

2 2020-21 Capital program overview

2.1 Introduction

In this Budget, the Queensland Government has allocated a total of \$14.835 billion in 2020-21 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 2020-21 capital program, which is estimated to directly support around 46,000 jobs across the state, represents an 14.6% increase compared with the \$12.941 billion allocated for the 2019-20 capital program in last year's Budget.

The 2020-21 capital program comprises \$12.617 billion of purchases of non-financial assets (PNFA) and acquisitions of non-financial assets under finance leases and \$2.218 billion of capital grants expenses.

Importantly, the 2020-21 capital program also demonstrates the government's commitment to rebuilding and growing the state's regions, with \$8.628 billion, or around 58%, of the capital program to be spent outside of Greater Brisbane (Brisbane and Redlands, Logan and Ipswich), supporting an estimated 28,700 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 2020-21 total \$3.460 billion and comprise 23.3% of the total capital program.

Capital outlays by infrastructure class are detailed in Chapter 3 and include projects funded by the General Government and PNFC sectors and Australian Government contributions.

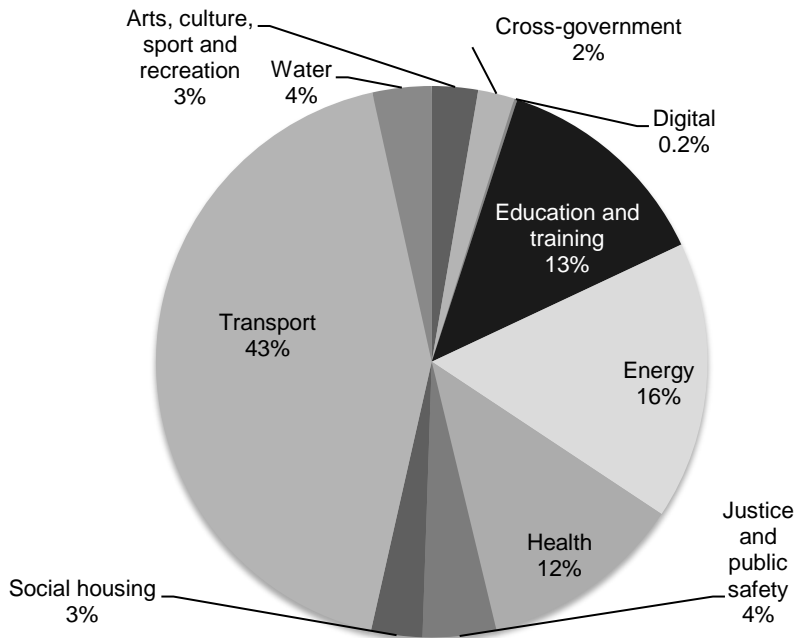
2.2 Capital purchases

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

The 2020-21 capital program is comprised of \$12.617 billion of PNFA and acquisitions of non-financial assets under finance leases.

Capital purchases in 2020-21, categorised according to infrastructure class, are outlined in Chart 1. Transport continues to account for the largest share of purchases, followed by energy, education and training and health.

Chart 1 Capital purchases by infrastructure class 2020-21



Capital Statement 2020-21

Table 1 outlines the capital purchases by infrastructure class for 2020-21. The transport infrastructure class has the largest proportion of total capital purchases.

