creating innovation, investment and infrastructure.

We will encourage and foster innovation by accelerating our *Advance Queensland* plan and look to capture opportunities in industries such as genomics, robotics and biofuels.

We will attract investment, both from overseas and interstate – as well as give business opportunities to expand, become more profitable, and hire people too.

And we will continue building the transformative infrastructure our State needs to grow and prosper.

Innovation, investment and infrastructure are all at their core about one thing – Jobs.

These three priorities will help secure the jobs Queenslanders have now.

They will help grow jobs in our existing industries by tapping new opportunities.

And they will help create new jobs for the future in new and developing industries.

And, importantly, we also continue to support and assist those seeking to enter the work force by providing opportunities to access the training and skills development they need.

To achieve all this, the Budget I present today addresses both the challenges and opportunities facing our State.

It is an economic plan that advances Queensland by investing in the future.

An economic plan that kick starts new industries and creates new jobs, by building on the strengths of our existing ones – harnessing the capacity of Queenslanders to innovate and foster new investment.

An economic plan that has a specific focus on getting regional Queensland *Back to Work*.

An economic plan that increases the resilience of Queensland to face future challenges and external shocks through further economic diversification and steady and responsible fiscal leadership.

Fiscal Strategy

Mr Speaker, this Budget is about getting the balance right and making the right decisions for the circumstances we face.

Balancing sustainable fiscal management with the delivery of vital services and supporting the transition to a more diversified economy.

Balancing debt reduction with investment in services and infrastructure.

This economic plan builds on the work we began in the 2015-16 Budget.

It again allocates record funding to health and education.

We are standing firm in the face of deep and continued federal funding cuts that have not been fully restored.

We are supporting regional Queensland with more jobs and infrastructure.

And we are delivering a better public transport system for the South East.

Before the 2015 election, we gave a commitment to the people of Queensland that we would manage the State's finances responsibly.

That we would invest taxpayers' money in the best possible way – and make every single dollar go as far as possible.

Our first Budget did just that because that's what people expect of their government.

This Budget again honours that commitment, with a surplus of \$152 million in 2015-16 and surpluses in each of the next four years.

The 2015-16 surplus is well down on the forecasts in our Mid-Year Fiscal and Economic Review (MYFER) in December last year.

But that is due in no small part to the federal government's unilateral decision in last month's federal Budget to defer more than \$1 billion in natural disaster funding from the 2015-16 year.

Money that belongs to Queensland, but withheld and shifted in what was clearly a political move on the eve of a federal election.

For this 2016-17 Budget, we are forecasting a surplus of \$867 million – which will now be the largest surplus for a decade.

No Government is immune to revenue write-downs, particularly in the current global environment where key commodity price forecasts have fallen more than 20 per cent in the past year.

But despite royalties and tax write downs since December 2015 of more than \$3 billion over four years – and almost \$4.7 billion since the last Budget over the same period – the Palaszczuk Government is forecasting surpluses each year over the forward estimates.

Combined surpluses over the next four years are forecast to total almost \$3.2 billion.

This, by any measure, is a very sound fiscal outlook.

The result of responsible economic management, delivered in an environment where the international economy is soft and commodity prices have remained relatively low.

We will achieve this by keeping operating expenses – which are forecast to grow at an average of 2.9 per cent per annum over the forward estimates – lower than forecast revenue growth of 3.2 per cent per annum.

In order to better secure the integrity of the State's revenue base, I can announce today a crackdown on state tax avoidance.

We will target an additional \$10 million in revenue over three years from those taxpayers who try to avoid tax. This includes those who incorrectly claim to be a not-for-profit organisation.

New Fiscal Principle

Following delivery and consolidation of the Government's commitment to restoring frontline services, the Palaszczuk Government is adding an additional fiscal principle.

The Government's new fiscal principle is focused on maintaining a sustainable public service by ensuring that growth in public service employee numbers does not exceed population growth – on average – over the forward estimates.

Over the last year, we have done what we could to restore the frontline services that were so severely damaged under the former Government.

Our election commitments included employing 1,000 nursing graduates each year for four years, introducing a legislated nurse-to-patient ratio, and employing 875 extra teachers over the same period.

Over the last year, 86 per cent of the increase in Full-Time Equivalents was in health and education.

Given the significance of employee expenses to the State Budget, this new fiscal principle will be another important contributor to the Government's prudent fiscal management framework going forward.

It will ensure a balance between delivery of high-quality of services, and the discipline that underpins this Government's commitment to fiscal sustainability.

