

# 2015-16 Queensland Budget Analysis

14 July 2015

## BACKING OUR STRENGTHS – TTF'S QUEENSLAND POLICY AGENDA

In the lead up to the Queensland election, TTF released a comprehensive [visitor economy policy agenda](#).

TTF's plan for growing the visitor economy includes:

- Rule out any new tourism taxes
- Increase investment in marketing, business events and major events
- Deliver funding to Tourism and Events Queensland over four years instead of annually
- Commit to funding for South Bank cultural precinct
- Investment in visitor economy infrastructure
- Commit to an integrated tourism and transport strategy
- Extend the Gold Coast light rail and connect it to heavy rail
- Improve Brisbane cruise ship facilities

## BUDGET HIGHLIGHTS

The Palaszczuk Government's first budget delivers on its promise to provide certainty for Tourism and Events Queensland (TEQ) funding, with an allocation of \$400 million over four years.

This allocation includes an additional \$128.3 million to head off an anticipated halving in TEQ funding in the out years, and \$40 million over four years towards events. There is also an additional \$10 million for aviation attraction.

This funding position is a win for industry advocacy to end the uncertainty around funding for tourism marketing and events in Queensland and locks in a substantial funding stream over the forward estimates. However, Queensland will need to continue investing in tourism to ensure it does not slip further behind its interstate rivals.

There are also investments in a range of infrastructure projects, including stadia, the Bruce Highway, Commonwealth Games facilities and rail network upgrades.

The government has also delivered a surplus of \$1.2 billion in 2015-16, with plans to pay down debt, but has followed through with its election commitment not to dispose of any state-owned assets.

## KEY BUDGET FACTS AT A GLANCE

	2013-14 Actual	2014-15 Estimate	2015-16 Budget	2016-17 Forecast	2017-18 Forecast	2018-19 Projection
Surplus (deficit) (\$ million)	619	962	1,213	2,226	2,132	1,327
Real Gross State Product (%)	2.3	2	4.5	4.5	3.75	3.25
Unemployment (%)	6	6.5	6.5	6.5	6.25	6
Borrowings to revenue (%)		87	75	72	71	73

## BUDGET MEASURES

BUDGET MEASURE	ANALYSIS
<b>GROWING DEMAND FOR TRAVEL</b>	
<b>Tourism marketing</b>	<p><b><i>\$400 million over four years from 2015-16</i></b></p> <p>The government will invest an additional \$128.3 million over four years in Tourism and Events Queensland (TEQ). This funding will deliver around \$100 million each year to TEQ, which restores the authority's funding levels to pre-2014/15 levels and heads off an anticipated decline in the agency's budget in the out years.</p> <p>For the first time, TEQ has also been given funding certainty over four years, instead of year-to-year, allowing it and the industry to plan ahead.</p> <p>As advocated for by TTF in Backing Our Strengths – Queensland Policy Agenda.</p>
<b>Major events</b>	<p><b><i>\$40 million over four years</i></b></p> <p>In line with the government's election commitment, TEQ will receive \$10 million a year over four years to grow and promote events.</p> <p>As advocated for by TTF in Backing Our Strengths – Queensland Policy Agenda.</p>
<b>Aviation attraction</b>	<p><b><i>\$10 million over three years</i></b></p> <p>The government will provide an additional allocation to the Attracting Aviation Investment Fund over the three years from 2015-16, taking the total fund allocation to \$18 million.</p>

<p><b>Arts and cultural funding</b></p>	<p><b><i>\$172 million in 2015-16</i></b></p> <p>The government will provide a state contribution of \$172.8 million in 2015-16 to the operating expenses of the Arts Portfolio including the arts statutory bodies – Queensland Museum, Queensland Art Gallery and Gallery of Modern Art (QAGOMA), Queensland Performing Arts Centre, Screen Queensland and Queensland Theatre Company.</p> <p>This allocation includes \$1.7 million for QAGOMA to support an exhibition program during its 10th anniversary celebrations.</p>
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**BOOSTING INVESTMENT IN VISITOR INFRASTRUCTURE**

<p><b>Commonwealth Games infrastructure</b></p>	<p><b><i>\$174.6 million in 2015-16</i></b></p> <p>The Gold Coast 2018 Commonwealth Games capital works expenditure will continue in this year’s budget.</p> <p>This includes:</p> <ul style="list-style-type: none"> <li>• \$39.5 million allocated to the Queensland State Velodrome for track cycling,</li> <li>• Capital grants of \$83.5 million for the Carrara Precinct encompassing the Carrara Sport and Leisure Centre and Carrara Indoor Stadium, and</li> <li>• \$30.8 million for the Coomera Sports and Leisure Centre.</li> </ul>
<p><b>South Bank Cultural Precinct</b></p>	<p><b><i>\$28 million over four years</i></b></p> <p>This funding will go towards critical infrastructure maintenance for the key institutions in the South Bank Cultural Precinct.</p> <p>There is no allocation in this budget for funding to take forward the master plan for the precinct.</p>
<p><b>Townsville Stadium</b></p>	<p><b><i>\$100 million over four years</i></b></p> <p>In line with its election commitment, the government will be funding the upgrade of the Townsville Stadium.</p>
<p><b>Great Barrier Reef</b></p>	<p><b><i>\$100 million over five years</i></b></p> <p>This funding will be used for water quality initiatives, scientific research and helping businesses transition to better environmental practices in the primary production, mining and fishing industries.</p>

<b>State Netball Facility</b>	<p><b><i>\$30 million over two years</i></b></p> <p>This will go towards the development and building of a state netball facility at the Queensland Sport and Athletics Centre, in partnership with Netball Queensland.</p>
<b>National Parks</b>	<p><b><i>\$163 million in 2015-16</i></b></p> <p>This represents an increase of \$11 million on the 2014-15 budget allocation of \$152 million for national parks.</p>

## INVESTING IN TRANSPORT

<b>Toowoomba Second Range Crossing</b>	<p><b><i>\$172.1 million in 2015-16</i></b></p> <p>This funding allocation will progress the 41 kilometre project which is jointly funded by the Commonwealth and Queensland governments.</p>
<b>Gateway Motorway North</b>	<p><b><i>\$175.9 million in 2015-16</i></b></p> <p>The funding will progress the widening of the motorway to six lanes between Nudgee and Bracken Ridge.</p>
<b>Rail infrastructure</b>	<p><b><i>\$861.4 million in 2015-16</i></b></p> <p>This includes:</p> <ul style="list-style-type: none"> <li>• <b>\$568.6 million</b> towards rail network infrastructure, including continuing the construction of the third track between Lawnton and Petrie stations and the duplication of the Gold Coast line between Coomera and Helensvale stations.</li> <li>• <b>\$304.6 million</b> to overhaul rollingstock, including new stabling facilities for the New Generation Rollingstock, upgrades of maintenance infrastructure at Wulkuraka and initial spending on a key project that will deliver 75 new trains by December 2018.</li> </ul>
<b>Road infrastructure</b>	<p><b><i>\$161 million in 2015-16</i></b></p> <p>This will go towards upgrading major Gold Coast roads in the lead up to the 2018 Commonwealth Games</p>
<b>Bruce Highway duplication</b>	<p><b><i>\$113.1 million in 2015-16</i></b></p> <p>Funding towards duplication works on the Bruce Highway (Cooroy to Curra).</p>

## COMPETITIVENESS

### Payroll tax

The government has deferred the increases in the payroll tax threshold.

The payroll tax threshold will be maintained at current levels in line with the government's previously published plans to fund its election commitments.

Payroll tax in Queensland will remain at the lowest rate in Australia.