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Chamber of Commerce and Industry Queensland (CCIQ)  
[REDACTED]

Dear [REDACTED]

Thank you for your email, outlining the Chamber of Commerce and Industry Queensland's (CCIQ's) Better Business Framework for Queensland, and for the invitation to respond.

The Palaszczuk Government is committed to continuing the resurgence of the Queensland economy. Since our election in early 2015, business confidence has returned, economic growth is stronger, debt is down and unemployment is down.

The Palaszczuk Government has implemented a comprehensive economic strategy to drive higher economic growth and job creation across regional Queensland. The Palaszczuk Government governs for all Queenslanders with a focus on regional service delivery and regional economic growth.

Queensland now has nation leading trend jobs growth with more than 134,000 new jobs created since the last election. Our trend unemployment rate has dropped to 5.9% in October compared with 6.6% left behind by the LNP. This is a great achievement for Queensland.

Economic growth, jobs growth and tax competitiveness drives opportunity, confidence and investment, especially for business. Queensland remains a highly competitive state when it comes to taxation which is currently \$861 lower than the average for other jurisdictions. For payroll tax, Queensland has a \$1.1 million exemption threshold that's higher than New South Wales, Victoria, South Australia and Western Australia and the lowest standard rate of any jurisdiction.

It's these factors that are driving a resurgence in business confidence. According to the latest NAB Monthly Business Survey, Queensland's trend business confidence is +12, which is the highest among the mainland states in Australia. All of this is underpinned by the responsible management of the state's finances. We have kept our commitment to Queensland to not sell our income-generating assets, to restore services savagely cut by the LNP, and to pay down – all while delivering three successive State Budgets in surplus.

We note CCIQ's framework, which focuses on three key areas: Employ Queensland, Power Queensland and Grow Queensland.

## Employ Queensland

The Palaszczuk Government recognises the importance of streamlining regulation to make it easier to do business. That is why the Better Regulation Taskforce was established to provide advice to government on improving regulation to support small business, to create a strong, profitable and globally competitive business environment.

As a member of the Taskforce, you would be aware that it assumed the work of the former Red Tape Reduction Advisory Council. A re-elected Palaszczuk Government will continue this focus on reducing the regulatory burden for small business to create a strong, profitable and globally competitive business environment.



Labor understands the dignity of work – that is why jobs has been the number one focus of the Palaszczuk Government. We have more work to do. That is why the Palaszczuk Government is committed to working during our second term to create even more jobs for Queenslanders.

We are committed to providing opportunities for Queenslanders to get into the workforce, build a career and provide for themselves and their families through the following initiatives.

### ***Back to Work***

Our Back to Work program, assisting jobseekers from groups traditionally facing disadvantage in the labour market, such as young people, long-term unemployed and mature-aged workers, has helped more than 8,000 Queenslanders back into the workforce in just over 12 months.

A re-elected Palaszczuk Government will help regional Queensland employers recruit more jobseekers through our Back to Work Program by extending it for a further two years.

We have committed to extending the 50 per cent payroll tax rebate for employers hiring apprentices and trainees, in addition to a WorkCover premium package that means businesses will not pay a cent in WorkCover premiums on the apprentices they hire.

### ***Works for Queensland***

Our \$400 million Works for Queensland Program is delivering 1,300 much needed infrastructure projects across regional Queensland in partnership with local councils.

A re-elected Palaszczuk Government will provide up to \$200 million of additional funding to extend the program until 2020-21. This program is delivering jobs and projects that will make our regional communities even better places for people to live, work and raise their families.

### ***Skilling Queenslanders for Work***

A re-elected Palaszczuk Government will build on our strong training, skills and job-creation record by extending and boosting the highly successful Skilling Queenslanders for Work program, to fund more apprenticeships and increase workforce participation.

The Skilling Queenslanders for Work program will be boosted by an additional \$180 million over three years totalling \$420 million by 2020-21. It will focus on areas of high youth unemployment and depressed local labour markets experiencing business closures and retrenchments. Through its targeted programs it will assist people facing barriers or challenges to their participation in skills development and the labour market.

### ***Pathways to Training, Skills and Jobs***

Labor will invest up to \$85 million over three years in the redevelopment, refurbishment and expansion of six identified high-need TAFE facilities –Pimlico (Townsville), Cairns, Mount Gravatt, Toowoomba, Redlands and the Gold Coast. We will also continue our work with TAFE to build and strengthen its market share and ensure its position as the premium provider of vocational education and training in Queensland.