Debt Reduction

Mr Speaker, this is a Budget that continues the critical debt reduction task that the Palaszczuk Government commenced in 2015-16 with our *Debt Action Plan*.

And once again, that work has continued without asset sales – which we were told was the only choice.

The economic and fiscal plan we took to the election was to reduce General Government debt by \$12 billion over 10 years.

Today I can confirm that General Government debt is more than \$10 billion lower under our Government, than was forecast for 2016-17 in the former Government's last Budget.

I am proud this outcome stands in contrast to the \$13.6 billion increase in General Government debt we saw under the previous Government.

And we are forecast to save more than \$800 million in interest expenses in 2016-17, when compared to 2014-15 Budget.

Queensland's debt-to-revenue ratio peaked at 91 per cent in 2012-13.

The estimated actual ratio achieved in 2015-16 is 71 per cent and this is forecast to improve further to 68 per cent over the forward estimates.

We remain steadfast in our commitment to upholding the quality of our credit.

We have proven that debt reduction does not rely on taking the easy option of asset sales.

We proved there was another way.

And we have proved there are alternatives to slashing jobs and frontline services.

Or massively raising the taxes, fees, and charges paid by Queenslanders.

Queenslanders expect their Government to act when needed to deliver jobs and opportunities – through investment in infrastructure, and to responsibly pay down debt.

And that is what we will do through our proposal to utilise a portion of the \$10 billion surplus of the public sector Defined Benefit Superannuation Scheme.

The Government will manage the Defined Benefit Scheme to minimise over-funding and based on the Australian Prudential Regulation Authority (APRA) funding standards that apply to similar corporate schemes.

The State Actuary has advised that a repatriation of up to \$5 billion could be undertaken while maintaining consistency with APRA funding standards.

Consistent with our fiscal principle of targeting fully-funded long term liabilities in accordance with actuarial advice, this Budget seeks to repatriate \$4 billion of the Defined Benefit Scheme's surplus.

Half of that \$4 billion will be used to reduce debt and half will be invested in infrastructure. We are making this decision to create jobs and support the economy and we make no apology for it.

This is the right decision to respond to the current economic conditions and continues our *Debt Action Plan* outlined in the 2015-16 Budget.

It means we are optimising the State's balance sheet to respond immediately and comprehensively to the economic conditions we face.

Let me be very clear once again that there will be no change for Defined Benefit Scheme members, regardless of the Opposition's unsubstantiated claims – which evidence shows have been proved wrong.

Around 3,500 people left the scheme over the past 12 months and all have received their entitlements.

This is because their entitlements and that of all members of the Defined Benefit Scheme remain guaranteed by legislation and will continue to be paid as they fall due.

And there will be no change whatsoever for public servants with accumulation accounts.

Queensland will continue to be in the very enviable position as the only fully-funded Defined Benefit Scheme of any state or territory in the country.

In fact it will remain one of the few fully-funded public sector schemes of its kind anywhere in the world.

Economic Outlook

Mr Speaker, as I have already said, global economic conditions present major challenges to the Queensland economy.

Forecasts for global economic growth have consistently been downgraded over the past year – most recently by the World Bank and the OECD.

There have been substantial downward revisions to the outlook for industrial production growth among Queensland's major Asian export markets and world commodity prices have continued to decline.

In the face of challenging global and national economic conditions, Queensland's economy continues to demonstrate resilience.

Mr Speaker, I can announce today that the estimated actual growth figure for Queensland in 2015-16 is 3½ per cent, with economic growth of 4 per cent forecast in 2016-17.

These forecasts indicate that Queensland is set to record the strongest economic growth of all states over the next few years.

This is something we can all be proud of and it clearly shows how strong the fundamentals of the Queensland economy are.

Our traditional industries continue to make a major contribution to the Queensland economy – as a government we have supported them.

And our economy continues to benefit from the ramp-up of LNG exports.

Advancing Our Economy

But if our domestic economy is to prosper, it is clear that the path towards a more diversified economy is one we must not only continue to follow – it's one that we must very deliberately pursue.

Our economic plan has a clear focus on fostering innovation, promoting business investment and delivering productivity-enhancing infrastructure.

Mr Speaker, like last year's, this Budget has a clear and unwavering focus on job creation.

Queensland's estimated actual employment growth for 2015-16 is 1¼ per cent, a substantial improvement on the 0.3 per cent recorded for 2014-15.

Employment growth is expected to continue at similar rates over 2016-17 and 2017-18.

However, to date, much of this jobs growth has been concentrated in South East Queensland.

Many of Queensland's regional areas have been hit hard by the slow-down in the resources sector and the impacts of drought, which is impacting on around 80 per cent of the State.

