

~~Date: 13 June 2017~~

~~Tabled paper: Message, dated 13 June 2017, from the Deputy Governor, recommending the Appropriation Bill 2017.~~

## Introduction

**Hon. CW PITT** (Mulgrave—ALP) (Treasurer and Minister for Trade and Investment) (2.33 pm): I present a bill for an act authorising the Treasurer to pay amounts from the Consolidated Fund for the departments for the financial years starting 1 July 2017 and 1 July 2018. I table the bill and explanatory notes.

*Tabled paper:* Appropriation Bill 2017.

*Tabled paper:* Appropriation Bill 2017, explanatory notes.

Around two and a half years ago, Queensland Labor told Queenslanders that there was a better way—a better way that included consulting and engaging with stakeholders, industry groups, business and everyday Queenslanders and a better way that included restoring front-line services. We have put Queenslanders first with more doctors, nurses, and health professionals; more teachers and teacher aides; more police, paramedics and firefighters. We have delivered surpluses in my first two budgets, even before a spike in world coal prices saw forecast surpluses revised upwards. Confidence is up. We have implemented a clear economic plan to strengthen and grow our regional and state economies and to deliver jobs. As a result, our \$300-plus billion Queensland economy is growing. Our unemployment rate is lower. We have created nearly 60,000 net new jobs since the 2015 election. This, the third budget of the Palaszczuk government, is a budget that delivers more jobs for Queensland.

### Economic outlook

It has been necessary to frame this budget in the wake of a natural disaster. The cyclone and floods have not dampened our resolve to rebuild and drive economic growth across all parts of Queensland. Our diverse and resilient economy continues to head in the right direction. Overall growth in the Queensland economy is forecast to strengthen from 2.4 per cent recorded in 2015-16 to 2.75 per cent in both 2016-17 and 2017-18, before improving to three per cent in 2018-18. Forecasts would have been higher but for the impact of Tropical Cyclone Debbie, which is expected to shave around \$2 billion or three-quarters of a percentage point from economic growth across this financial year and the next. Severe Tropical Cyclone Debbie has hit hard our economy, slowing growth to be in line with the rest of the nation. Coal, sugar, cattle and other exports have been impacted, as well as localised tourism.

However, other economic indicators are encouraging. Queensland businesses are setting export records and our ports are a key part of that logistics chain that sees valuable export income generated for our state. Overseas exports are expected to grow between three per cent and four per cent a year over the forecast period. In the 12 months to April 2017, our exports were worth \$61.1 billion, well over \$1 billion a week. That is a strong result when you consider the impacts of Tropical Cyclone Debbie and drought. It shows just how strong and resilient our economy really is. Growth in services exports such as tourism and education will continue to be supported by a sustained lower Australian dollar and growing demand from Asian markets.

While exports currently underpin a lot of our growth, our domestic economy is seeing an upturn. We have recorded five consecutive quarters of growth in state final demand after eight consecutive quarters of contraction. We are recording positive growth in business investment after a sustained period of contraction—11 consecutive quarters—following the unprecedented \$60 billion investment in LNG.

### Confidence

Over the past two and a half years, we have seen the rise and rise in business confidence and conditions. Without confidence we do not see new investment, increased profitability and the jobs that go with it. Nearly every credible survey is saying the same thing. The NAB Monthly Business Survey has ranked us highest or second highest on business confidence for 26 of the past 28 months. The Sensis Business Confidence Index for SMEs puts us at the highest level in seven years. The Suncorp CCIQ pulse survey for the March quarter underlined the upturn in the state's economy, with business confidence at its highest since 2014. In the same survey, business conditions were perceived to be the best since 2009. We have also seen the Westpac-Melbourne Institute Index of Consumer Sentiment up 6.2 per cent since January 2015. In short, confidence has made a comeback.

### Economic plan

Queenslanders have every reason to be confident and to remain optimistic about our future and the opportunities ahead of us, both in our state and our nation, as well as in the global economy. Today,

our government recommits to deliver and implement the next phase of our economic plan. Our approach to economic and fiscal management has been disciplined. Today I can report that the Queensland government is expected to record a net operating surplus of \$2.8 billion in 2016-17. That is the biggest surplus in a decade.

The boost to our revenue from coal royalties has improved the budget position in 2016-17. We have acted to allocate it to job generating projects, the further retirement of debt and to support downward pressure on electricity prices for Queensland businesses and households. I can confirm that for the 2017-18 year, the budget will remain in surplus, albeit dramatically reduced due to the impact of natural disasters. This \$146 million surplus and forecast surpluses across the forward estimates have been achieved through a measured responsible approach to the state's finances.

