



The Hon. Cameron Dick MP
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Dear Mr Laurie

Neily

Thank you for your letter of 19 June 2020 seeking a response to the petition received by the Queensland Legislative Assembly No. 3320-20.

The petition crosses a range of topics, and I welcome the opportunity to respond. I have provided additional information to a number of matters raised in Attachment 1.

The COVID-19 pandemic presents significant health and economic challenges for Queenslanders and the Queensland Government, as it does for all jurisdictions. However, Queensland's five successive budget surpluses and strong economic growth, placed us well for a robust response. Queensland remains in the enviable position of having fully funded public superannuation liabilities and lower General Government net debt than New South Wales and Victoria. The strength and resilience we have built into our budget will now be put to work through the recovery phase.

Our Economic Recovery Strategy outlines our guiding principles for how we will get Queenslanders back to work, with a focus on three key priorities – Building Vital Infrastructure; Strengthening Queensland's Industries and Enabling Future Growth.

Queensland is a diversified economy. Its great strengths are the regionally based industries of tourism, resources, construction and agriculture that will continue to be the foundations of the State's economy well into the future.

While some industries, like tourism, need support through what will be a long and difficult recovery, others, like agriculture are positioned to take advantage of new opportunities.

While continuing to avoid the health risks of COVID-19 and recover from its economic impacts are among our key focus, we will continue to ensure that all the matters you have raised are considered in an appropriate and responsible way.

Thank you for presenting the thoughts and ideas held within this petition to Government.

If you require any further information, please contact my office on (07) 3719 7200 or email treasurer@ministerial.qld.gov.au.

Yours sincerely



CAMERON DICK MP
Treasurer
Minister for Infrastructure and Planning

10 / 07 / 2020

Encl.

Farmers' electricity, water and rate charges

Thousands of Queensland farmers will see their irrigation water prices remain the same or, fall in 2020-21 thanks to a Palaszczuk Government price freeze.

The Palaszczuk Government will freeze irrigation prices for a year or, pass on any Queensland Competition Authority (QCA) recommended price decreases and absorb dam safety costs as part of ongoing measures to support Queensland business and industry through the COVID-19 crisis.

The Government will invest \$14.7 million, or about \$2,300 per farmer, in 2020-21 to keep prices low for irrigators.

Meanwhile, regional Queenslanders are tipped to see their biggest power bill cut in a decade, with prices set to fall for a typical household by \$75, and small business by \$116, a year from July 1. This reflects the forecast fall in the annual draft determination released by the independent QCA.

Further, under the Palaszczuk Government's \$4 billion COVID-19 relief package, Queensland households automatically receive a \$200 rebate on their electricity bill to assist with their household utility costs for electricity and water.

As well, households will receive a further two \$50 electricity dividend payments to be delivered over the next two years.

Queensland small businesses will also receive a \$500 rebate on their power bill in 2020.

State taxes and fees

The Queensland Government is committed to providing an economic environment that supports businesses and jobs growth and does not place undue strain on households through policy and taxation settings.

Based on the latest estimates published by other jurisdictions, taxation per capita of \$2,946 in Queensland is expected to be \$682 lower than the average of other jurisdictions in 2019-20.

Alternative measures of tax competitiveness, such as the Commonwealth Grants Commission's tax effort, or tax as a share of gross state product, also show our tax rates are amongst the most competitive in Australia.

The Government's 2019-20 Budget announcement of an increase in the payroll tax exemption threshold to \$1.3 million means Queensland will continue to have one of the highest thresholds of all states, and twice the level of Victoria's threshold. Further, the 1% payroll tax rate discount for regional employers adds to Queensland's reputation as a great place to do business.

Eliminating red tape

The Government is committed to driving regulatory reform to reduce red tape and minimise the regulatory burden on Queensland businesses, families and communities.

A key element of the Government's economic response to the COVID-19 pandemic is making it easier for businesses to recover, to reduce compliance costs, and invest and employ Queenslanders.

The Government previously established the Better Regulation Taskforce to inform best-practice regulation, reducing the regulatory burden on Queensland businesses, particularly small businesses.

In 2019, the Government implemented an enhanced regulatory framework to support a more risk-based approach to regulation, ensure more timely review of regulation, and drive improved regulator engagement and performance.

This framework will help reinvigorate the Government's regulatory reform efforts, to drive the ongoing identification, development and implementation of reforms to reduce red tape and lighten the regulatory burden on Queensland businesses, families and communities.