Queensland's unemployment rate in April was 6.2 per cent, lower than the highs of 6.7 per cent under the previous Government.

And it is forecast to fall below 6 per cent over the forward estimates.

In many of parts of regional Queensland however, the unemployment rate is significantly higher – in some cases, stubbornly so.

Taking on this challenge remains a key focus of our Government.

Back to Work Regional Employment Package

Today I can announce that the Palaszczuk Government's economic plan will deliver \$100 million extra funding for a new two-year *Back to Work Regional Employment Package*.

This will directly fund getting around 8,000 regional Queenslanders *Back to Work*.

That's 8,000 Queenslanders outside the South East who will make a contribution to our economy.

That's 8,000 Queenslanders who will have work to support their families.

A critical element of *Back to Work* is a \$10 million new *Certificate 3 Guarantee Boost* program which will see more Queenslanders able to access subsidised Certificate 3 courses to help get jobs.

It will help deliver skills and training to support jobs growth in regional Queensland.

Last year we commenced our *Payroll Tax Incentive* for employers hiring apprentices or trainees.

A direct way to drive employment growth whilst reducing an employer's payroll tax liability.

This year the *Back to Work* package will give regional employers the confidence to take on new staff.

It includes *Back to Work* employer support payments of up to \$10,000 for employers who hire – and keep someone employed – for 12 months or more in Queensland's regions.

And this payment increases to up to \$15,000 if an employer hires a long-term unemployed person.

It includes *Back to Work* Navigation Teams that will help local employers looking to fill jobs, and connect jobseekers to jobs or further skills, training and apprentice pathways.

Eligible employees will have access to job readiness support to help them start a new job.

We want businesses poised for growth to have the confidence to grow their team.

We want them to take a chance with long-term unemployed, young people, mature-aged people, people from culturally and linguistically diverse backgrounds, and Aboriginal and Torres Strait Islander people.

We know one of the best ways to drive economic growth is to have as many people as possible fully participating in our economy.

Now, there are real business benefits to giving someone a go.

Building Infrastructure

Mr Speaker, our economic plan recognises that building infrastructure in all regions of our state benefits local communities; strengthens our local, state, and regional economies; and generates jobs.

Over the forward estimates Queensland's total capital expenditure, capital grants and public-private partnerships will be a combined \$40 billion.

This Budget delivers around 31,000 direct jobs through a \$10.7 billion capital program this year, including public-private partnerships.

Mr Speaker, I mentioned earlier the decision of this Government to make better use of the Defined Benefit Scheme surplus.

As important is where we allocated this money.

I am pleased to announce this Budget delivers \$2 billion towards the *State Infrastructure Fund*, for priority infrastructure.

The establishment of this fund was announced when our Government released the first *State Infrastructure Plan* in five years.

We said we would depoliticise infrastructure decision-making and give greater certainty to the sequencing of the building program.

And that's what we've done, and through *Building Queensland* – an independent authority.

At the centre of the *State Infrastructure Fund* is a commitment to deliver the State's share of nation-building and productivity-enhancing priority projects.

This Fund will provide \$300 million towards a *Priority Economic Works and Productivity Program*.

It will help fund the State's share of projects like the Ipswich Motorway between Rocklea and Darra, and the M1-Gateway merge.

The *State Infrastructure Fund* will deliver \$180 million towards the *Significant Regional Infrastructure Projects Program*.

This will fund projects like the new paediatrics wing at Townsville Hospital, and duplication of the Bill Fulton Bridge on the Cairns Western Arterial Road, as well as new regional infrastructure in key centres like Rockhampton, Bundaberg, Maryborough, Mackay and Mount Isa.

I can also announce today that the *State Infrastructure Fund* will include a \$50 million down payment to kick-start the long-awaited Cross River Rail project.

Cross River Rail is Infrastructure Australia's number-one priority initiative for Queensland, and is the number-one infrastructure priority for the Palaszczuk Government.

Our \$50 million down payment will establish the Cross River Rail Delivery Authority, and progress planning and environmental approvals, in readiness for early and enabling works.

To build a better transport system in preparation for Cross River Rail, the Government will commit \$634 million to roll-out the European Train Control System – or ETCS – for the South East Queensland rail network.

ETCS will improve network capacity and reliability prior to Cross River Rail.

But Mr Speaker, there is no escaping the fact that the nation's number-one infrastructure initiative for this state requires funding from the Australian Government to make it a reality.

The Palaszczuk Government's economic plan recognises the power of infrastructure to transform local economies.

