

QUEENSLAND BUDGET 2017-18: HIGHLIGHTS

ECONOMIC OUTLOOK

The Queensland Government has announced a net operating surplus of \$2.8 billion in 2016-17, decreasing to \$146 million in 2017-18. This reduction can be partially attributed to the overall economic cost of Severe Tropical Cyclone (STC) Debbie which the Queensland Government has estimated at approximately \$2 billion or 0.75 per cent of GSP. The projected surpluses across the forward estimates are contained in the table below.

Key fiscal aggregates: Queensland						
	2015-16 Actual (\$m)	2016-17 Est. Act (\$m)	2017-18 Budget (\$m)	2018-19 Projection (\$m)	2019-20 Projection (\$m)	2020-21 Projection (\$m)
Government Revenue	50,995	56,434	55,869	56,138	57,887	58,982
Government Expenses	50,025	53,610	55,723	56,021	57,183	58,574
Net operating surplus	970	2,824	146	117	704	408

Growth in the Queensland economy is expected to increase over the forward estimates from 2.4 per cent in 2015-16 to 2.75 per cent in both 2016-17 and 2017-18 and 3 per cent in 2018-19. The unemployment rate is forecast to decrease from 6.25 per cent in 2017-18 to 6 per cent in 2018-19.

Key economic forecasts/projections: Queensland						
	2015-16 Actual	2016-17 Est. Actual	2017-18 Forecast	2018-19 Forecast	2019-20 Projection	2020-21 Projection
Gross State Product (%)	2.4	2.75	2.75	3	3	3
Employment (%)	0.7	1.25	1	1.5	1.75	1.75
Unemployment rate	6.4	6.25	6.25	6	6	6

2017-18 BUDGET MEASURES

The Queensland Government has announced significant commitments to the state's tourism and hospitality industries in the 2017-18 Budget including \$47.1 million for Tourism and Events Queensland, guaranteeing its funding commitment of \$100 million per annum. The 50 per cent rebate in payroll tax on the wages of apprentices and trainees has also been extended to 30 June 2018. The table below provides a summary of Budget announcements that are of interest to the tourism and hospitality industries.

Budget Measures	
SMALL BUSINESSES	
<ul style="list-style-type: none"> ▪ The Queensland Government has announced a continuation of the payroll tax rebate for apprentice and trainee wages at the increased rate of 50 per cent until 30 June 2018. <ul style="list-style-type: none"> • The rebate is in addition to their wages being exempt and will be used as an offset against payroll tax payable on the wages of other employees; 	

- An additional \$50 million has been allocated to the [Back to Work](#) program, which offers businesses financial incentives of up to \$15,000 to employ the long-term unemployed or youth. This funding will be used to extend the program from regional areas to South-East Queensland.
- The Queensland Government's [Powering Queensland Plan](#) included \$771 million of funding to cover the cost of the solar bonus scheme over the next three financial years.
 - It is estimated that this will reduce bill increases in 2017-18 from 7.1 per cent to 3.3 per cent for the typical household and provide an average saving of \$51 for households and \$90 for small businesses in 2017-18.

TOURISM AND TRADE

- The Queensland Government has announced an additional \$47.1 million in 2020-21 to continue its \$100 million per annum funding guarantee for Tourism and Events Queensland;
- \$35 million in funding over five years has also been allocated to support the [Queensland Trade and Investment Strategy 2017-2022](#).
- \$9 million has been allocated to assist the tourism industry and small businesses recover and from the impact of STC Debbie.

EDUCATION AND TRAINING

- The Queensland Government has allocated funding for the following projects as part of its commitments to education and training:
 - \$60 million in 2017-18 as part of the four-year \$240 million [Skilling Queenslanders for Work](#) program which originally started in 2015; and
 - An additional \$10 million funding over two years to assist in skills creation for jobs seekers in regional areas.

INFRASTRUCTURE

- The Queensland Government has committed to fully fund and deliver the \$5.4 billion for the [Cross River Rail](#) project. This includes an extra \$1.95 billion over the forward estimates;
- \$3.9 billion has been allocated towards road infrastructure including:
 - \$252 million for the construction of the Toowoomba Second Range Crossing; and
 - \$236 million towards the widening the Gateway Motorway North (south of Nudgee);
- The Queensland Government has also allocated the following funds in the 2017-18 Budget:
 - \$233.5 million for the completion of the Gold Coast Light Rail Stage 2;
 - \$140 million for the North Queensland Stadium; and
 - \$176 million over two years from 2018-19 for the expansion of the Cairns Convention Centre.