

2 2019-20 Capital program overview

2.1 Introduction

In this Budget, the Queensland Government has allocated a total of \$12.941 billion in 2019-20 to provide productivity-enhancing economic infrastructure, essential social infrastructure and a broad range of capital works projects and programs across the State.

This investment will help create jobs, support Queensland businesses and grow the economy, including in Queensland's vital regional areas.

The 2019-20 capital program, which is estimated to directly support around 40,500 jobs across the State, represents an 11.7% increase compared with the \$11.583 billion allocated for the 2018-19 capital program in last year's Budget.

The 2019-20 capital works program comprises \$11.342 billion of purchases of non-financial assets (PNFA) and acquisitions of non-financial assets under finance leases and \$1.599 billion of capital grants expenses.

Importantly, the 2019-20 capital program also demonstrates the Government's commitment to rebuilding and grow the State's regions, with \$7.693 billion, or around 60%, of the capital program in 2019-20 to be spent outside of Greater Brisbane (Brisbane and Redlands, Logan and Ipswich), supporting an estimated 25,500 jobs across those regions.

The Government's capital program includes a range of critical infrastructure projects in the port, rail, water and energy sectors being delivered through the State's Public Non-financial Corporations (PNFC) sector (that is, commercial entities of government, including government-owned corporations).

Capital purchases by the PNFC sector in 2019-20 total \$3.5 billion and comprise 27% of the total capital program.

The Government has implemented a clear focus on improving the timely delivery of essential infrastructure for Queensland. This has resulted in an improvement in the amount of capital expenditure delivered, with 96% of budgeted capital purchases actually delivered in 2017-18, the highest proportion in the past six years.

A similar outcome is anticipated in 2018-19, with around 99% of budgeted capital purchases expected to be delivered, compared with the average of 85% for the five years from 2012-13 to 2016-17.

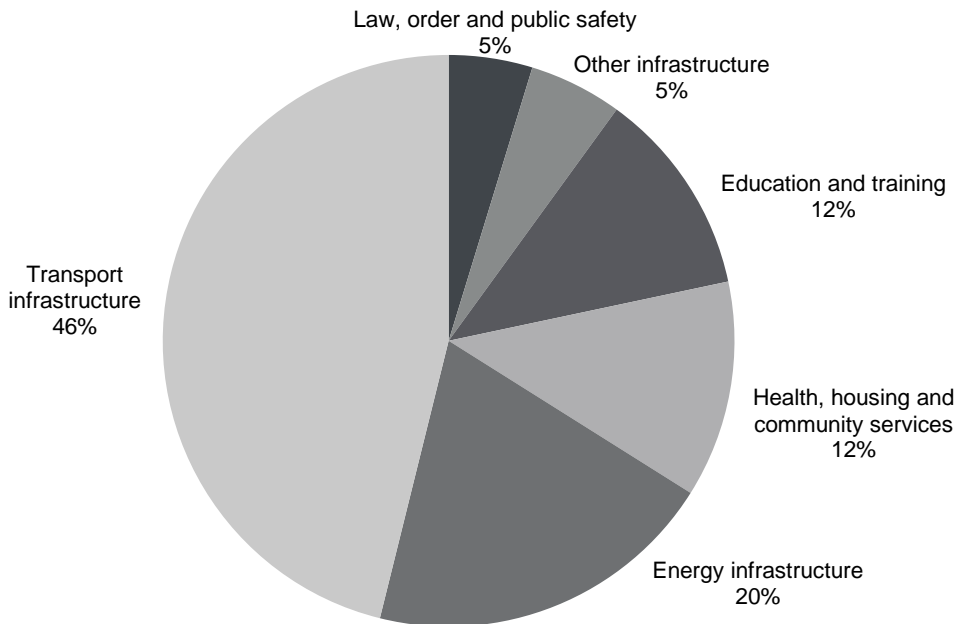
2.2 Capital purchases

The Queensland Government is continuing to provide the essential economic and social infrastructure needed to support economic growth, deliver essential services and ensure ongoing improvements in the quality of life enjoyed by Queensland’s growing population.

