

Queensland State Budget 2009–10 at a glance

\$18.2 billion capital program – supporting 127,000 full-time jobs in 2009–10
Queensland economy remains ahead of the nation



Delivering jobs for Queensland

- Under the Government's plan to create 100,000 new jobs over the next three years, the Government will focus on building infrastructure, developing skills, supporting industry, and developing new job creation programs

Building infrastructure

- Estimated capital spending of \$18.2 billion in 2009–10 – a 12.8% increase on 2008–09 – supporting some 127,000 full-time jobs.
- Capital outlays include:
 - \$7.307 billion for transport and roads;
 - \$1.296 billion for health;
 - \$1.837 billion for education and training including \$1.168 billion from the Australian Government's Building the Education Revolution;
 - \$1.447 billion for social housing including \$816.4 million under the Australian Government's Nation Building and Jobs Plan; and
 - \$3.206 billion in energy infrastructure.
- Queensland will again have the highest per capita capital program in the General Government sector – around 60% above the average of other states at \$2,083 per person.

Developing skills

- A new \$15 million payroll tax incentive for apprentices and trainees, giving employers a 25% payroll tax rebate on the eligible wages of apprentices and trainees in 2009–10, in addition to these wages being exempt from payroll tax.

- \$124.3 million over four years to create 148,000 additional training places.

Supporting industry

- \$37.8 million over three years to support and grow Queensland's tourism industry.
- Initiatives to support and develop the liquified natural gas industry in Gladstone.
- An instalment payment option for land tax will be introduced in 2010–11, with the payment period increased from 30 days to 90 days in 2009–10 in the interim.
- An increase to the first homebuyer vacant land concession.
- Per person, taxes are \$400 lower than the average of other states and territories.

Creating jobs

- \$57 million over three years for the Green Army, providing work placements and traineeships for up to 3,000 unemployed people across the State.
- Expanded training policy meaning private companies building Queensland government-funded infrastructure must use apprentices and trainees for 10% of all labour hours.
- \$22.5 million as part of the Sustainable Resource Communities Funding Initiative for infrastructure projects in the North West Queensland Mineral Province.



Returning the Budget to surplus

- The global economy is experiencing the most severe financial crisis since the 1930s and is likely to contract in 2009 for the first time in 60 years. Queensland's major trading partner economies are expected to contract 3% in 2009.
- The downturn has stripped \$15 billion off the State's key revenue streams of royalties, taxes and GST. This has had a significant negative impact on Queensland's operating position, with deficits forecast across each of the Budget and forward estimate years.
- The Government is committed to restoring Queensland's traditionally strong financial position, while maintaining Government services and continuing to invest in infrastructure to sustain jobs.
- Since the 2008–09 Budget, the Government has announced \$5.4 billion in measures over four years to help return the budget to surplus including:
 - abolition of the Fuel Subsidy Scheme saving around \$600 million per annum
 - increased public sector efficiency savings to \$280 million per annum
 - reform to local government grants and subsidy programs
 - revision to the Government's wages policy
 - under a new *Charter of Fiscal Responsibility*, revised fiscal principles which centre around the 3 themes of; fiscal sustainability, a competitive tax regime, and managing the State's balance sheet.
- In order to protect the State's capital program while maintaining a prudent fiscal approach, the Government has announced a staged program of strategic asset sales to be undertaken over the next three to five years. The sales are estimated to deliver proceeds of approximately \$15 billion and avoid a further \$12 billion in capital investment in these assets over the next five years.
- The program of asset sales, which is not factored into this Budget, will make a positive contribution to returning the budget to surplus.



