

# Service reports

## Budget and financial management

Treasury drives the long-term sustainability of Queensland's fiscal position by promoting effective statewide balance sheet and operating statement management, financial risk management and accountability through providing expert advice, policy development and disclosure of whole-of-state budget and financial statements. It does this by:

- + preparing the Queensland Budget
- + preparation of whole-of-government financial reports and accounts
- + balance sheet management and oversight of the State's interests
- + managing the State's financial risks.

Since the release of the Mid-Year Fiscal and Economic Review (MYFER) in late 2019, COVID-19 has presented a significant fiscal and economic challenge, substantially impacting the state's budget position.

In April 2020, Treasury developed the *Appropriation (COVID-19) Act 2020* to obtain funding approval from Parliament for the government's relief measures, including the economic relief package announced on 24 March 2020.

Treasury has been working with other departments to identify savings measures to mitigate the impact of the crisis on borrowing requirements.

This process aims to identify savings that are achievable and will have no impact on economic recovery and the government's ability to provide essential services.

### Objective

**Enable sustainable growth that supports current and future government objectives**

#### Queensland's Budget

Consistent with the approach adopted by the Australian Government, and other state and territory governments, preparations for Queensland's 2020–21 Budget were suspended.

Treasury will prepare a COVID-19 Fiscal and Economic Review (C19-FER) to be published by the government in September 2020.

As the budget cycle continues throughout 2020–21, Treasury will coordinate the development of the Report on State Finances 2019–20 and Queensland Budget 2020–21.

#### Financial Provisioning Scheme

The Financial Provisioning Scheme has completed its first full financial year of operation.

The scheme delivers an integrated process for small miners and resource sector holders of an environmental authority to manage the State's associated financial risk.

## Economics and policy

This service ensures Treasury's forecasts and advice to government are preeminent in the government's decision making and economic and fiscal policy formulation, and complement the specialist knowledge within line agencies.

Key functions in this service include:

- + development of policy, and monitoring performance and expenditure
- + providing economic advice
- + providing definitive economic and revenue forecasts
- + coordinating Treasury's intergovernmental interactions.

COVID-19 and the associated national emergency health response have led to unprecedented sharp contractions in a range of sectors, including services, trade and household spending. It is clear that economies across the globe will contract sharply in 2020.

However, Queensland's success in containing the outbreak means that June quarter 2020 is likely to be the low point in the cycle. Recovery in economic output is anticipated in 2021.

### Objective

**Partner proactively to facilitate better outcomes for the community**

Treasury provided sound economic leadership, including through analysis, modelling and policy advice to inform the government's interaction with industry on COVID-19, and to develop economic responses.

#### Partnerships with agencies

2019–20 provided a range of opportunities to partner with agencies:

- + the Department of Agriculture and Fisheries to develop the COVID-19 Business Support Loans scheme
- + justice agencies and the Department of the Premier and Cabinet to support reform for Queensland's criminal justice system

- + the Department of Education on the agreement with the Australian Government for funding for Queensland schools from 2019 to 2023
- + Queensland Health on a new agreement with the Australian Government for funding for health services from 2020–21 to 2024–25
- + the Department of Transport and Main Roads to accelerate priority capital projects, public transport delivery and heavy vehicle road reform
- + implementing a framework to settle native title compensation claims by negotiation
- + provided advice to agencies on the application of *The Queensland Government Guide to Better Regulation*.

In 2019–20, Treasury released the *Crime report, Queensland, 2018–19* and the *Justice report, Queensland, 2018–19* to inform policy development and service delivery in the criminal justice sector.

The Queensland Government Statistician’s Office (QGSO) continued to conduct official surveys to inform policy and government services.

## Objective

### Enable sustainable growth that supports current and future government objectives

The department represented the state’s interests at intergovernmental forums in negotiating and planning national responses to provide coordinated assistance to individuals, businesses and industries.

Treasury also strongly advocated for the state’s fair share of Commonwealth funding.

## Commercial services

Treasury supports economic recovery and growth through robust financial and commercial advice to the Queensland Government on infrastructure, commercial and prudential issues.

## Objective

### Partner proactively to facilitate better outcomes for the community

Treasury worked with agencies in the delivery of major infrastructure investment projects, including those with significant private financing.

Assistance on these and future projects for *Unite and Recover for Queensland Jobs economic recovery strategy* will continue into 2020–21.

- + Treasury is leading the government’s transition to 50% renewable energy by 2030. Treasury led the restructure of government-owned corporations to establish Queensland’s new GOC: clean energy generator CleanCo.
- + Treasury played a central role in developing and delivering the lowest average power prices of any mainland state. In 2020–21, electricity prices in Queensland are set to fall for the third consecutive financial year.

- + Treasury makes a key contribution to securing resources investments through the Resources Regional Development Framework.

The Queensland Competition Authority (QCA) is the state’s independent economic regulator.

In 2019–20, the QCA’s Declaration Reviews examined:

- + rail transport services on Queensland Rail’s intrastate freight and passenger network
- + rail transport services on the Central Queensland Coal Network
- + the coal handling services at Dalrymple Bay Coal Terminal.

QCA also delivered to the government its *Final Report: Rural irrigation price review 2020–24*.

Treasury and the Department of Transport and Main Roads worked with the ports to support business and industry through the impacts of COVID-19.

## Revenue management

Treasury administers a revenue base of around \$16 billion by delivering simple, efficient and equitable revenue management services for state taxes and royalty revenue. Additional responsibilities include revenue compliance, grant schemes and debt recovery and enforcement activities for Queensland.

