



PRIME MINISTER

Queensland Legislative Assembly	
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4 APR 2019	By Leave <input type="checkbox"/>
MP: Hon Palaszczuk	
Clerk's Signature: 	

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3 APR 2019

The Hon Anastacia Palaszczuk MP
Premier of Queensland
PO Box 15185
CITY EAST QLD 4002

Dear Premier

I am writing to inform you of the key decisions in the Commonwealth's 2019-20 Budget as they relate to Queensland. This Budget builds a stronger economy and secures a better future for all Australians. It achieves this by returning the Budget to surplus, delivering more jobs, providing lower taxes and guaranteeing essential services Australians rely on like hospitals, schools and roads.

In 2019-20, the Commonwealth will provide the States and Territories (States) with \$127.4 billion in total payments, including payments of \$58.3 billion for specific purposes such as schools and hospitals, and general revenue assistance of \$69.1 billion. Queensland is expected to receive \$26.8 billion in total payments in 2019-20, including payments for specific purposes of \$12.6 billion and GST entitlement of \$14.2 billion.

The Commonwealth's commitment to assist Queenslanders to recover from the devastating impacts of recent natural disasters is reflected in the 2019-20 Budget. The Commonwealth will provide up to \$3.3 billion to North Queensland communities to recover from the impacts of the 2019 flood event. This includes \$232 million under Disaster Recovery Funding Arrangements and up to \$3.1 billion in concessional loans and grants to support North Queensland's livestock industry and associated communities. The Commonwealth has also established the North Queensland Livestock Industry Recovery Agency to coordinate the Commonwealth's efforts.

This Budget helps to build the infrastructure Australia needs by investing a record \$100 billion over the next decade in transport infrastructure across the country. These investments will bust congestion and drive stronger growth, while enhancing road safety to ensure people get home sooner and safer. The new major transport initiatives include a \$3 billion increase in the Urban Congestion Fund, \$2.2 billion for the Road Safety Package and an additional \$1 billion for the next phase of the Roads of Strategic Importance initiative.

For Queensland, this Budget commits \$4 billion over the next decade for new land transport infrastructure projects, including:

- \$800 million for the Gateway Motorway extension from Bracken Ridge to Pine River;
- \$500 million for the M1 Upgrade Program, including Daisy Hill to the Logan Motorway;
- \$425 million for Bruce Highway projects;
- \$320 million for Warrego Highway upgrades between Ipswich and Toowoomba;
- \$287 million for the Cairns Ring Road;
- \$1 billion under the Roads of Strategic Importance initiative, including \$254 million for the Mt Isa to Rockhampton corridor and \$200 million for the Tennant Creek to Townsville corridor; and
- \$379 million for projects under the Urban Congestion Fund.

As well as improving transport infrastructure, this Budget is unlocking the potential of our cities and regions. Under the Hinkler Regional Deal, \$172.9 million is being provided to support initiatives that will boost economic growth and create more job opportunities in the region.

This Budget is preparing Australians for future opportunities with significant investments in education. The Commonwealth will provide \$310.3 billion from 2018 to 2029 for government and non-government schools. Commonwealth recurrent schools funding to Queensland will increase from \$4.0 billion in 2018 to \$6.6 billion in 2029. This is equivalent to a per student funding increase of 58.5 per cent to 2029, from a 2017 base.

The Commonwealth is also committing \$449.5 million to the States to extend existing support for universal access to early childhood education to the 2020 school year, ensuring a quality preschool program is available for all children in the year before school. An additional \$86.6 million is available for Queensland as part of this commitment.

This Budget is equipping Australians with the skills they need for today and tomorrow. In response to the *Strengthening Skills: Expert Review of Australia's Vocational Education and Training System* report, the Budget provides \$525.3 million over five years from 2018-19 as an important first step towards building Australia's modern skills sector. Many of the Review's recommendations will require strong cooperation between our governments. I look forward to working with you at future COAG meetings on a strategic vision for vocational education and training (VET) informed by the Review. This new vision will ensure VET delivers into the future for students and job seekers, providing a direct pathway to jobs for all Australians—be it for their first job, for career progression, to transition to new industries or to create their own business.

It is disappointing that Queensland chose not to sign up to the Skilling Australians Fund (SAF) National Partnership. However, I committed to every single cent of SAF funding being spent on vocational education and training in Australia. To meet that commitment I have redirected unallocated SAF funding towards the Delivering Skills for Today and Tomorrow package, which will benefit students in all states and territories, including Queensland.

The Commonwealth is supporting public hospitals through record levels of funding for every State. Under the Community Health and Hospitals Program, the Commonwealth is supporting a range of initiatives across Queensland to boost health services, including the

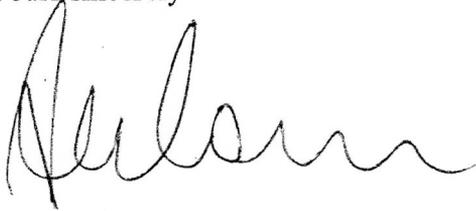
James Cook University Tropical Enterprise Centre. Health funding for Queensland increases by \$1.1 billion from 2019-20 to 2022-23.

Older Australians are being supported through further improvements to the quality, safety and accessibility of aged care services as part of a \$724.8 million aged care package over five years from 2018-19. As the Royal Commission into Aged Care Quality and Safety goes about its critical work, the Commonwealth is taking immediate action to raise safety and quality standards in residential and home care.

Further details of measures included in the 2019-20 Budget are available in the budget papers.

I have copied this letter to the Commonwealth Treasurer, the Hon Josh Frydenberg MP, and the Treasurer of Queensland, the Hon Jackie Trad MP.

Yours, sincerely

A handwritten signature in black ink, appearing to read 'Scott Morrison', written in a cursive style.

SCOTT MORRISON