

Under Treasurer's report

For Queensland Treasury, 2016–17 was characterised by partnerships: a sharper focus on the needs of our clients and stakeholders, and by our desire to work in partnership with agencies to realise the government's agenda for jobs and growth.

Treasury is a wide-ranging policy and service agency, covering economic and fiscal advice, strategy and policy, including each year's State Budget; statistical and demographic research; intergovernmental fiscal relations; commercial and procurement services; state revenue and grants management; penalty debt management; industrial relations; work health and electrical safety; and workers' compensation services.

Economic performance

Many economic indicators during 2016–17 were favourable, despite the impact of Severe Tropical Cyclone Debbie. Growth is expected to strengthen to 3 per cent, gross state product is expected to strengthen to 2¾ per cent in 2016–17 and 2017–18, and unemployment is expected to decrease to 6 per cent by the June quarter 2019. We will however continue to keep a watching brief on geopolitical events for their potentially negative impact on business confidence and demand for our exports.

State Budget

We developed the 2017–18 Queensland Budget in this overall environment with the advantage of a prudent fiscal strategy. Through the government's Debt Action Plan, we have played a part in a forecast reduction in General Government sector debt of more than \$9.3 billion.

Employment

The government's Back to Work program is now a \$177.5 million, two-year program to create employment for disadvantaged jobseekers. The Jobs and Regional Growth Fund is one of a number of initiatives that uses private sector investment to generate sustainable employment.



Revenue

The Office of State Revenue, which administers a revenue base of some \$14 billion, again played a role in implementing the government's economy-growing and job-creating initiatives, most recently with the payroll tax rebate. OSR have undertaken their own client-centric journey, and next year will invest in a digital transformation with more tailored services and payment options.

Disadvantaged people with penalty debts now have the option to resolve their debts via work development orders through community organisations. Our client-focussed approach to penalty debt has seen us achieve 93 per cent debt finalisation, an impressive 29 per cent increase on last year.

Infrastructure

In the infrastructure space, a headline project for Treasury was Cross River Rail. Long anticipated by South East Queenslanders, this project is now a reality, with an additional commitment from the government of \$1.952 billion. Market-Led Proposals have been welcomed enthusiastically by Queensland's business community, and we have tailored our MLP criteria to improve their fit with the needs of potential proponents.

Another welcome addition to Queensland's business and investment environment has been the Business Development Fund. During the year, the government invested some \$6.4 million in a range of innovative businesses ventures, including electric vehicle technology, legal procurement and software to help carers provide greater quality of service.

Social Benefit Bonds

Never before have we been so closely connected to the lives of vulnerable Queenslanders. Social benefit bonds are coming to fruition, with services for homeless youth, Indigenous families and youth at risk of reoffending to be delivered through strategic investments with social service organisations.

Communities

2016–17 saw many instances of potentially life-changing work through our partnerships with agencies: improving access to secure and affordable housing through the Queensland Housing Strategy, increasing economic participation for Aboriginal and Torres Strait Islander communities, supporting North Stradbroke Island workers as sand mining on the island comes to an end, and continuing preparations for an on-time and on-budget Gold Coast 2018 Commonwealth Games.

Industrial relations

Sadly, the year was marred by the Dreamworld theme park tragedy, and the deaths of two construction workers at Eagle Farm. Our Office of Industrial Relations led the government's swift and decisive response to these incidents, conducting investigations and preparing legislative and other responses.

Under its charter of keeping workplaces safe and fair, OIR met its commitment to modernise all Queensland industrial awards, and played key roles in a number of reviews, including of work health and safety legislation and the state's labour hire sector.

Our people

We have sought to improve the services we provide to the government and the community through an increased emphasis on training and development of our leaders.

This annual report documents another rewarding year for Queensland Treasury. The outcomes on which it reports are a direct result of our people's commitment to the Queensland economy and the wellbeing of Queenslanders.



Jim Murphy
Under Treasurer



"Agencies' performance is
our performance"