One of Australia's largest regional cities, home to the best rugby league side in the world the North Queensland Cowboys, deserves such a transformative piece of infrastructure.

Which is why we have increased our commitment for a new Townsville Stadium to \$140 million.

This additional \$40 million – alongside commitments by Townsville City Council and the National Rugby League – means we have the land and \$150 million of the \$250 million required to deliver the Townsville Stadium.

It seems after this increased commitment was made, finally we've seen both sides of federal politics put a commitment of \$100 million on the table, albeit one of them comes with strings attached.

We have had our money on the table for a long time now. We are keen to get on with the job and this is progress towards this end.

Advancing Our Cities and Regions

Mr Speaker, this Government continues to look for more innovative ways to fund infrastructure.

Our economic plan is about advancing our cities and regions.

In the same way we have engaged with the private sector with our *Market-Led Proposals* initiative, over the next 12 months we will identify specific precincts and economic zones across our core urban spaces in Queensland that can be unlocked through partnerships with the private sector.

These precincts have enormous potential for value sharing and the delivery of public benefits.

Such initiatives are about creating vibrant communities and shaping the cities and regions of the future.

Queensland First Home Owners' Grant

Mr Speaker, one of the best ways right now we can advance our cities and regions is to help Queenslanders achieve the great Australian dream of owning their own home.

The Palaszczuk Government wants to make home ownership easier for Queenslanders.

We will do that with a 12-month boost to the *Queensland First Home Owners' Grant*, starting 1 July.

Eligible Queenslanders will now get \$20,000 — instead of \$15,000 — towards buying or building their new house, unit or townhouse, valued at less than \$750,000.

This doesn't just mean more Queenslanders in new homes, it also means more jobs for our building industry.

The Budget also includes a 3 per cent transfer duty surcharge for foreign buyers of residential property in Queensland.

This will ensure foreign acquirers of residential property, who benefit from government services and infrastructure, make a contribution to their delivery — as local buyers do.

I make no apologies for putting Queenslanders first — I'm confident this surcharge will not damage the interest foreign investors have in sharing our state's economic strengths.

Queensland's 3 per cent surcharge on foreign residential property remains more attractive than Victoria's 7 per cent surcharge.

New South Wales is reportedly planning to introduce additional property taxes on foreign investors.

Even with this surcharge, a foreign buyer purchasing a property with a median price in Queensland is still likely to pay less than in Sydney or Melbourne, which have much higher median property prices.

Accelerating Advance Queensland

In last year's Budget, we established *Advance Queensland* – a \$180 million plan to fund innovation in our traditional industries and to build the jobs for the future in new and emerging ones.

As the Premier announced yesterday, in one of the centrepieces of this Budget, the Palaszczuk Government will allocate an additional \$225 million to *Accelerating Advance Queensland*.

We are increasing our investment in *Advance Queensland* to a total of \$405 million over five years because our economic plan believes in backing innovators.

Backing startups, small businesses, school students, farmers, scientists, tradespeople, engineers, doctors, and teachers will create a new era of opportunity for Queensland.

And it will create new jobs.

Accelerating Advance Queensland will deliver new initiatives right through our State's economy, including new funding for industry accelerators, Regional Innovation Hubs and a Platform Technology Program.

Accelerating Advance Queensland will allocate nearly \$20 million to deliver a 10-year Roadmap for Queensland's Biofutures industry.

This includes a *Biofutures Industry Development Fund* designed to enable new proposals to complete due diligence and progress to financial close.

This will see new investment across regional Queensland.

In the Far North, there is \$10 million from *Accelerating Advance Queensland* towards a new \$50 million Cairns Innovation Centre.

It will be delivered in partnership with James Cook University, subject to the finalisation of a detailed business case and confirmation of financial contributions from the University and the Commonwealth.

This Centre will be used by students studying degrees that were previously the stuff of science fiction – like a Bachelor of Engineering in Electronic Systems and 'The Internet of Things'.

For younger minds, the \$3.3 million *Schools of the Future* initiative will enable children to engage with science, technology, engineering and maths – the STEM subjects – through a Digital Technologies Curriculum in 2016 and virtual STEM academies for Years 5 to 9.

A \$7 million *Global Schools* initiative will prepare young Queenslanders to engage in the new opportunities of a connected and global economy.

It will expand studies in culture and languages from Prep to Year 12 and increase the focus on Asian languages in Queensland schools.

Accelerating Advance Queensland also means accelerating health innovation.

\$35 million is provided in this Budget for the *Integrated Healthcare Fund* to support new ideas that better integrate care and address the fragmentation in services.