More recently, to help reduce the administrative burden and costs on business, the Government appointed a Queensland Small Business Commissioner until the end of 2020, to give small businesses a single point of contact for leasing disputes during recovery from the impact of COVID-19.

Queensland is also participating with other states and territories and the Commonwealth in national regulatory forums that are focussed on identifying solutions to lower the costs of regulation, making it easier for businesses to recover, invest, create jobs and to grow the economy.

Encourage a resurgence in manufacturing and industry and supporting local manufacturing

Stage One of the Economic Recovery Strategy builds on the Palaszczuk Government's initial response to the crisis has included initiatives to support industries and sectors impacted by the COVID-19 pandemic.

Redirecting \$50 million of industry attraction funding under the Making It for Queensland initiative to continue to expand manufacturing capacity for personal protective equipment, hand sanitiser and medical supplies to respond to COVID-19.

For specific industries impacted by COVID-19, there have also been specific support arrangements put in place. \$50 million has been allocated for tourism infrastructure with more funding towards a domestic tourism campaign. There is also a \$10 million support package to support international students and safeguard Queensland's global education brand.

Expenditure reviews and use of external consultants

In 2019-20, the Government announced efforts to deliver efficiencies and identify better ways of delivering government services. A reprioritisation target of \$1.7 billion was set over four years. During the 2019-20 Mid Year Fiscal and Economic Review, the Government announced identified savings of \$715 million in 2019-20. This work continues to be progressed through Queensland Treasury.

As part of the task in identifying savings across agencies, the spend on and use of external consultants is currently being reviewed and considered as a potential source. Queensland Treasury has made the decision to reintegrate the work of the Strategic Priority Review Office back into its normal business. As a result, it has ceased all external consultancy arrangements for this work.

2032 Olympics bid

Queensland's bid to host the 2032 Olympics has been placed on hold as the state government focuses on the state's recovery from the COVID-19 crisis. We're focused absolutely on the economic recovery at the moment.

Public sector wage adjustment

On 2 April 2020, the Premier and Minister for Trade announced that Queensland public sector wage increases and bargaining for industrial agreements would be placed on hold. Wage increases in all relevant agreements will be adjusted to incorporate a nil wage increase for the 2020–21 financial year while honouring all other aspects of agreements for all public sector employees. This wage adjustment is expected to result in a saving of around half a billion dollars in 2020-21. This money can be used to support jobs across the economy for our Unite and Recover efforts at a time when it is needed most.

Redirect community work programs to fill labour shortages on farms

Through its Skilling Queenslanders for Work (SQW) program, the Queensland Government provides training, skills development and employment opportunities for disadvantaged and vulnerable Queenslanders who need additional wrap around support to enable them to participate in the labour market. Around 73% of SQW participants are in employment or further training 12 months after exiting the program. The ability for vulnerable Queenslanders to transition to, and be suitable for, farm work is not straightforward and has the added complication of requiring them to relocate away from vital support networks. The Queensland Government is working collaboratively among partner agencies to find solutions to address current labour shortages in regions.

Return transparent and accountable government

The Palaszczuk Government's strong record of integrity, which is highlighted by several initiatives:

- Passing of tough new laws banning property developer donations in Queensland.
- Recent reforms in the *Electoral and Other Legislation (Accountability, Integrity and Other Matters) Amendment Act 2020* that will:
 - remove cash for access in Queensland politics
 - end the political advertising arms race
 - remove plastic bunting from electoral polling stations.
- Passing of the Crime and Corruption and Other Legislation Amendment Bill which widens the definition of corrupt conduct and provides the CCC with broader investigative powers to look into conduct liable to allow, encourage or cause corrupt conduct.

Increase public safety and penalties for youth crime and looters

Since 2017 the State Government has committed over \$500 million to curb youth crime. In the 2019-20 budget, a record \$332.5 million was committed towards new programs to reduce youth crime and to increase capacity at youth detention centres, including the construction of a new \$150 million youth detention centre at Wacol.

On 10 March 2020, the Queensland Government announced its five-point action plan on youth crime, which includes:

1. Tougher action on bail. Offenders posing a risk to the community should not get bail.
2. A police blitz on bail, appealing court decisions where appropriate.
3. A 24/7 Police Strike Team involving youth justice workers for high risk offenders.
4. Culture-based rehabilitation for indigenous offenders through new On Country initiatives trialled in Townsville, Cairns and Mount Isa.
5. Empowering local communities in the war on crime with \$2 million for community-based organisations for local community-based solutions.