Table 1 Capital purchases by infrastructure class^{1, 2}

| Infrastructure Class | 2020-21 Budget \$'000 |
|--|-----------------------------|
| Arts, culture, sport and recreation | 292,871 |
| Cross-government | 370,513 |
| Digital | 25,113 |
| Education and training | 1,780,367 |
| Energy | 2,234,817 |
| Health | 1,624,945 |
| Justice and public safety | 589,545 |
| Social housing | 411,387 |
| Transport | 5,894,322 |
| Water | 473,987 |
| Other adjustments ³ | 218,642 |
| Anticipated contingency reserve ⁴ | (1,300,000) |
| Total Capital Purchases | 12,616,508 |
| Consisting of: | |
| Purchases of non-financial assets per Non-financial Public Sector Cash Flow Statement (BP2 Table 9.9) | 11,031,456 |
| New finance leases | 1,585,052 |
| Total Capital Purchases | 12,616,508 |
| Notes | |
| 1. Entities included in the capital purchases are listed in Appendix A. | |
| 2. Numbers may not add due to rounding. | |
| 3. Representing inter-agency eliminations, movements in capital payable and receivable, funds held centrally and other accounting adjustments to align with Uniform Presentation Framework Statements. | |
| 4. 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 2020-21

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 \$6.934 billion (around 55%) of capital purchases in 2020-21 will be spent outside of Greater Brisbane (Brisbane and Redlands, Logan and Ipswich).

Table 2 Capital purchases by RAP region and statistical area for 2020-21 ^{1,2}

| Regional Action Plan Region | Capital Purchases \$'000 | Statistical Area | Capital Purchases \$'000 |
|--|-----------------------------|---------------------------|-----------------------------|
| Brisbane and Redlands | 4,417,561 | 301 Brisbane East | 214,651 |
| | | 302 Brisbane North | 255,973 |
| | | 303 Brisbane South | 593,955 |
| | | 304 Brisbane West | 222,973 |
| | | 305 Inner Brisbane | 3,130,009 |
| Ipswich | 704,582 | 310 Ipswich | 704,582 |
| Wide Bay | 819,807 | 319 Wide Bay | 819,807 |
| Darling Downs | 571,677 | 307 Darling Downs Maranoa | 311,883 |
| | | 317 Toowoomba | 259,794 |
| Gold Coast | 962,595 | 309 Gold Coast | 962,595 |
| Logan | 560,370 | 311 Logan Beaudesert | 560,370 |
| Mackay-Whitsunday | 418,553 | 312 Mackay | 418,553 |
| Outback Queensland ³ | 268,733 | 315 Outback | 434,685 |
| Far North Queensland ³ | 915,911 | 306 Cairns | 749,958 |
| Central Queensland | 1,002,422 | 308 Central Queensland | 1,002,422 |
| Sunshine Coast and Moreton Bay | 1,408,487 | 316 Sunshine Coast | 744,861 |
| | | 313 Moreton Bay North | 427,399 |
| | | 314 Moreton Bay South | 236,227 |
| Townsville | 565,811 | 318 Townsville | 565,811 |
| Total Capital Purchases | 12,616,508 | | 12,616,508 |
| Notes: | | | |
| 1. Numbers may not add due to rounding. | | | |
| 2. The Anticipated Contingency Reserve and other adjustments referred to in Table 1 have been spread across statistical areas proportionate to capital spends. | | | |
| 3. \$158.7 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 \$2.218 billion in 2020-21, with Chart 2 below outlining the capital grants by infrastructure class.