The 2017-18 budget is a measured and responsible budget with expenses growth averaging 3.2 per cent a year in line with revenue growth in last year's budget prior to Tropical Cyclone Debbie. It would be irresponsible, not just socially but economically, to slash funding for reconstruction and frontline services every time a natural disaster impacts on revenue.

Last year we introduced a new fiscal principle related to growing the government workforce in line with population growth on average over the forward estimates. It is a self-imposed measure as part of the toughest suite of fiscal principles in the nation. Population growth will track at 1.5 per cent and growth in FTEs will be at 1.7 per cent on average over the forward estimates. To put this into perspective, in the previous government's last budget in 2014-15 growth in the public service was 3.7 per cent. In 2016-17, growth in the public service is expected to be three per cent. Since March 2015 almost 90 per cent of the growth in government workers has been in the key frontline service delivery areas of health, education and police. Following the completion of our commitment to restore frontline services in 2017-18, growth in the public service will move back into alignment with population growth.

The 2017 budget maintains a surplus in each and every year of the forward estimates while delivering funding to support jobs, build infrastructure and deliver essential health and education services. Our surpluses have been achieved while allocating significant expenditure to the essential services that Queenslanders need and deserve. It is about delivering more equity, fairness and a better quality of life for Queenslanders no matter where they live. This budget allocates substantial additional resources for our schools, hospitals and other community services. It eases cost-of-living pressures for households and small businesses. It strengthens our social fabric. All of this is occurring in the face of a challenging domestic and global outlook. Weakening taxation revenue and GST is a challenge beyond 2016-17. At the same time we must absorb the initial costs of Tropical Cyclone Debbie.

#### **Government Owned Businesses**

We promised there was a better way to drive down debt—one that did not involve selling off our income-generating assets. They remain in safe hands contributing to our economic growth, delivering jobs and services for Queenslanders and keeping the state moving. Queenslanders can see the returns once again in this budget in the form of better frontline services and job-creating capital works. Because we kept them in public ownership, we can use our GOCs to build infrastructure when and where we need it most, especially in regional Queensland. All of our government owned businesses are generating revenue for Queenslanders, not sending it beyond our borders or overseas into the pockets of private shareholders.

#### **Driving Down Debt**

Our Debt Action Plan was established to refocus the state's balance sheet. A review of state finances made recommendations for a revised set of fiscal principles that saw us direct focus towards targeting an improvement to the general government debt-to-revenue ratio. Right from the start we rolled up our sleeves. Our balance sheet reforms are bringing positive results.

In 2012-13 Queensland's debt-to-revenue ratio was 91 per cent. As a direct result of measures introduced through the Debt Action Plan, we have seen a substantial fall in the ratio to 60 per cent for both 2016-17 and 2017-18. In 2017-18 general government debt is expected to be more than \$14 billion lower than forecast in the 2014-15 budget. Non-financial public sector debt, which includes government owned businesses, is expected to be \$10 billion lower. For those naysayers opposite, the NFPS debt-to-revenue ratio is also down from a peak of 141 per cent to 114 per cent. Both debt measures are down. All of this has been achieved without the need to introduce new taxes, fees and charges on Queenslanders, and it has been achieved without selling our income-generating assets.

#### **Ratings Agencies**

The results of our Debt Action Plan are examined closely by ratings agencies. Our AA+ credit rating by Standard & Poor's Global has been affirmed, our Aa1 credit rating by Moody's Investor Services has been affirmed, and we have moved from a negative outlook to a stable outlook. These significant decisions, which are made by those who scrutinise every element of our economic plan, confirm it is working. We rejected the short-sighted option of cutting, sacking and selling our way back. In all of our budgets we choose to put in the hard work to make our whole-of-state balance sheet work harder for the benefit of Queenslanders. We said there was a better way. We have seen the positive results and we will see more.

### **Jobs for Queensland**

This is a jobs focused government. We have worked every day to get Queenslanders back to work. I am pleased to advise the House that the Queensland labour market is showing positive signs. An average of 2,190 jobs have been created each month under this Labor government. Both the aggregate and youth unemployment rates have fallen. Additionally, positive signs are emerging in several areas in regional Queensland, but there is no question that more needs to be done to lift employment opportunities in some areas of Queensland. That is why at the heart of this budget there is a \$42.75 billion capital works program over four years. That is an increase of over \$2 billion from the last budget and a reflection of our commitment to jobs for Queensland and its future.

In 2017-18 the program will be over \$10 billion. This budget will support around 40,000 jobs in 2017-18: jobs via the infrastructure program; jobs from Works for Queensland; jobs from our Back to Work program and Skilling Queenslanders for Work; many jobs in rural and regional Queensland; and most of the jobs in the private sector.