Since the announcement of the action plan the Government passed new laws on 17 June 2020 to deny bail to repeat youth offenders considered a danger to the community. Additionally, the co-responder Strike Teams, with police and youth justice workers teaming up in cars to target high risk offenders, are operational in key Queensland cities, and On Country initiatives are scheduled to begin in Townsville, Cairns and Mount Isa later this year.

Replace Queensland's focus on public sector jobs with trade-based apprenticeships

The Palaszczuk Government has demonstrated its commitment to apprenticeships and making it more affordable for employers to employ apprentices through payroll tax rebates, support under the Back to Work program, making more than \$200 million available to train apprentices, and reinstating the Queensland Training Ombudsman. The Queensland Government has also announced plans to 'rebuild QBuild' by employing 300 trade-based field staff, including 60 apprentices, over the next 3 years and also introduced the 'Free apprenticeships for under 21s' initiative which covers the cost of training for apprentices who undertake a priority apprenticeship qualification to reduce financial barriers. During this pandemic, the Queensland Government is working closely with industry to determine where additional support may be provided to both employers and apprentices.

Apply a 'Use-It or Lose-It' policy of 12 months on approved mining applications

The Department of Natural Resources, Mines and Energy (DNRME) undertakes active tenure management to ensure the State's resources are being developed in an appropriate manner. This ensures that holders of production leases undertake the activities that they have committed to as part of their development plans. Compliance action, including the cancellation of tenure, may result if substantial compliance has not been demonstrated.

The Queensland Government does not have a 'use it or lose it' policy requiring resource authority holders to start production within 12 months after securing a production lease. However, it is a key mandatory condition for the holder of a petroleum lease to commence production with 2 years of the grant of the lease. The only exception to this is where the Minister is satisfied the holder has entered into a relevant arrangement (for example a contract, coordination arrangement or other arrangement) to supply petroleum produced from the area of the lease. Similarly, mineral and coal production leases can be subject to a condition they produce within a set timeframe after grant.

Coal and petroleum producers are required to have an initial development plan approved before their lease is granted. This plan sets out how long the resource authority holder will take to get to production and key production milestones. It is a requirement that producers comply with these plans or, submit a revised plan to DNRME for approval if there is a substantial change.

Recent reforms to the *Mineral Resources Act 1989*, made by the *Mineral and Energy Resources and Other Legislation Amendment Act 2020*, which commence by proclamation, will expand the requirement for initial development plans to new mineral mining lease applications for certain commodities and that meet a threshold production level.

Encourage people to buy local

Queensland is the first state to set a target to do business with more local Queensland small and medium sized businesses (SMEs). The Palaszczuk Government is leading the way in backing local businesses by setting a minimum target to engage SMEs for goods and services. we have introduced a target of 25% of all government purchases to be from Queensland small and medium sized businesses from July 1. The target will be extended to 30% by 30 June 2022.

Making Queensland more self-sufficient and build dams and base load power stations

This Government is committed to growing Queensland's renewable energy industry and achieving a 50% renewable energy target by 2030.

The Government established CleanCo to increase competition in the wholesale energy market, increase renewables and put ongoing downward pressure on wholesale electricity prices.

Alongside Queensland's other government-owned generation businesses - Stanwell and CS Energy - CleanCo will play a key role in the Government's clean energy future commitment to achieve 50% of the State's generation from renewable sources by 2030 under the Queensland Renewable Energy Target.

CleanCo is the first 'Clean Energy' generation government owned corporation with a mandate to deliver 1,000 megawatts of new renewables by 2025. CleanCo has already announced 820 MW of new renewables through its Build, Own and Operate 100 MW wind farm and 400 MW reverse auction initiative.

The Powering Queensland Plan is the State's strategic long-term plan to deliver reliable and affordable renewable energy generation capacity. The Government continues to pursue a range of policy and investment initiatives to lower emissions and expand new renewable energy generation, all leading to lower prices, more investment certainty in Queensland's renewable energy market and more jobs in the renewable energy sector.

The Government is considering options for potential hydro-electric and pumped storage generation capacity in Central and North Queensland and developing proposals for strategic transmission infrastructure in North Queensland which will encourage and unlock renewable energy resources.