The aim is to achieve greater efficiency and value for Queensland's health system.

A further \$25 million will be spent to establish a *Clinical Genomics Service*.

This will help Queensland stay at the forefront of research in the field of human genomics.

Rural and Regional Assistance

Mr Speaker, I've said in this place before how proud I am to be a Treasurer who lives in regional Queensland.

Regional Queensland gives so much to this State.

Our agricultural strength.

Our mineral wealth.

That's why our economic plan has such an emphasis on supporting rural and regional Queensland through new measures that protect and grow the wealth that comes from outside South East Queensland.

A \$175 million increase in funding will continue the *Building our Regions* program.

This guarantees another full year of *Building our Regions* grants in 2017-18 and additional funding to local councils through the *Transport Infrastructure Development Scheme* (TIDS) which will be guaranteed over the next three years.

Last year I established the *Rural Debt and Drought Taskforce*, which was chaired by the Member for Mount Isa.

The Taskforce heard stories from around our State of the strength and courage of our farmers in adversity.

This Budget delivers one of the most significant set of initiatives for those on the land in recent decades, with \$78 million for a *Rural Assistance and Drought Package*.

This will include almost \$42 million to extend existing drought relief arrangements and \$36 million to tackle rural debt and provide other assistance like wild dog control.

The *Rural Assistance and Drought Package* includes mental health support and more education support for children in drought affected areas.

Farm Transfer Duty

And Mr Speaker, it recognises that while regional Queensland is the backbone of Queensland, the backbone of regional Queensland is the family farm.

The Palaszczuk Government is determined to make it easier for family farms to stay in Queensland families.

That's why we will introduce a new family farm transfer duty exemption for intergenerational transfers of farm businesses.

Families on the land will not pay stamp duty when passing the family farm down to the next generation.

When it comes to rural debt, prevention is the ultimate aim.

This Budget provides grants of up to \$2,500 for primary producers to get the very best advice on climate risks, financial management, succession planning and multi-peril crop insurance options.

We will establish *Queensland Rural and Industry Development Authority* (QRIDA) as a new body with improved powers and more responsibility to tackle rural debt.

QRIDA will be accompanied by a new Office of Rural Affairs within the Department of Agriculture and Fisheries.

Investment Attraction

Mr Speaker, a clear priority on the path to job creation is attracting investment.

This Budget delivers a \$40 million *Industry Attraction Fund* over four years that will aggressively target interstate and international businesses to move their operations to Queensland.

The *Industry Attraction Fund* will help to establish new or attract existing businesses for expansion in Queensland.

The Fund will target priority industries such as biofutures, advanced manufacturing, defence and aerospace, mining equipment, technology and services (METS), biomedical and life sciences, using attraction incentives such as payroll tax rebates and transfer duty concessions.

We already know Queensland is an attractive investment destination.

We offer a great lifestyle, low cost of living, and house prices and office rentals that are the envy of those in southern capitals.

We have the lowest payroll tax rate in Australia and the highest payroll tax threshold of any mainland State.

Our per capita state tax status is lower than the average for other states and territories.

With our economic plan, there has never been a better time to invest in Queensland.

Advancing the Resources Sector

There has been no bigger investor in Queensland over recent decades than the resources sector.

It is crucial that we support our resources industry during this period of historically low global commodity prices.

Certainty is the best policy response we can provide, and today I can confirm that this Budget makes no changes to Queensland's royalty regime.

We will fund a review of financial assurance and provide increased funding of \$42 million over five years for the *Abandoned Mines Lands Program* to ensure a more sustainable approach to mine rehabilitation.

With staff based in Townsville, Rockhampton and Brisbane, the increased investment will allow the Program to make even greater improvements to public safety, including for treating water impounded in mine sites and filling abandoned mine shafts.

The Government will also partner with the Queensland Resources Council to deliver an innovative new initiative called *Jails to Jobs* that will see 30 Aboriginal and Torres Strait Islander Queenslanders assisted to forge a new path in life via employment in the resources sector.

Advancing Small Business

Mr Speaker, we recognise the critical role that small business plays in the Queensland economy.

Our \$22.7 million *Advancing Small Business* strategy will make it easier for small business.

Now more than ever it's important to arm small businesses with the tools they need for the digital economy.

This Budget will deliver *Digital Capability Grants* of up to \$10,000, matching dollar-for-dollar contributions by small businesses, to help build their digital capability.

This can include website development, training, social media or adopting new online tools and technologies.

We are establishing the first *Queensland Small Business Champion*, backed by a dedicated Office of Small Business, which will work with all levels of government and industry to identify challenges and new opportunities for small business.