### **Cross River Rail**

The federal budget ignored Queenslanders and ignored funding requirements for Cross River Rail. To date the Turnbull government has committed only to provide \$10 million to help fund some pre-construction planning costs. While the federal government dithers and delays its decisions, we cannot wait any longer. Mr Speaker, I can confirm today that the Palaszczuk government will fully fund the delivery of the state's highest priority infrastructure project: Cross River Rail. This budget makes the long-term financial commitment to ensure that this project, so long promised for Brisbane and the broader south-east, can now be delivered with certainty. Cross River Rail is fundamental to ensuring that the transport system in South-East Queensland can continue to grow and accommodate projected increases in population. This is a traffic congestion-busting project that will support 1,500 construction jobs each year during construction.

It is more than just a city-shaping project, Mr Speaker: it is an economy-shaping project. Our decision today will bring on new investment which will in turn create even more jobs and stimulate economic activity. The project's total capital cost is forecast to be \$5.409 billion. This budget commits \$1.95 billion over the forward estimates in addition to the \$850 million already funded in previous budgets so that early works can start as early as the end of this year.

Queensland deserves to get its fair share of infrastructure funding from the federal government, especially for Cross River Rail. It is not too late for the federal Treasurer to make a contribution that properly reflects the strategic importance of this project and its contribution to the nation. Queenslanders will not forget.

### **Infrastructure across Queensland**

While the capital program includes \$2.8 billion towards Cross River Rail, this budget delivers vital infrastructure for communities right across Queensland. \$4.8 billion will be invested in infrastructure this year across regional Queensland including Mackay, Western Queensland, Far North Queensland, Central Queensland, Wide Bay, Darling Downs and Townsville that will directly support 14,500 jobs. For transport and roads the capital program includes over \$3.8 billion, including construction of the Toowoomba Second Range Crossing and widening the Gateway Motorway North to six lanes. These road projects are examples of where the Queensland and federal governments can work together to fund projects. There is also \$604 million for school facilities and \$916 million for health capital works.

For Townsville we are setting aside \$225 million over four years to address long-term water security. The state's contribution of \$140 million to the \$250 million North Queensland Stadium—home of the mighty North Queensland Cowboys—will support around 750 jobs in design and construction, with many of those positions being filled by people from the Townsville region. We have made a down payment of up to \$75 million for channel widening at the Port of Townsville to facilitate more trade and investment and to ensure Townsville is well positioned for future growth and jobs.

We have committed to the \$120 million Cairns Shipping Development Project, which is a much needed project to deliver growth in cruise shipping and jobs in the tourism sector and associated suppliers of goods and services. Both of these projects are subject to finalisation of an environmental impact statement and business case assessment. The Cairns Convention Centre will receive \$176 million to expand into a state-of-the-art international venue. This catalytic investment will enhance Cairns' reputation as the gateway to the Great Barrier Reef and underpin the future economy in the Far North.

We are allocating \$70 million in 2017-18 for the construction of the Mackay Ring Road. This is a \$498 million project in partnership with the Australian government. Due for completion in July 2020, the project will improve connectivity between Mackay and the Bowen Basin and ensure that the region is prepared for future growth. The \$200 million expansion of the Capricornia Correctional Centre near Rockhampton will ease overcrowding in the prison system and will support 100 construction and 70 ongoing jobs. There is an allocation of \$2 million to support the planned relocation of the Rockhampton Regional Council's city art gallery.

While the Turnbull government has not yet agreed to the proposal to fund a Rockhampton flood levee under Category D of the Natural Disaster Relief and Recovery Arrangements, our government has set aside the necessary funds for our share of this important project. This budget recognises the untapped potential of the North West Minerals Province, with \$39 million for a strategic blueprint to facilitate continued resources sector development while diversifying the regional economy.

### **Employment Programs**

In addition to our infrastructure program, we need to work even harder to drive better employment outcomes in the south-east as well as across regional Queensland. That is why the budget builds on the initiatives of the last two years and commits a further \$50 million to continue the highly successful Back to Work program. As at 31 May 2017, almost \$21 million has been paid to employers to directly employ 4,334 regional jobseekers. This includes 2,200 jobseekers employed under the \$20,000 Back to Work Youth Boost. Back to Work is now a \$150 million program for regional Queensland. Today I can announce that we are investing \$27.5 million to expand Back to Work into South-East Queensland for employers who take on long-term unemployed or young unemployed jobseekers.

Since we brought back our \$240 million Skilling Queenslanders for Work initiative, more than 18,000 Queenslanders have been assisted. More than 9,500 participants who have exited the program have gone on to secure jobs, undertake further training or study or both.