The 2019-20 capital program is comprised of \$11.342 billion of PNFA and acquisitions of non-financial assets under finance leases.

Capital purchases in 2019-20, categorised according to purpose, are outlined in Chart 1. Transport continues to account for the largest share of purchases, followed by energy, health and community services, and education and training.

Chart 1 Capital purchases by purpose 2019-20



Capital Statement 2019-20

Table 2 outlines the capital purchases by Queensland Government entity, including the 2018-19 year (estimated actual) and the Budget for 2019-20. Transport and Main Roads has the largest proportion of total capital purchases.

Table 1 Capital purchases by Queensland Government entity^{1,2}

Entity	2018-19 Est. Actual \$'000	2019-20 Budget \$'000
Aboriginal and Torres Strait Islander Partnerships	6,100	100
Agriculture and Fisheries	23,963	22,020
Child Safety, Youth and Women	33,915	24,758
Communities, Disability Services and Seniors	19,691	20,010
Education	880,012	1,227,336
Electoral Commission of Queensland	2,689	1,925
Employment, Small Business and Training	53,700	128,950
Environment and Science	92,557	114,031
Housing and Public Works	558,002	665,468
Justice and Attorney-General	52,954	77,531
Legislative Assembly of Queensland	9,214	6,832
Local Government, Racing and Multicultural Affairs	3,142	2,834
Natural Resources, Mines and Energy		
Natural Resources, Mines and Energy	91,818	109,593
Energy Generation	290,288	613,509
Energy Transmission and Distribution	1,559,901	1,620,163
Water Distribution and Supply	190,313	261,729
Public Safety Business Agency ³	231,720	263,621
Queensland Corrective Services	132,605	126,709
Queensland Fire and Emergency Services	5,750	5,450
Queensland Health	761,456	777,746
Queensland Police Service	15,651	24,646
Queensland Treasury		
Queensland Treasury	7,107	561
Cross River Rail Delivery Authority	721,000	1,479,707
State Development, Manufacturing, Infrastructure and Planning	100,141	109,051
Transport and Main Roads		
Transport and Main Roads	3,756,236	2,902,793
Queensland Rail	550,507	638,635
Port Authorities	180,624	337,366
Youth Justice	3,560	51,914
Other agencies ⁴	8,900	2,841
Other adjustments ⁵	(164,104)	374,230
Anticipated contingency reserve ⁶	(350,000)	(650,000)
Total Capital Purchases	9,829,412	11,342,059

Capital Statement 2019-20

Total Capital Purchases Breakdown	2018-19 Est. Actual \$'000	2019-20 Budget \$'000
Consisting of:		
Purchases of non-financial assets per Non-financial Public Sector Cash Flow Statement (BP2 Table 9.9)	8,855,539	10,222,835
New finance leases	973,873	1,119,224
Total Capital Purchases	9,829,412	11,342,059
Notes:		
<ol style="list-style-type: none"> 1. Includes all associated statutory bodies. 2. Numbers may not add due to rounding. 3. The Public Safety Business Agency is a capital purchaser for Queensland Fire and Emergency Services, Queensland Police Service and the Office of the Inspector-General Emergency Management. 4. Includes other Government entities with non-material capital programs. 5. Representing Inter-agency eliminations, movements in capital payable and receivable, funds held centrally and other accounting adjustments to align with Uniform Presentation Framework Statements. 6. Contingency recognises that on a whole-of-Government basis, there is likely to be under spending, resulting in a carryover of capital allocations. 		

Capital Statement 2019-20

Table 2 shows capital purchases by Regional Action Plan (RAP) region and statistical area. The Government's commitment to support growth in Queensland's vital regional areas is highlighted by the fact that \$6.494 billion (around 57.3%) of capital purchases in 2019-20 will be spent outside of Greater Brisbane (Brisbane and Redlands, Logan and Ipswich).