Chart 2 Capital grants by infrastructure class

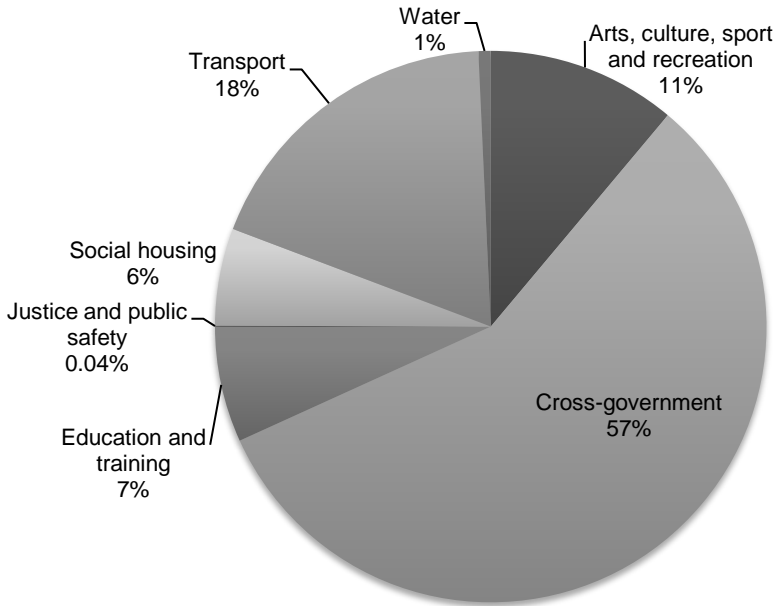


Table 3 shows the planned expenditure on capital grants by infrastructure class for 2020-21. The Cross-government infrastructure class has the highest level of expenditure on capital grants.

Table 3 Expenditure on capital grants by infrastructure class^{1, 2}

| Infrastructure Class | 2020-21 Budget \$'000 |
|--|--------------------------------------|
| Arts, culture, sport and recreation | 223,210 |
| Cross-government | 1,120,708 |
| Education and training | 136,652 |
| Justice and public safety | 897 |
| Social housing | 114,771 |
| Transport | 372,482 |
| Water | 36,197 |
| Other adjustments ³ | 213,419 |
| Total Capital Grants | 2,218,336 |
| Notes: | |
| 1. Entities included in the capital grants are listed in Appendix A. | |
| 2. Numbers may not add due to rounding. | |
| 3. Includes assets transferred, funds held centrally and other technical accounting adjustments. | |

Capital Statement 2020-21

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 \$1.694 billion (around 76.4%) of capital grants in 2020-21 will be spent outside of Greater Brisbane (Brisbane and Redlands, Logan and Ipswich).

Table 4 Capital grants by RAP region and statistical area for 2020-21^{1,2}

| Regional Action Plan Region | Capital Grants \$'000 | Statistical Area | Capital Grants \$'000 |
|-----------------------------------|--------------------------|---------------------------|-----------------------------|
| Brisbane and Redlands | 320,792 | 301 Brisbane East | 46,539 |
| | | 302 Brisbane North | 57,387 |
| | | 303 Brisbane South | 70,301 |
| | | 304 Brisbane West | 31,724 |
| | | 305 Inner Brisbane | 114,841 |
| Ipswich | 97,435 | 310 Ipswich | 97,435 |
| Wide Bay | 127,765 | 319 Wide Bay | 127,765 |
| Darling Downs | 151,555 | 307 Darling Downs Maranoa | 114,011 |
| | | 317 Toowoomba | 37,544 |
| Gold Coast | 170,949 | 309 Gold Coast | 170,949 |
| Logan | 105,967 | 311 Logan Beaudesert | 105,967 |
| Mackay-Whitsunday | 164,368 | 312 Mackay | 164,368 |
| Outback Queensland ³ | 341,892 | 315 Outback | 454,562 |
| Far North Queensland ³ | 268,389 | 306 Cairns | 155,719 |
| Central Queensland | 97,731 | 308 Central Queensland | 97,731 |
| Sunshine Coast and Moreton Bay | 198,783 | 316 Sunshine Coast | 91,788 |
| | | 313 Moreton Bay North | 50,375 |
| | | 314 Moreton Bay South | 56,620 |
| Townsville | 172,709 | 318 Townsville | 172,709 |
| Total Capital Grants | 2,218,336 | | 2,218,336 |

Notes:

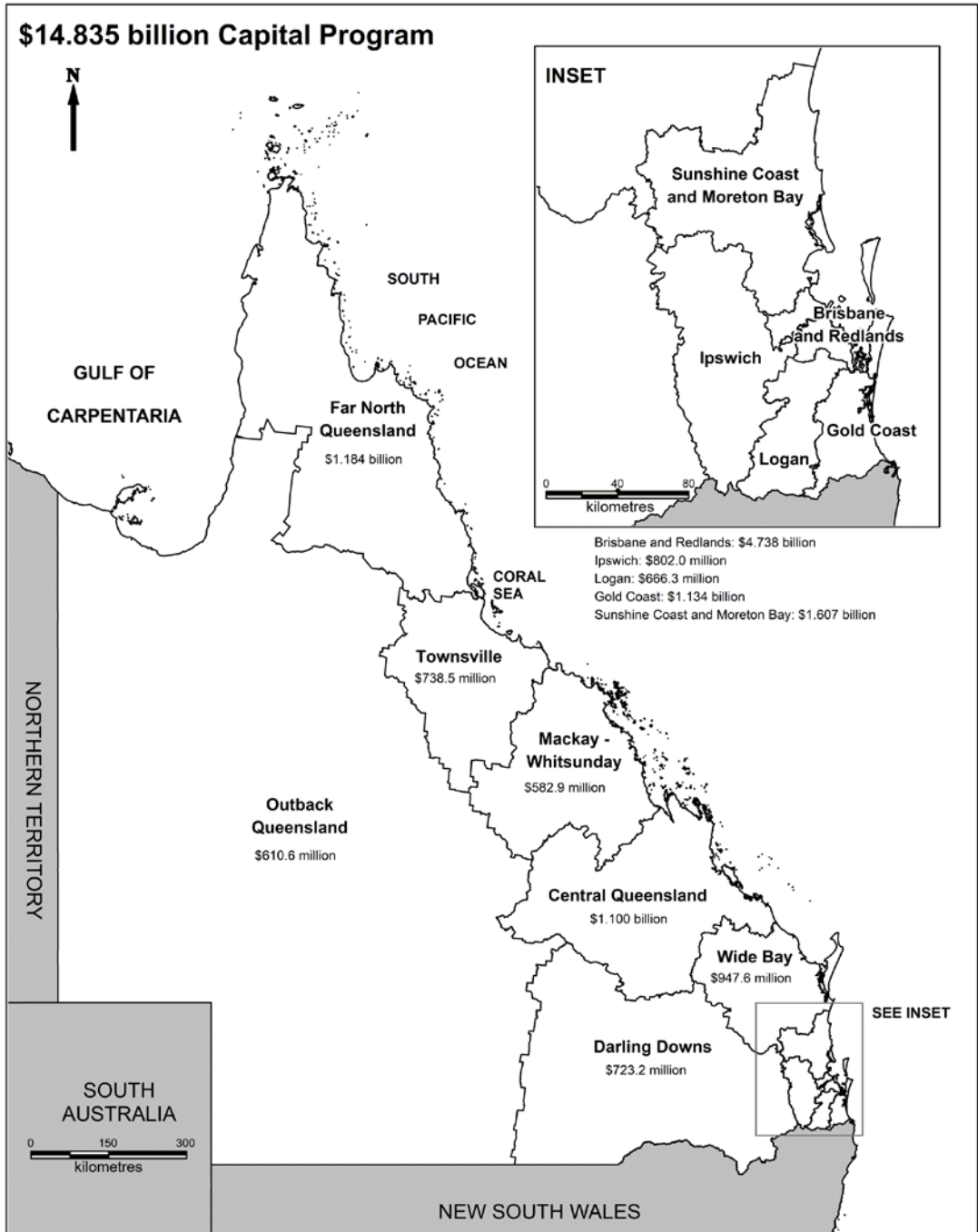
1. Numbers may not add due to rounding.

2. The adjustments referred to in Table 3 have been spread across statistical areas proportionate to allocation of Grants.

3. \$112.7 million of capital grants in the Outback statistical area belongs to the Far North Queensland region.

Chart 3 shows the distribution of the total 2020-21 capital program (capital purchases and capital grants) across the geographical regions of Queensland, as classified for Budget Paper 3 purposes.

Chart 3 Map of 2020-21 capital program by Queensland regions



Note: Boundaries are based on ASGS 2016