Works for Queensland equals jobs for Queensland. This \$200 million program is delivered in partnership with local governments outside of the south-east corner. This budget commits a further \$200 million over two years, bringing the total commitment for the Works for Queensland program to \$400 million.

### **Industry and Investment**

Innovation is not just about new industries of the future; it is also about transforming our existing industries—building on our traditional strengths so they can reach their potential and capitalise on changing world markets. Increased investment in our Advance Queensland initiative takes the Palaszczuk government's total commitment to \$420 million. This positions Queensland as the best place in the nation to turn great ideas into reality.

The budget allocates additional funding of \$15 million to develop 10-year priority industry road maps and action plans that support emerging and priority sectors to maximise their potential. Over \$10.9 million is being invested from the Business Development Fund, which is encouraging venture capital investment in Queensland. A further \$10 million is being redirected into the successful Ignite Ideas Fund, with almost \$16.5 million invested to date in 118 innovative small firms with a product prototype ready for market.

At the 2016 midyear review I announced the \$130 million Jobs and Regional Growth Fund, and it is delivering for regional Queensland. Just last week our government announced \$8.64 million in assistance for Bio Processing Australia's proposed \$50 million biorefinery in Mackay, expected to create around 115 jobs. We were not prepared to stand by and see this invaluable project go offshore to somewhere like Singapore or Malaysia, which was all but certain if it had not been for the fund.

Our Industry Attraction Fund is encouraging businesses to relocate or establish new projects in Queensland and has attracted businesses involved in industries from biofuels to advanced manufacturing and robotics.

We are not only focusing on businesses; we are also asking people to make the move to Queensland, with a campaign to be launched to attract individuals and businesses to Queensland from interstate, especially New South Wales and Victoria. Queensland maintains its competitive tax status against other states and territories. Per capita state tax is estimated at \$2,691 in 2017-18, compared to an average of \$3,534 for the other states and territories. People will continue to benefit from the government maintaining its commitment to not introduce new taxes, fees or charges on Queenslanders. They will also benefit from greater housing affordability.

#### **First Home Owners' Grant**

The government recognises how difficult it is for first home buyers to get into the housing market. The First Home Owners' Grant was temporarily increased from \$15,000 to \$20,000 on 1 July last year until the end of this month. I can announce today that additional funding of \$30 million from this year's budget will extend the increased grant for a further six months, until 31 December 2017. It is specifically for transactions for buying or building new houses, units or townhouses valued at less than \$750,000.

The popularity of the First Home Owners' Grant is clear. As at 31 May, 6,353 applications, worth \$127 million, had been received. Of those, 4,900, worth \$98 million, have been approved so far, with more to be approved as house purchases by applicants proceed. If all of the approved grants leveraged new dwellings of \$750,000 they would represent almost \$3.7 billion worth of activity. That means Queenslanders in their own homes and it means jobs for our building industry and related industries.

Following moves in the federal budget and also in Victoria, I can inform the House that this year's budget introduces a 1.5 per cent land tax surcharge on absentee land tax payers if the value of their taxable land is \$350,000 or higher. The surcharge ensures that absentee owners of land are making a fair contribution, and it has no direct impact on Queensland residents. It is a measure that is expected to increase government revenue by \$20 million a year from 2017-18. However, unlike Victoria and New South Wales, we will not be making any further changes to our foreign acquirers transfer duty surcharge. This will see Queensland remain competitive, at three per cent, when compared to our interstate peers at seven per cent and eight per cent in Victoria and New South Wales respectively.

#### **World-Class Health System**

The Palaszczuk government is continuing to invest in a world-class health system that provides first-rate services by a highly skilled workforce. Since March 2015 we have employed an additional 1,191 doctors, 3,172 nurses, 882 allied health professionals and 250 ambulance operatives.

Queensland's Health budget will grow to a record \$16.6 billion in this budget. Under the first three budgets we have increased funding for Health by more than \$3 billion. In this budget we have committed \$916.1 million including investments in health facilities and supporting infrastructure across the state in 2017-18. New funding of approximately \$208 million will go towards upgrading health and supporting infrastructure in rural and regional Queensland. Some \$132 million has been earmarked for planning and early works for proposed redevelopments at Logan, Caboolture and Ipswich hospitals. A much needed new adolescent mental health facility will be built at the Prince Charles Hospital costing \$68 million, with associated support services in Brisbane, Logan and the Gold Coast. This is the replacement for the Barrett centre that was closed under the previous government.

#### **Education and Training**

We are investing in our future through a record Education budget of \$13.7 billion to give our children the best education possible and teachers the support they need to do what they do best: teach. There will be an additional 230 teachers in 2018 and 2019 to ensure the first smaller cohort of prep year students from 2007 are not disadvantaged in subject choices as they complete the senior phase of schooling.