Table 2 Capital purchases by RAP region and statistical area for 2019-20 ^{1,2}

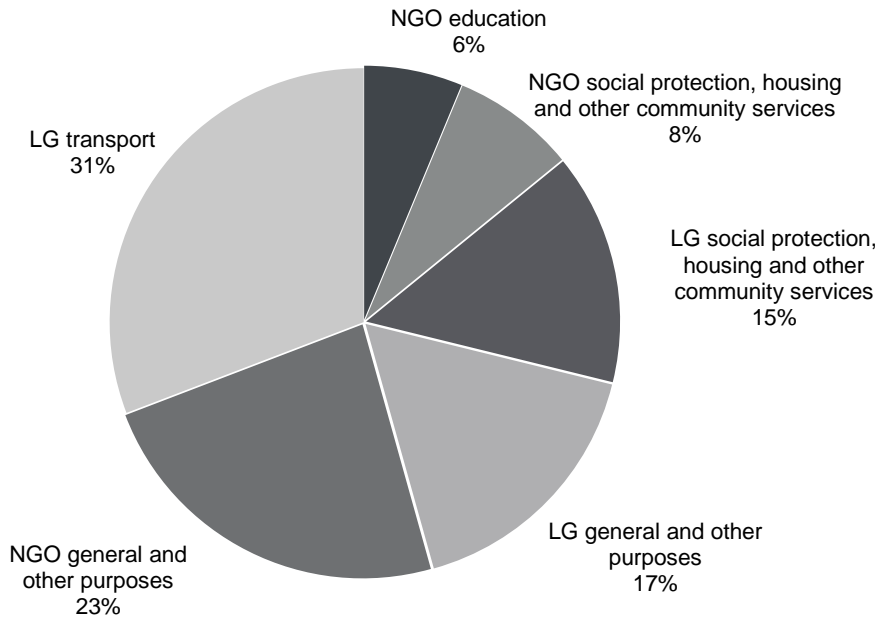
Regional Action Plan Region	Capital Purchases \$'000	Statistical Area	Capital Purchases \$'000
Brisbane and Redlands	3,592,989	301 Brisbane East	200,832
		302 Brisbane North	341,685
		303 Brisbane South	464,135
		304 Brisbane West	240,068
		305 Inner Brisbane	2,346,269
Ipswich ³	832,826	310 Ipswich	832,826
Wide Bay	515,351	319 Wide Bay	515,351
Darling Downs	661,032	307 Darling Downs Maranoa	452,193
		317 Toowoomba	208,839
Gold Coast	712,595	309 Gold Coast	712,595
Logan	422,342	311 Logan Beaudesert	422,342
Mackay-Whitsunday	462,196	312 Mackay	462,196
Outback Queensland ⁴	284,688	315 Outback	405,420
Far North Queensland ⁴	753,733	306 Cairns	633,001
Central Queensland	975,443	308 Central Queensland	975,443
Sunshine Coast and Moreton Bay	1,364,268	316 Sunshine Coast	818,414
		313 Moreton Bay North	313,622
		314 Moreton Bay South	232,232
Townsville	764,596	318 Townsville	764,596
Total Capital Purchases			11,342,059
Notes:			
1. Numbers may not add due to rounding.			
2. The Anticipated Contingency Reserve and other adjustments have been spread across statistical areas proportionate to capital spends.			
3. Capital purchases allocated to the Ipswich region include capital purchases related to the New Generation Rollingstock project, consistent with the approach adopted in previous State budgets.			
4. \$120.7 million of capital purchases in the Outback statistical area belongs to the Far North Queensland region.			

2.3 Capital grants

The Queensland Government provides grants for capital purposes to a range of organisations and private individuals.