Improving services

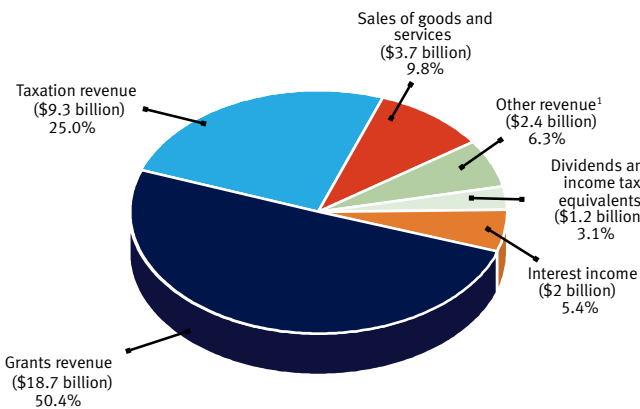
- Expenditure on health services will increase to \$9.037 billion in 2009–10 – an 8.2% increase on 2008–09.
- \$1.296 billion will be invested in 2009–10 in new and existing health infrastructure including the new Gold Coast University Hospital and Queensland Children's Hospital, and the redevelopments and expansions of Cairns, Mackay, Mount Isa, Robina, Townsville, Rockhampton and Ipswich hospitals.
- \$125.7 million capital funding for the expansion of a number of emergency departments.
- \$110 million for Surgery Connect to provide treatment for waitlisted public patients.
- More than 3,500 new doctors, nurses and health professionals over the next three years.
- \$301 million to continue the \$1 billion Tomorrow's Schools Program.
- 350 new teachers and teacher aides.
- \$66 million for the Safer Roads Sooner program.
- 203 new police, 50 new ambulance officers and 150 new ambulances.
- \$19.3 million for the construction or redevelopment of 20 ambulance facilities and \$22.2 million for nine new or improved fire stations.
- \$12.98 million for the Support Our Heroes package in recognition of the value of volunteers to the life-saving work of the emergency services.
- Queensland Solar Hot Water Program will offer fully installed, greenhouse efficient hot water systems for \$100 for eligible Queensland pensioners and low income earners and \$500 for eligible Queensland homeowners.



Queensland State Budget 2009–10 at a glance

How the money is raised

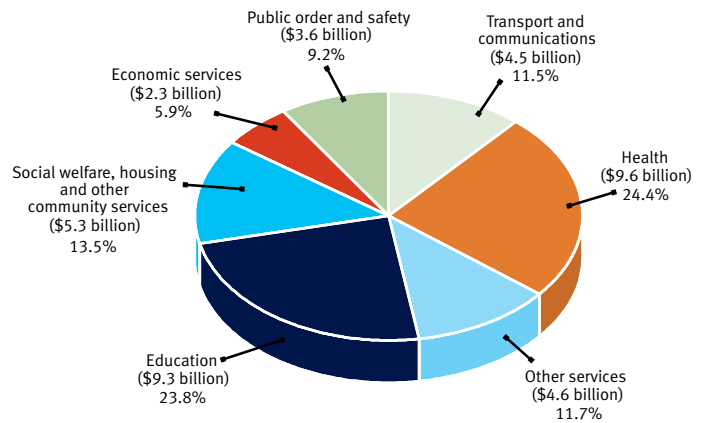
General Government operating revenue (2009-10)



¹The major component of 'Other revenue' is royalties and land rents (4.9%).

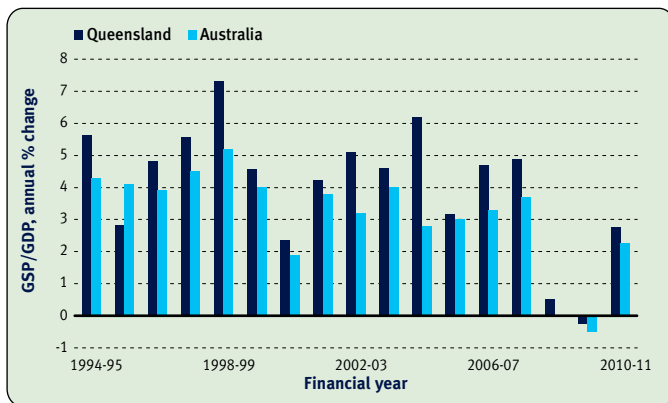
How the money is spent

General Government expenses by purpose (2009-10)



