

UNDER TREASURER'S REPORT

Treasury's focus during 2017–18 was on delivering the government's plan for economic growth, jobs and improved prosperity.

COMMUNITY BUILDING

Central to that plan is infrastructure; it creates the jobs and services Queensland's growing population needs. Its benefits extend beyond the physical assets created. Cross River Rail – the Queensland Government's highest priority infrastructure project – will provide not only more efficient public transport, but better lifestyles, and the enormous social impact of employment. These benefits extend across generations, and require a long-term and outcomes-focussed approach.

Further outcomes were delivered through the Business Development Fund. 2017–18 proved very productive, with investments totalling \$14.2 million in innovations for elderly people and people with dementia, medical technologies, and initiatives that keep pace with the changing needs of businesspeople.

A THRIVING ECONOMY

Investing in infrastructure allows the economy to thrive. Queensland's debt is stable and sustainable, owing to the government's management of its fiscal strategy. Overall growth in the economy is expected to have strengthened to 2¾ per cent in 2017–18. Employment growth is forecast to remain sustainable. GSP is forecast to remain favourable. These are all signs of a responsible economic plan.

A STRONG REVENUE BASE

Revenue initiatives are key to balancing Queensland's budget. In addition to administering a revenue base of around \$15.3 billion, the Office of State Revenue implemented measures to strengthen that base, including a land tax surcharge for absentee landowners and a new tax on betting.

A FAIR SHARE FOR QUEENSLAND

Treasury advocates for Queensland's interests in the Commonwealth-State financial relations arena. During the year, the Australian Productivity Commission held an inquiry into horizontal fiscal equalisation – a fundamental principle of the distribution of GST revenue. Because the APC's recommendations have the potential to change the amount of GST revenue Queensland receives, the focus going forward is expected to be on negotiations over proposed reforms.

Treasury's agenda for the coming year will be driven by the government's Advancing Queensland's Priorities, for jobs and a strong economy, a great start for children, keeping Queenslanders healthy, keeping communities safe, protecting the Reef, and responsive government. We are already partnering with agencies to address funding for these priorities.

Alongside our public sector leadership role is our place in the communities we serve. In late 2017, Treasury was accredited as a White Ribbon workplace, one that seeks to end domestic and family violence, and one that supports employees who experience violence in their lives.

This is my final annual report for Queensland Treasury. My tenure here has put me in touch with many outstanding people, whom I commend to the government. Public policy never happens without people, and their hard work and commitment have been tremendous assets during my time as Under Treasurer.



Jim Murphy
Under Treasurer