Under the Building Future Schools Fund initiatives, \$500 million over five years is being allocated to address enrolment growth pressures in state schools. We will build the first new high school in inner-city Brisbane since 1963 at the former Fortitude Valley State School site and establish a new high school in the capital's inner south to take pressure off Brisbane State High School.

Plans are already underway for new state high schools in other growth areas across Queensland including Mount Low in Townsville, North Lakes/Mango Hill north of Brisbane, Calliope near Gladstone and Yarrabilba in south Logan. We have already built a new special school in Cairns and opened three new schools this year: Bellbird Park State Secondary College, Pumicestone State School and Fernbrooke State School.

This year we are building four new primary schools: in Yarrabilba, Coomera, Caloundra South and Burdell near Townsville which will open in 2018. We have also announced that the final Queensland

schools public-private partnership school will be built in Springfield for 2019. We are also committing to \$250 million for new secondary school classrooms and other infrastructure to cater for additional students in 2020. This is in addition to the \$200 million committed prior to the budget for 98 new school infrastructure projects including \$100 million for school halls at 30 schools. This means more work for our tradies.

In total, since last year's budget we have committed another \$950 million towards school infrastructure. This is in addition to the \$1.1 billion committed to state and non-state school infrastructure and maintenance works in prior budgets. That is a commitment of more than \$2 billion to school infrastructure by the Palaszczuk government.

### **International Education and Training**

We are also implementing the \$25.3 million *International Education and Training Strategy to Advance Queensland 2016-2026*. International student enrolments continue to rise, with the latest figures showing 111,500 enrolments last year—the highest figure ever for Queensland.

Regional enrolments are also up, with around a third of international students choosing to further their education outside of Brisbane—far and away the highest percentage of any state. Our modelling shows that by 2026 onshore international student enrolments could reach 193,250 which would deliver an additional \$2.8 billion each year in export earnings. This would bring the total for the sector to \$7.5 billion.

### **The Arts**

We are building a permanent film and television industry right here in Queensland. Queensland continues to attract the biggest names, the biggest acts, the biggest theatre productions and the biggest Hollywood blockbusters the world has to offer. A strong arts sector contributes to job creation in a diverse economy while helping to build safe, caring and connected communities.

### **Expanding Our Tourism Industry**

Including flow-on benefits to other sectors, our tourism industry is worth \$23 billion to the Queensland economy, employs 220,000 Queenslanders and generates \$55.3 million a day in overnight visitor spending. We are determined to see tourism thrive and will continue to attract and secure major events that grow the Queensland economy and support jobs. That is why we are committing an additional \$47 million in 2020-21 to deliver the \$100 million per year funding guarantee for Tourism and Events Queensland.

### **The Commonwealth Games**

We are just 10 months away from one of the biggest sporting events in the world—the Gold Coast 2018 Commonwealth Games. The stats are amazing—6,600 athletes and officials representing 70 nations and territories throughout 11 days of competition. More than 1.5 billion people will watch the action on TV and an estimated 1.5 million people will attend our games venues. The total commitment to deliver the Gold Coast Commonwealth Games in 2018 is \$1.5 billion. This will support more than 2,000 jobs during the construction of three new venues and the games village.

Of the \$657 million in construction contracts for the venues and games village, around 90 per cent of the value has been awarded to South-East Queensland businesses. A consortium of four Australian companies has been appointed to provide more than 4,000 personnel to provide security. The games also provide a unique opportunity to leave a lasting legacy for business, industry and sporting and community groups in Queensland.

### **The Great Barrier Reef**

The unprecedented commitment by this government to protecting the Great Barrier Reef continues. The reef supports around 69,000 jobs and contributes \$5.7 billion to the Queensland and Australian economies, yet it remains under pressure from agricultural run-off, climate change, coastal development and illegal fishing. Cyclones and severe flooding have also impacted the reef. T

he budget allocates \$175 million over five years to deliver the Great Barrier Reef Water Quality Program as part of the government's ongoing commitment to protect the Great Barrier Reef—one of the state's great natural tourism assets. The government's comprehensive Great Barrier Reef Water Quality Program is in addition to the \$100 million provided in 2015-16 to address the recommendations arising from the Great Barrier Reef Water Science Taskforce.

This budget commits an additional \$15 million over three years to continue the task of reducing carbon emissions. This is in addition to the previous \$15 million climate adaption package and the

\$8.4 million CarbonPlus initiative to support Indigenous carbon farming. We are also allocating \$2.5 million to implement the container refund scheme and plastic bag ban from 1 July 2018.