# Service reports

## Objective

### **Enable sustainable growth that supports current and future government objectives**

In early 2020, as part of its response to COVID-19, the government introduced measures designed to alleviate the economic burden on business.

This included significant savings for Queensland businesses in the form of payroll tax and land tax relief, which Treasury administered through its State Revenue business.

In June 2020, the government announced the establishment of the \$5,000 Queensland Regional Building Boost Grant.

In June 2020, the Australian Government announced the introduction of the \$25,000 Home Builder Grant.

In the 2019–20 Queensland Budget, the government announced a review of the design of Queensland's petroleum royalty regime.

The review recommended that a volume-based model for calculating petroleum royalty replace the current regime.

The government accepted the review recommendations, and the new volume-based model will commence from 1 October 2020.

## Objective

### **Partner proactively to facilitate better outcomes for the community**

At 30 June 2020, the amount of unpaid debt in the State Penalties Enforcement Registry (SPER) debt pool was \$1.291 billion, an increase of \$21.8 million since 30 June 2019. This reflects growth of just 1.7% in 2019–20, compared with 18.7% in 2014–15. A total of \$269.4 million of debt was collected in 2019–20.

At 30 June 2020, SPER's debt clearance (finalisation) rate was 104%, above the target rate of 85%.

## Objective

### **Ensure our services are tailored, fit for purpose and easy to access**

In 2019–20, Treasury expanded its process automation across revenue management systems, enabling them to work more efficiently.

Treasury also implemented more than 20 digital and data initiatives, as part of State Revenue's Transformation Program.

## Planning

Through the Planning Group, Treasury provides leadership and a contemporary planning framework that:

- + supports the rational allocation of land uses
- + connects communities
- + balances development with long-term environmental sustainability
- + encourages active lifestyles and economic development.

Treasury's key strategies in this service include:

- + developing and administering sustainable state and regional planning policies and frameworks
- + providing planning leadership advice
- + integrating land use, transport and infrastructure planning
- + ensuring adequate land supply

In 2020–21, Treasury will be ready to fast-track changes to the planning framework to support economic recovery.

## Objective

### **Enable sustainable growth that supports current and future government objectives**

#### **Responding to COVID-19**

In March 2020, urgent amendments to Queensland's planning legislation were made to:

- + allow the Planning Minister to decide when an essential business or use should be able to operate
- + provide for any person to seek relief from existing development application conditions
- + introduce flexibility for the Minister to suspend or extend statutory timeframes.

#### **North Queensland Regional Plan**

In March 2020, the first-ever North Queensland Regional Plan came into effect.

### **Wide Bay Burnett Regional Plan review**

In November 2019, work commenced on a new regional plan for the Wide Bay Burnett region to boost economic opportunities and create jobs.

### **ShapingSEQ**

Work to investigate, implement and report on key principles and actions outlined in *ShapingSEQ*, the regional plan for South East Queensland (SEQ), continued during 2019–20.

### **Coordinated planning to protect communities**

In 2019–20, the Planning Minister introduced two Ministers' temporary local planning instruments (TLPIs) to provide urgent planning provisions to protect the area.

- + A TLPI in the Mareeba Shire
- + A TLPI in the Ipswich local government area.

### **Healthy and active communities**

The model code for neighbourhood design was released in July 2019 to encourage healthier and more active communities.

### **Transparency in council spending of infrastructure charges revenue**

Queenslanders were provided with more information about how their local councils collect and spend developer infrastructure charges.

### **Supporting Aboriginal and Torres Strait Islander culture**

The Planning Minister released new guidance material to assist Queensland councils in supporting cultural awareness through their local planning schemes.

### **Ministerial Infrastructure Designations**

The Planning Minister made 82 designations worth \$2.1 billion in capital expenditure, including 51 schools, 16 emergency services facilities and two hospitals.

### **Development assessments**

Through the State Assessment and Referral Agency (SARA), 2,335 decisions were issued.

A significant part of SARA's role is pre-lodgement advice to applicants before a development application is lodged. During 2019–20, SARA issued 1,119 pre-lodgement advices.

## **Infrastructure and economic resilience**

Through Infrastructure and Economic Resilience (IER), Treasury leads a coordinated, collaborative and strategic approach to the economic and social prosperity of Queenslanders. It does this through leading economic recovery, providing a clear vision for infrastructure, and building sustainable economic resilience at regional and state levels.

### **Objective**

#### **Create well-planned Queensland communities that are prosperous, resilient and sustainable**

In response to the early impacts of COVID-19, IER advised on the development of the government's February 2020 \$27.25 million

Immediate Industry Recovery Package to support affected industries followed by further work on the \$3 billion COVID-19 support package to assist industry and business.

### **Economic Functional Recovery Group**

Treasury has lead responsibility for this group, which advises the government and stakeholders on the economic impacts of disaster events and recovery actions. Membership is typically drawn from relevant government agencies, mayors and affected peak industry groups and businesses.

### **Binna Burra bushfire recovery and rebuild**

Binna Burra Lodge anticipates reopening limited operations and facilities in the second half of 2020.

### **Regional Economic Development Approach (REDA)**

REDA is a place-based regional economic development approach designed to deliver innovative and coordinated solutions to economic development priorities of regions. In 2019, REDA was implemented in parallel with the regional land use planning framework in North Queensland and Wide Bay Burnett.

### **North Queensland Regional Plan**

The North Queensland Regional Plan will guide land-use policy and drive economic growth in the region, and the plan's implementation will support North Queensland's economic recovery.