Total capital grants are expected to be \$1.599 billion in 2018-19, with Chart 2 below outlining the capital grants to local governments (LG), non-government organisations (NGOs) and individuals.

Chart 2 Capital grants by purpose and recipient



Capital Statement 2019-20

Table 3 shows the planned expenditure on capital grants by Queensland Government entity for 2019-20. The Department of State Development, Manufacturing, Infrastructure and Planning has the highest level of capital grants.

Table 3 Expenditure on capital grants by Queensland Government entity^{1,2}

Entity	2018-19 Est. Actual \$'000	2019-20 Budget \$'000
Aboriginal and Torres Strait Islander Partnerships	12,849	7,142
Agriculture and Fisheries	800	914
Child Safety, Youth and Women	500	..
Communities, Disability Services and Seniors	1,961	2,699
Education	98,323	100,098
Environment and Science	13,045	5,585
Housing and Public Works	132,579	152,494
Innovation, Tourism Industry Development and the Commonwealth Games	7,885	93,405
Local Government, Racing and Multicultural Affairs	304,477	159,512
Natural Resources, Mines and Energy	160,000	55,000
Queensland Fire and Emergency Services	897	897
Queensland Treasury		
Queensland Treasury	126,664	109,839
Cross River Rail Delivery Authority	..	49,658
State Development, Manufacturing, Infrastructure and Planning	448,696	348,170
Transport and Main Roads	294,967	216,742
Other agencies	4,200	..
Other adjustments ³	99,750	75,756
Anticipated contingency reserve	..	221,000
Total Capital Grants	1,707,593	1,598,911
Notes:		
1. Includes associated statutory bodies.		
2. Numbers may not add due to rounding.		
3. Includes assets transferred, funds held centrally and other technical accounting adjustments.		

Capital Statement 2019-20

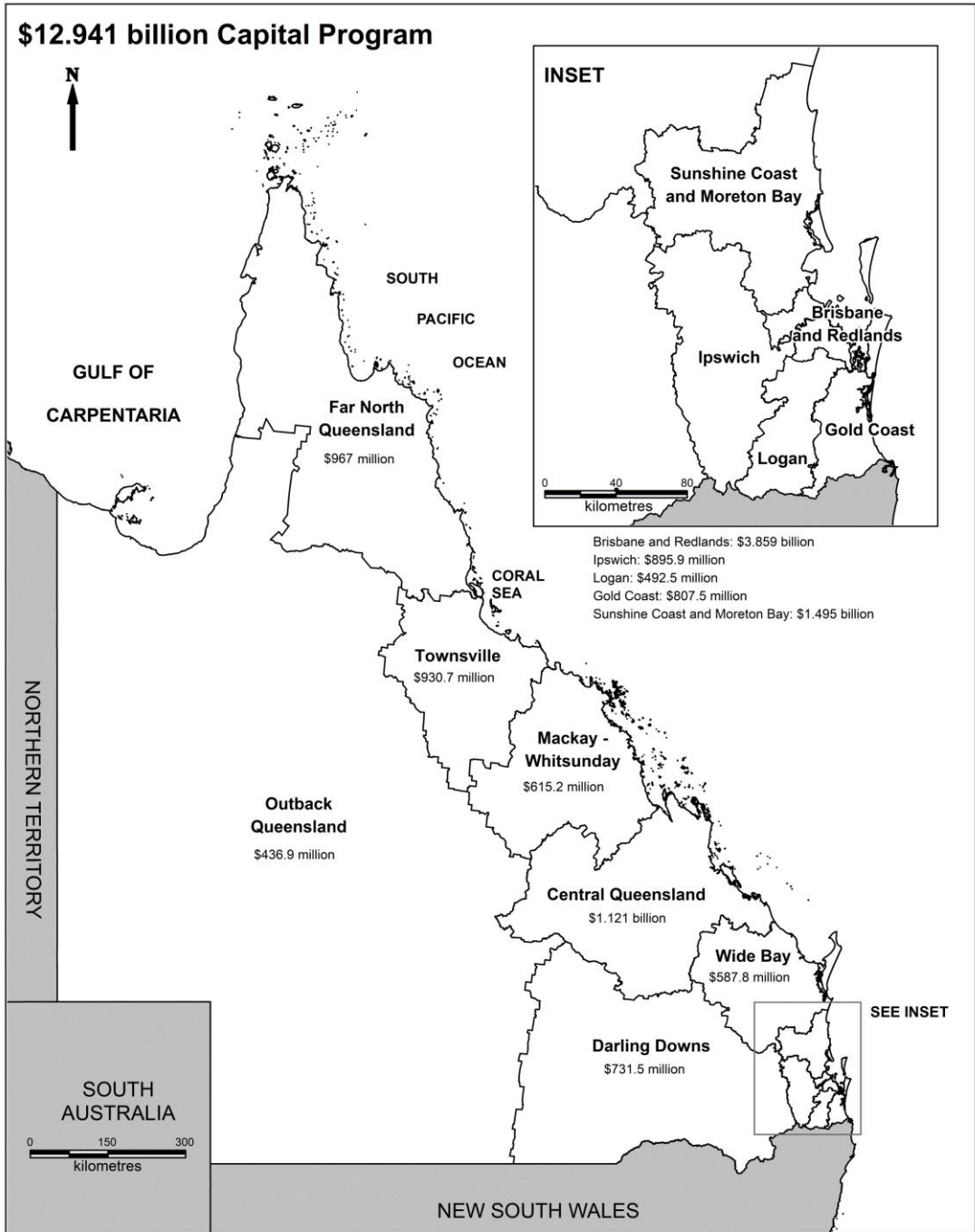
Table 4 shows expenditure on capital grants by RAP region and statistical area. The Government's commitment to support growth in Queensland's vital regional areas is highlighted by the fact that \$1.199 billion (around 75%) of capital grants in 2019-20 will be spent outside of Greater Brisbane (Brisbane and Redlands, Logan and Ipswich).