### **Protecting Our Environment**

Our communities, our economy and the health and wellbeing of Queenslanders go hand in hand with the environment. The government knows landowners are among some of the best environmental managers to be found anywhere. That is why the government has already made available almost \$20 million to secure nature refuge agreements under the NatureAssist program, giving incentives to conserve high-value habitat on privately owned land. The government is providing increased funding of \$40 million over two years to revitalise national parks and enhance nature based tourism. This is what the tourism industry has been asking for. An additional \$3.2 million will be provided for the Protected Area Strategy and the management of nature refuge agreements.

The Queensland Indigenous Land and Sea Ranger program provides grant funding, training and mentoring support to increase Indigenous participation in environmental management and supporting jobs in areas including ecotourism. This year's budget commits \$8 million over four years to create an additional 25 ranger positions, taking the total number of positions to 100 across 17 regional and remote communities.

### **Protecting and Growing Our Agricultural Assets**

The importance of Queensland's agricultural sector to the economy cannot be overstated. Our determination to protect our precious agricultural assets from feral pests, disease and invasive weeds while growing our export industry is set in stone. This budget extends existing drought relief arrangements, with up to \$34.6 million in assistance available in 2017-18. We will provide \$5.2 million over three years to support rural economic development through growing Queensland's food exports, development of a Rural Economies Centre of Excellence and continuation of the one-stop service.

We are all well aware of the impact white spot disease has had on our fisheries industry. Up to \$9 million over two years will continue the government's emergency response to white spot disease, building on the \$17.6 million already committed. The budget commits \$2.8 million to continue the fight against Panama disease. This is in addition to \$5.9 million for the Electric Ant Eradication Program, wild dog fencing and the management of navua sedge.

We will also continue funding of over \$2 million over the next two years for the management of yellow crazy ants in and adjacent to the Wet Tropics World Heritage Area. There is a further \$3.4 million over four years for the Queensland Rural and Industry Development Authority to undertake a rural debt survey, operate the Farm Debt Restructure Office and develop a policy and research function. The government will invest \$30 million over three years from 2017-18 towards the implementation of Queensland's fisheries management reforms.

### **Powering Queensland Plan**

The challenge of a secure energy policy—one that realistically transitions to a renewables future—is one that this government is taking head-on. As part of the 2017-18 budget, I am proud to say the \$1.16 billion Powering Queensland Plan is a comprehensive and nation-leading package of developments to ensure Queenslanders continue enjoying a lifestyle backed by an affordable, secure and sustainable energy supply.

The plan provides a road map to put downward pressure on electricity prices and drive jobs and investment. It will lead the state's transition to a 50 per cent renewable target by 2030 which will deliver significant economic benefits to Queensland. This is a broad-reaching plan which incorporates:

- \$771 million to provide relief for Queensland electricity consumers by covering the cost of the Solar Bonus Scheme for three years;
- reopening the gas-fired Swanbank E power station to increase reliable supply;
- directing Stanwell Corporation to undertake strategies to place downward pressure on wholesale prices; and
- a Queensland gas action plan to ensure long-term gas supply for electricity generation.

We will also be assessing the feasibility of a separate 'CleanCo' to operate Queensland's existing renewable and low-emissions energy generation assets and develop new renewable energy projects. The plan includes \$386 million dedicated to Powering North Queensland. We are funding this plan through the dividends from our government owned corporations—the same corporations that we committed to keep in public hands to benefit Queenslanders. We will be giving \$150 million for the

development of strategic transmission infrastructure to support a clean energy hub in North Queensland.

As part of the Powering North Queensland plan, the government will work with SunWater to deliver the Burdekin Falls Dam safety improvement project, which will ensure that the dam continues to meet design standards, at a cost of approximately \$200 million. To date there has been an unprecedented level of renewable energy investment activity in North Queensland. Existing projects are expected to deliver \$1.6 billion of infrastructure spending and create more than 1,400 jobs. Further projects such as a new transmission line will support 3,600 jobs.

Two weeks ago the Queensland Competition Authority's proposed increase in retail electricity prices for regional customers of 7.1 per cent in 2017-18 was not accepted by the government. We moved quickly to more than halve the increase for all Queensland consumers and cut the proposed increase by 50 per cent for businesses through a \$771 million electricity affordability package. This will provide an average saving of \$51 for households and \$90 for a typical small business in 2017-18 and ongoing savings to 2020.

I am confident that Queensland is leading the nation with our energy policy, and we know how important affordable and clean energy are to business and individuals alike.

### **Support for Small Business**

With business confidence for small to medium sized enterprises in Queensland at its highest level in seven years, the Palaszczuk government will continue to work to drive down costs for SMEs. That is why we are continuing our partnership with the Chamber of Commerce and Industry Queensland to develop an enhanced ecoBiz program. ecoBiz supports SMEs to reduce their energy and water consumption, waste production and carbon footprint, and there have been some great results.