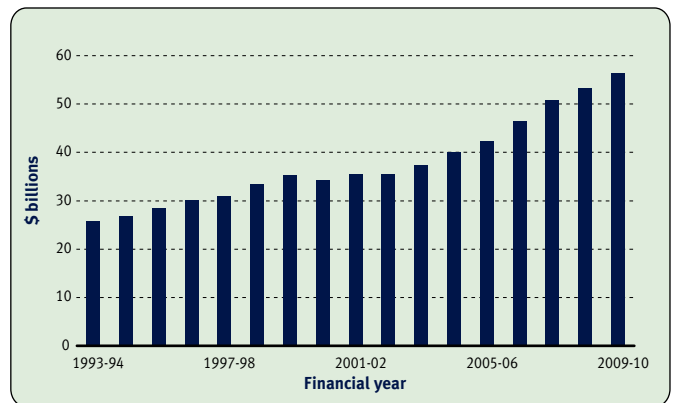
Stronger economic growth

Queensland continues to outperform the nation



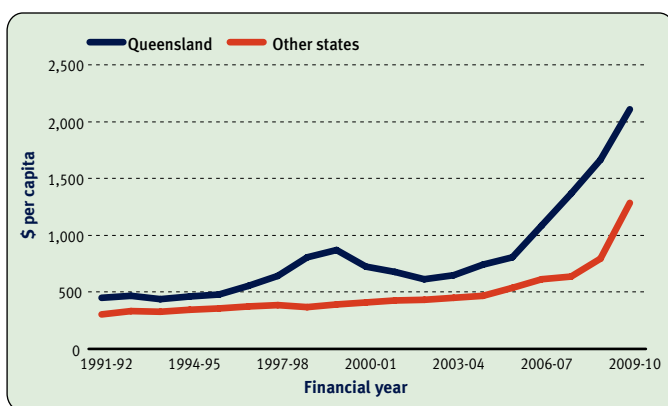
Public final demand

Public final demand to support the economy through the downturn



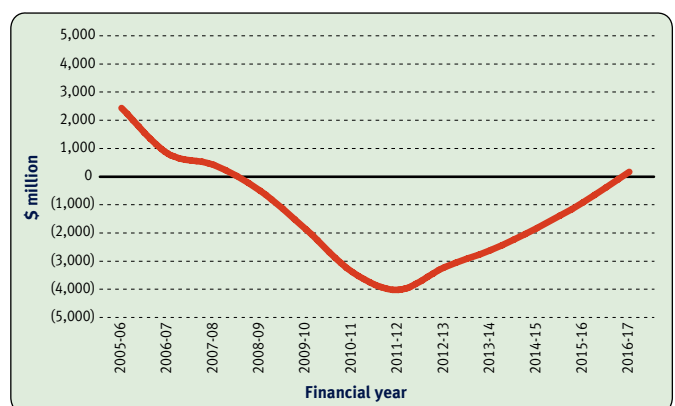
Budget spending on capital works

General Government purchases of non-financial assets \$ per capita



Returning the Budget to surplus

General Government sector net operating balance



Economic measures*

	2005-06 Actual	2006-07 Actual	2007-08 Actual	2008-09 Estimate	2009-10 Forecast
Gross state product	3.2	4.7	4.9	½	-¼
Inflation	3.1	3.3	4.1	3¾	2½
Employment	4.0	4.7	2.4	2¼	-¾
Unemployment rate (%)	4.8	4.0	3.7	4¼	6½

*All measures are expressed as annual % change, except the unemployment rate.

Fiscal aggregates

	2005-06 Actual \$M	2006-07 Actual \$M	2007-08 Actual \$M	2008-09 Est. Actual \$M	2009-10 Budget \$M
Revenue	30,084	31,982	31,430	35,874	37,192
Expenses	26,370	30,128	32,989	36,447	39,146
Operating balance	3,714	1,855	(1,559)	(574)	(1,954)
Net worth	105,035	117,831	155,178	149,800	151,144