Table 4 Capital grants by RAP region and statistical area for 2019-20 ^{1,2}

Regional Action Plan Region	Grants \$'000	Statistical Area	Grants \$'000
Brisbane and Redlands	266,349	301 Brisbane East	34,983
		302 Brisbane North	37,054
		303 Brisbane South	59,376
		304 Brisbane West	26,480
		305 Inner Brisbane	108,456
Ipswich	63,118	310 Ipswich	63,118
Wide Bay	72,424	319 Wide Bay	72,424
Darling Downs	70,512	307 Darling Downs Maranoa	37,085
		317 Toowoomba	33,427
Gold Coast	94,918	309 Gold Coast	94,918
Logan	70,144	311 Logan Beaudesert	70,144
Mackay-Whitsunday	152,986	312 Mackay	152,986
Outback Queensland ³	152,217	315 Outback	236,024
Far North Queensland ³	213,310	306 Cairns	129,503
Central Queensland	145,759	308 Central Queensland	145,759
Sunshine Coast and Moreton Bay	131,088	316 Sunshine Coast	55,419
		313 Moreton Bay North	46,042
		314 Moreton Bay South	29,627
Townsville	166,086	318 Townsville	166,086
Total Capital Grants			1,598,911
Notes:			
1. Numbers may not add due to rounding.			
2. The adjustments referred to in Table 4 have been spread across statistical areas proportionate to allocation of Grants.			
3. \$83.8 million of capital grants in the Outback statistical area belongs to the Far North Queensland region.			

Chart 3 shows the distribution of the total 2019-20 capital program (capital purchases and capital grants) across the geographical regions of Queensland, as classified for Budget Paper 3 purposes.

Chart 3 Map of 2019-20 capital program by Queensland regions



Note: Boundaries are based on ASGS 2016