### ***Growing Tourism, Growing Tourism Jobs***

Queensland's tourism industry is now worth \$25 billion and supports more than 225,000 jobs. We recognise endless possibilities for growth from surging economies like India and China. That is why the Palaszczuk Government has been relentless in its pursuit of new international flights and new events for Queensland.

Already, we have secured new international flights bringing an additional 740,000 seats and injecting \$570 million into our economy every year. We have also grown our events portfolio to become an asset worth \$600 million to the Queensland economy.

A re-elected Palaszczuk Government will build on this success with up to \$48 million for a new Attracting Tourism Fund to provide incentives for new international airline routes and cruise ships to Queensland, up to \$36 million for a new Regional Tourism Infrastructure and Experience Development Program to assist communities to grow tourism by developing new and improved tourism experiences or products and developing tourism industry capability.

We will also extend the Young Tourism Leaders Program for a further three years to inspire more young people to pursue a career in tourism.

## **Power Queensland**

### ***Affordable Energy Plan***

We are committed to delivering stable electricity prices for all Queenslanders.

Our Affordable Energy Plan features \$300 million of initiatives from 1 January 2018 which will make electricity more affordable for residential and business customers.

A re-elected Palaszczuk Government will guarantee electricity prices for typical household and small business customers will remain below inflation on average over the next two years.

We will introduce the Easy Pay Reward with a \$120 rebate for small businesses that register for direct debit and monthly eBilling.

We will also introduce the Business Energy Savers Program, providing free energy audits for agricultural customers and large business customers and co-contributions to fund energy efficiency upgrades.

### ***Powering Queensland's Future***

We will power Queensland's future by ensuring we have the right energy mix, balanced by renewables and our fleet of coal and gas-fired generation.

Getting this balance right will deliver affordable and stable power for Queensland households, businesses and industry, while acting on climate change. Queensland is the only state in mainland Australia that has been assessed by the Australian Energy Market Operator to have a secure supply of baseload power over the next decade.

This assessment was supported by the \$20 billion renewable energy investment boom being delivered because of our government's commitment to at least 50 per cent renewable energy in Queensland by 2030.

We now have a huge pipeline of renewable energy projects delivering thousands of jobs and opportunities in regional Queensland, with many more on the way.

A re-elected Palaszczuk Government will create a third publicly owned electricity generation company with a mandate to deliver 1,000MW of new renewable energy projects for Queensland.

As Queensland moves to a greater uptake of renewables we will deliver a down payment of up to \$50 million to support a baseload solar thermal power station, which can power Queensland even at night.

## Grow Queensland

### *State Finances and Budget Repair*

The 2016-17 Report on State Finances showing the final outcomes of last year's State Budget confirms the highest surplus in a decade at \$2.821 billion and lower debt. This is a strong and solid result that, I believe, illustrates the Palaszczuk Government's sound financial management. Our economic plan is delivering a strong and robust economy that's growing and creating jobs.

The Palaszczuk Government has delivered the highest surplus in a decade, cut debt, and delivered an improved debt-to-revenue ratio, which is a key indicator taken into account by ratings agencies.

The report shows our economic plan is working. Key outcomes highlighted in the 2016-17 Report of State Finances, include:

- a \$2.821 billion actual 2016-17 net operating balance — the highest surplus in the past 10 years (in 2012-13 Tim Nicholls recorded a deficit of \$4.382 billion)
- general government borrowings were \$33.26 billion, an improvement of \$677 million from the Budget and a massive \$14.88 billion lower than the LNP's 2014-15 Budget projection of \$48.141 billion
- general government sector gross borrowing decreased by \$2.226 billion
- debt, including that of government-owned corporations, fell to \$71.9 billion from \$75.27 billion
- interest costs were significantly lower – by \$498 million – due to the Palaszczuk Government's Debt Action Plan
- the general government sector recorded negative net debt of \$287 million, which means financial assets exceeded liabilities, this is the first time since 2011-12 that negative net debt has been achieved
- debt-to-revenue ratio improved (decreased) from 70 per cent in 2015-16 to 59 per cent in 2016-17.

In April 2017, Moody's affirmed Queensland's credit rating as Aa1 and revised the outlook from negative to stable. The negative outlook was applied in November 2012, eight months after the disastrous Newman-Nicholls government took office.

Six months after the formation of the Newman-Nicholls government (September 2012) Fitch downgraded Queensland's credit rating by one notch from AA+ (negative outlook) to AA with a stable outlook.

On 31 August 2017 – Fitch confirmed AA rating and revised the outlook from stable to positive.

On 19 October 2017, S&P released a report affirming Queensland's rating at AA+ with a stable outlook. S&P's October 2017 Research Update highlighted Queensland's exceptional debt and liquidity management. The report noted Queensland's economy was diverse and wealthy, would continue to grow and had a culture of long-term planning and transparency.