Advancing Tourism

From home-grown to the globe, this Budget sets out a serious overseas investment push that will include attracting new tourism and education investment.

Last year we delivered the *Tourism Guarantee* by restoring Tourism and Events Queensland's funding to \$400 million over four years, boosting Queensland's tourism and events budget.

This year our focus is on increasing Queensland's share of the Asian tourism market and increasing the number of tourism jobs in regional Queensland.

Today I can announce a \$33 million *Connecting with Asia* tourism strategy.

This strategy will fund direct and intensive marketing to build on our partnerships with key Asian cities, encouraging visitors to spend their entire holiday in Queensland – not just a quick visit.

We will expand our *Aviation Attraction Fund* to secure more direct flights and increase visits.

And we will build the digital capacity of tourism operators to connect with their Asian target markets.

Major events are a key driver of tourism and economic activity. The Gold Coast Commonwealth Games in 2018 will be a testament to that.

This year's Budget commits more than \$12 million over four years for the Queensland Art Gallery and GOMA to bring back *Blockbuster Exhibitions*, building on the success of previous exhibitions like Warhol and Picasso and driving interstate visitors to Queensland.

International Education

Overseas education is another booming export industry in Queensland and again the connection with Asia is critical.

This Budget will provide more than \$25 million over five years towards an *International Education and Training Strategy*.

This, combined with new trade offices in Chengdu and Singapore, will help secure Queensland's place in the Asian century.

Restoring Frontline Services

Mr Speaker, the Palaszczuk Government promised to restore frontline services following three years in which they sustained sackings, cutbacks, and neglect.

Over the last 12 months we have employed:

- over 940 teachers and teacher aides
- 1940 more nurses
- 651 more doctors
- 479 extra health professionals
- 300 extra police
- 54 new paramedics and 44 new firefighters

I am proud that this is a Government which recognises the value these frontline government workers provide.

Our economic plan means we will spend more than ever before this year on health and education.

Health

Queensland's Health budget will grow by 4.3 per cent to \$15.3 billion this coming financial year.

We will deliver a further 68 nurse navigators to bridge the gap between hospitals and the primary health system.

We will fast track 75 extra paramedics and purchase 170 new and replacement ambulance vehicles.

At the heart of the health budget is a new \$230 million *Advancing Queensland's Health Infrastructure* program.

This will redevelop the Atherton and Thursday Island hospitals and repurpose Nambour hospital, as well as begin the development of a new health facility for the growing southern corridor of Cairns and deliver additional carparking at Caboolture and Logan Hospitals.

Education

Queensland's education and training budget will grow by 5.9 per cent to \$12.9 billion this coming financial year.

Our *Advance Queensland* strategy recognises that Queensland can be a world leader in future technologies.

We must make sure that the education our children receive now will prepare them for the jobs of the future.

We are making sure our children start school ready to learn, with nearly \$43 million more over two years for Universal Access to Kindergarten.

This will fund the shortfall from the Turnbull Government's funding under the National Partnership Agreement.

And we will make sure the young adults graduating from high school are equipped with the skills our modern economy demands, with over \$72 million in this budget to develop and implement a new Senior Assessment and Tertiary Entrance arrangements.

We are committed to delivering the schools of the future by building four new primary schools – in Burdell, Caloundra South, Coomera, Yarrabilba and the Cairns Special School.

This Budget provides a \$250 million increase to education infrastructure over four years.

This will provide new and improved classrooms in our State schools, including building a new State High School in Calliope, near Gladstone.

Transport

Mr Speaker, South East Queensland deserves a better public transport system and *Fairer Fares*.

We will deliver this by implementing a public transport fare reduction across all South East Queensland zones.

Cheaper fares in the inner city, and cheaper for the outer suburbs by consolidating the number of zones from 23 to eight.

This will have a substantial impact on the weekly budget for many commuters.

And the morning off-peak time will be extended from 3am to 6am to give early risers and shift workers the opportunity to save an extra 20 per cent.

On weekends – children will travel free on a *go* card.

And instead of 9 trips and free, we'll see 8 trips and half price travel each week.

Overall, it means *Fairer Fares* for all.

And for regional commuters, fare structures will continue to be supported by government, as they have been to ensure increased uptake of public transport.

We will continue to grow our rail network, through \$100 million as part of the State Infrastructure Fund for improvements to the North Coast line, improving freight movement capacity.

This Budget also progresses a business case for rail duplication between Beerburrum and Landsborough as well as upgrades to existing rail infrastructure between Landsborough and Nambour on the Sunshine Coast.