### **WorkCover**

We are also supporting businesses with the lowest workers compensation premiums in Australia. We will maintain an average premium rate of \$1.20 in 2017-18, providing a real benefit to employers without compromising the viability of the scheme. This is the lowest premium rate in the country.

For those businesses doing the right thing, we will also increase the early payment discount from three to five per cent of the premium rate. In addition, we are encouraging employers to hire apprentices by covering the WorkCover premiums for apprentices. Businesses will pay no WorkCover premium on the apprentices they hire. I can also advise that our doubling of the payroll tax rebate to 50 per cent for businesses that employ apprentices and trainees, announced in last year's budget, will continue.

### **Household Budgets**

We all know that everyday expenses can put enormous strain on household budgets. As a government, we want to do more to ease that burden where we can. Reducing cost-of-living pressures for Queenslanders and ensuring affordable prices for business forms a major part of this budget. More than \$5 billion in concessions will help Queenslanders who need it most, based on factors such as age, income and special needs or disadvantage. Broader concession arrangements are in place to reduce the price paid by all consumers in areas such as transport, electricity and water.

In addition to the more than three-quarters of a billion dollar investment to limit the QCA's electricity price rise, we recognise pensioners feel rising living costs and feel it more acutely than most. In 2017-18, the government is allocating \$54 million to assist pensioners with their rates. The Pensioner Rate Subsidy Scheme will provide subsidies of up to \$200 a year to help pensioners stay in their homes by lessening the impact of local government rates and charges.

In addition, the South East Queensland Pensioner Water Subsidy Scheme provides an annual payment of up to \$120 to eligible pensioners to lessen the impact of increased water prices. The Electricity Rebate Scheme provides up to \$341 per annum to assist with electricity costs for eligible holders of the Pensioner Concession Card, a Queensland Seniors Card or a Department of Veterans Affairs Gold Card.

Queensland Health will spend more than \$149 million on providing free dental care to eligible Queenslanders. On average, patients receive approximately \$600 for general care, \$1,800 for treatment involving dentures and \$265 for emergency dental care. In a further effort to reduce cost-of-living pressures, fairer fares for public transport users across the South-East Queensland network will remain frozen in 2017. Concession fares for jobseekers and asylum seekers will support workforce participation and extend social mobility.

### **Better Roads and Transport**



Transport networks bring communities together and services closer. They are a critical lifeline for so many rural and regional parts of our state. They also support commerce and industry. These are all signs of a healthy, robust economy—and we are delivering. Construction of the \$929 million Bruce Highway-Caloundra Road to the Sunshine Motorway is underway. The Queensland government has secured \$743 million from the federal government to support the project, which will increase safety and ease congestion for around 40,000 motorists daily.

We are partnering with the federal government on the \$400 million upgrade to the Ipswich Motorway Rocklea to Darra, with \$36 million in 2017-18. We have also reached agreement with the Australian government for much needed upgrades to the M1. This includes \$18.6 million in 2017-18 to construct additional lanes between Mudgeeraba and Varsity Lakes, at a total cost of \$180 million. In addition, \$10 million has been budgeted in 2017-18 to upgrade the M1-Gateway Motorway merge, at a total cost of \$170 million. Further, the Queensland government is investing \$5 million to progress the planning and business case development for the six-laning of the Pacific Motorway between Varsity Lakes and Tugun—a key priority on the southern end of the motorway.

The \$90 million boost to the Transport Infrastructure Development Scheme under our Building Our Regions program will provide additional support to local government transport infrastructure for three years. The budget also provides \$8.3 million over two years for the Local Fare Scheme, giving Cape York and Torres Strait communities access to affordable flights. A further \$2 million in 2017-18 will deliver a 12-month trial of the scheme in the western cape to improve access to education, employment and health services.

### **Queensland Housing Strategy**

Housing is an important sector of our economy and is a major jobs generator. But it is more than that. Housing is central to everyone's life and it is central to every community. That is the starting point for our new \$1.8 billion 10-year Housing Strategy, which was launched yesterday. We recognise the economic benefits the strategy will deliver. But we also recognise its human impacts. We know the difference between a house and a home. We know that having secure and affordable housing gives individuals and families a stable home—stability that can lead to better outcomes in terms of health, education and training and employment. Affordable housing can shape or reshape people's lives.