In affirming Queensland's credit rating, the rating agencies have recognised the State's solid financial position and the reduction in debt delivered by the Government's debt action plan. The 2017–18 Budget balances sustainable fiscal management with supporting the continuing transition of the Queensland economy to a more diversified base.

### **Infrastructure Investment**

The Palaszczuk Government is continuing to drive Queensland's infrastructure priorities. Our State Infrastructure Plan (SIP) represents a bold approach to addressing the state's future infrastructure needs, focused on using our resources wisely, partnering with the private sector, and implementing a program of reform initiatives.

The 2017-18 Budget builds on the momentum started in 2015 and through a combination of continuing and new key initiatives, directly support around 40,000 jobs, predominantly in the private sector, in 2017-18 alone. Labor has a four-year \$42.75 billion capital works program that is expected to support around 29,000 jobs in 2017-18.

The infrastructure program includes:

- \$2.063 billion in 2017-18 to support the delivery of cost effective, safe, secure and reliable energy and water supply.
- \$3.885 billion in 2017-18 for transport and roads, including progressing the Toowoomba Second Range Crossing and widening the Gateway Motorway North to six lanes.
- \$225 million over four years to support Townsville water security, as part of Australia's first City Deal, along with the \$250 million North Queensland Stadium.
- A \$75 million down payment for channel widening at the Port of Townsville to facilitate more trade and investment
- \$176 million to expand the Cairns Convention Centre into a state-of-the-art international venue and a commitment to the \$120 million Cairns Shipping Development Project to widen and deepen the Trinity Inlet Channel and swing basin.

We also have a 10-year \$1.8 billion housing strategy that will see over 5,000 social and affordable homes built.

Many of these infrastructure projects are designed to leverage private sector investment, increase productivity and support economic growth. The projects will complement a number of significant developments previously facilitated by the Queensland Government that are currently under construction, such as the Queen's Wharf integrated resort and the Herston Quarter Health Precinct.

Over \$10 billion will be invested in 2017-18, which will support 29,000 jobs, and the updated 1-4 year program. Queensland's number one infrastructure project, Cross River Rail, has progressed to a fully-funded project.

For Cross River Rail, the Palaszczuk Government has allocated \$2.8 billion in the 2017-18 State Budget over the next four years, with a further \$2.6 billion committed in future State Budgets.

Cross River Rail is the critical, missing link in the South East Queensland rail network, freeing up the bottleneck across Brisbane, increasing capacity, cutting travel times and easing both road and rail congestion. It is a city-shaping project with benefits that will flow to the whole south east corner and we are delivering it, fully funded.

The Palaszczuk Government is also delivering a record spend on road infrastructure for the second year in a row with the Queensland Transport and Roads Investment Program 2017-18 to 2020-21 outlining close to \$21 billion of investment over the next four years.

The Palaszczuk Government recognises the importance of infrastructure investment in the regions to drive jobs and economic growth. In 2017-18, \$4.8 billion will be spent on regional infrastructure. In our regions, programs such as Works for Queensland are delivering projects faster to create jobs and drive economic productivity.

Through the Maturing the Infrastructure Pipeline Program we are supporting the development of a robust project pipeline and enabling projects to be matured from ideas into solid proposals.

***Innovation***

The \$420 million Advance Queensland jobs and innovation initiative plays a key role in our government's plan to create employment and diversify the economy in the wake of the resources boom and develop the knowledge-based jobs of the future.

Jobs are being created through innovation and we are focused on ensuring Queensland workers and businesses are able to take advantage of these opportunities, adapt to the changing environment and develop new jobs and industries. So far, our government has committed almost \$250 million, backing more than 2,000 innovators and supporting almost 9,500 jobs.

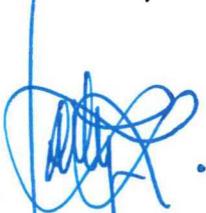
A re-elected Palaszczuk Government will inject more than \$93 million over four years – lifting the total Advance Queensland funding to more than half a billion dollars. This will help us to maintain our momentum and back Queensland entrepreneurs in global markets.

I would again like to thank you for the opportunity to provide comments on these matters that are a priority for CCIQ and your members.

I have enclosed copies of the policies mentioned above.

Queensland Labor looks forward to continuing our constructive partnership with CCIQ through a second term Palaszczuk Government.

Yours sincerely



**JACKIE TRAD MP  
DEPUTY PREMIER  
Minister for Transport and  
Minister for Infrastructure and Planning**