Road Upgrades

Nearly \$4.4 billion will be spent this year building and maintaining Queensland's huge expanse of roads and transport networks, including vital upgrades of the Bruce Highway.

This includes \$400 million to be spent this year on the Toowoomba Second Range Crossing and \$250 million for the Gateway Motorway North.

The Budget will deliver almost \$97 million for the Northern Roads Package that guarantees Queensland's share of improvements to the Hann Highway and the Gregory Developmental Road.

Our roads budget will deliver a host of other regional priority projects, like Riverway Drive in Townsville and the Vines Creek Bridge in Mackay.

Public Safety

The Palaszczuk Government is serious about tackling all organised crime – not only criminal motorcycle gangs.

We will provide around \$70 million to go after the organised crime kingpins.

This includes more than \$39 million over four years to support the Government's response to the Commission of Inquiry into Organised Crime.

We will make sure that our efforts to target organised crime are based on hard evidence, through an independent body to research and publish crime statistics.

We will make sure Queensland Police will not just keep us safe from organised crime, but combat the threat of international terrorism.

This Budget provides over \$16 million to improve our counter-terrorism capability and capacity.

It also delivers a \$20 million boost to our courts system, including the land court, to manage workload pressures.

Environment and Climate Change

Mr Speaker, Queensland's promise for the future is irrevocably tied to its environment.

More than \$89 million is allocated to wildlife management and environmental protection, including over \$12 million for koala conservation.

We must act now if Queensland's official animal emblem is to be protected from further decline, particularly in South East Queensland.

This Budget delivers funding for the Daisy Hill Koala Centre and the Moggill Koala Hospital, as well as establishing two new urban refuges for koalas in South East Queensland.

Habitat protection remains critical. Over \$38 million in this budget will help manage and expand our protected areas, including our National Parks and State Forests.

No government in history has been more committed to protecting the Great Barrier Reef than the Palaszczuk Government.

We will provide almost \$22 million next financial year as part of our \$100 million *Protecting the Great Barrier Reef* commitment which we announced in last year's budget.

Queensland's coastal towns must be prepared for the effects of climate change – change which has the potential to substantially affect their communities.

We will commit almost \$7 million over four years to develop and implement a *Queensland Climate Change Strategy*.

Queensland's food bowl needs to be protected from noxious weeds and over-clearing.

We are committing almost \$8 million towards new high resolution satellite imagery to support our vegetation management strategies.

This will give better information for planning and prevention.

Aboriginal and Torres Strait Islander Initiatives

As Minister for Aboriginal and Torres Strait Islander Partnerships, I know first-hand that many of our Indigenous communities feel left behind.

I want to introduce new methods of service delivery – driven not by Government but by the very communities they serve.

This Government will make sure our Indigenous communities have a real stake on their own futures, with an additional \$2 million towards delivering a *new Economic Participation Partnerships Project*.

This will redefine the way we create jobs, and create growth, in Indigenous communities.

Making sure that in a fairer Queensland, no area is forgotten.

Stronger Communities

And Mr Speaker, our Government is committed to fostering stronger communities. Accordingly, the communities, child safety and disability services budget will grow by 8.8 per cent this coming year.

This budget continues our response to the *Not Now, Not Ever* report and will provide almost \$200 million over five years to address the devastating effects of domestic and family violence, including \$42 million for additional specialist Domestic and Family Violence Courts across Queensland.

This Budget also marks the start of two ground breaking reforms for the Queensland disability sector, commencement of the Statewide *National Disability Insurance Scheme* rollout, which will see Queensland commit over \$2 billion annually once fully implemented, as well as the commencement of the *National Injury Insurance Scheme Queensland* for people catastrophically injured in motor vehicle accidents.

We will also strengthen our communities through a \$25 million, four-year *Financial Resilience and Inclusion Action Plan*.

Conclusion

Mr Speaker, this Budget reinforces our strengths –

a tourism industry the envy of all other States,

a resources sector that's holding its own with world class exports and strong volumes despite tough times,

one of the best and most productive agricultural sectors in the world,

and a property and construction sector which is ready, willing and able.

This is a Budget which will create jobs through backing innovation, attracting investment and building infrastructure.

A Budget that zeros in on the pressure points in the economy.

A budget of necessity, but also of inventiveness and pragmatism.

Most importantly - it is unashamedly a jobs Budget.

Mr Speaker, this Budget now sets out our clear economic plan that is focused on jobs now and jobs of the future by:

Growing **innovation**

Attracting **investment**

And building **infrastructure**.