More investment in new housing stocks can help address housing supply issues and can assist in making new home ownership more affordable, and at a time when home and rental affordability can be a challenge. To help achieve that, this year's budget provides its biggest commitment to housing in Queensland's recent history. The \$1.8 billion strategy will see over 5,500 social and affordable homes built over the life of the strategy, with an average of 800 homes built each year for the first five years. On average, that means for each of the next five years we will be building double the number of social and affordable homes built in 2016-17.

We are elevating the building industry in this state, building homes and creating jobs. Over five years, the Housing Strategy will create 600 jobs on average per year, or 450 per year over 10 years. It includes \$1.2 billion to renew the existing social housing property portfolio. There is a \$420 million housing construction program to boost the supply of social and affordable housing, including \$3.5 million to construct two refuges for women and children escaping domestic and family violence.

We are also allocating \$75 million to progress home ownership in discrete Aboriginal and Torres Strait Islander communities and \$100 million for reforms to the housing and homelessness service system.

### **Prevention of Domestic and Family Violence**

Few governments have paid closer attention to addressing complex issues such as domestic and family violence and child safety than this one. This budget continues our response to the *Not Now, Not Ever* report to address the devastating impacts of domestic and family violence. Almost \$70 million has now been allocated for the specialist domestic and family violence court at Southport and the rollout of courts in Beenleigh and Townsville.

### **Child Safety**

Following the Queensland Family and Child Commission's report into the death of Mason Jet Lee, a \$56.8 million package of initiatives was announced earlier this year to further support foster carers and respond to critical issues. The budget commits an additional \$142 million over four years to further strengthen Queensland's child protection system. The funding package includes 292 front-line Child Safety officers, team leaders and front-line support officers.

### **Disability Services**

The budget delivers a record \$1.8 billion for disability services. This includes \$549 million for the National Disability Insurance Scheme, which continues to be rolled out in Ipswich and extended to Bundaberg, Rockhampton, Gladstone and west to the border. Around 91,000 Queenslanders are expected to receive NDIS funded support services by the end of 2018-19 when it is fully rolled out.

### **Social Benefit Bonds**

In 2015, we promised we would look at new ways of tackling complex social issues through social benefit bonds. I am pleased to say two bonds—one to help address youth reoffending and the other to help reunite children living in out-of-home care with their families—have been officially launched to a positive response.

### **Law, Order and Public Safety**

The recent tragic events in Manchester and London serve to remind us of the need to remain vigilant. It is important now more than ever for our community to feel safe and be safe and to make sure our police are highly trained and appropriately resourced. We will be spending \$44 million for an additional 30 counterterrorism officers, 20 additional police officers in priority areas and 20 rapid action and patrol group officers.

This budget commits funding of \$47 million to construct the Westgate counterterrorism and community safety training centre, reducing the need for police to train at multiple locations. A \$265 million overhaul of our probation and parole system, announced earlier this year, will enable tougher supervision of parolees. It will expand GPS monitoring and establish a fully independent Parole Board. It will also help reduce reoffending and help improve rehabilitation and mental health services.

The community has made it clear that our determination to confront and deal with the ice epidemic cannot waver. The Action on Ice strategy develops solutions directly with communities battling to cope with this soul-destroying and insidious drug. Today, I can announce a further \$18 million will be contributed to the plan with measures that increase awareness, support families and better equip our front-line service providers.

### **Conclusion**

As a state, this year we have overcome adversity and met those challenges head-on. But we have not shifted our focus from job creation. We have continued to focus on regional economies and transitioning to a post-mining boom economy. This is a budget that delivers surpluses over the forward estimates. It delivers record Health and Education funding and better front-line services. It delivers lower debt without asset sales. It delivers cost-of-living relief. It delivers the biggest housing spend in Queensland's history. It delivers major investments in our renewable energy future. It delivers a massive statewide infrastructure program and, most importantly, it delivers jobs for Queensland with the budget supporting 40,000 jobs, mostly in the private sector.

Before the end of this year our state's population will reach five million. This is a budget for every one of those five million Queenslanders. This is a budget that boosts spending where it is needed and where it can have maximum effect. This is a budget to strengthen our economy to face the future with confidence. This is a budget about fairness. This is a budget about recovery and rebuilding. This is a budget about jobs for Queensland. The Palaszczuk government is getting on with the job of creating jobs. I commend the bill to the House.

### **~~First Reading~~**

~~Hon. CW PITT (Mulgrave ALP) (Treasurer and Minister for Trade and Investment) (3.20 pm): I move—~~

~~That the bill be now read a first time.~~

~~Question put That the bill be now read a first time.~~

~~Motion agreed to.~~

~~Bill read a first time.~~

~~Mr SPEAKER: In accordance with standing order 177, the bill is now set down for its second reading.~~

## **~~REVENUE LEGISLATION AMENDMENT BILL~~**

### **~~Message from Deputy Governor~~**