This is a *Back to Work* Budget – where every major initiative is geared at getting Queenslanders back in jobs – or making their existing jobs better and safer.

It is a Budget that recognises some areas of the State are doing better than others.

This is a good Labor Budget which responds to the needs of Queenslanders – it helps the youth and the elderly, the unemployed and the disadvantaged, but is also focused on business and industry and the future.

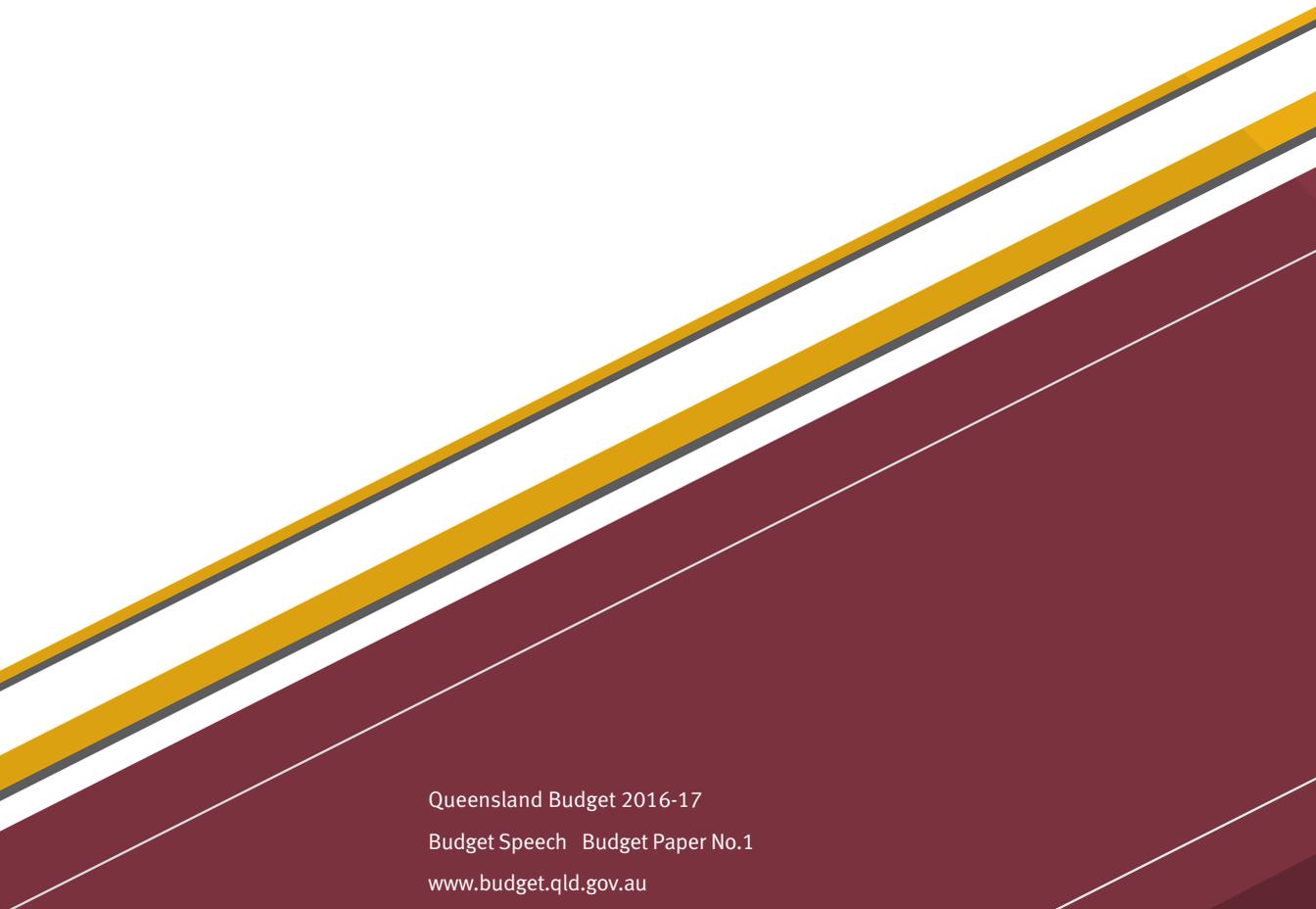
This is a Budget that helps all Queenslanders share in the growth our economy is generating.

It is a Budget that will *Advance Queensland* and secure our economic future.

It is the Budget that we need right now, but with a clear path for the future...

an economic plan for innovation, investment and infrastructure.

I commend the Bill to the House.



Queensland Budget 2016-17

Budget Speech Budget Paper No.1

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