Accountants & Advisors

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Spotlight on Spending

QLD State Budget

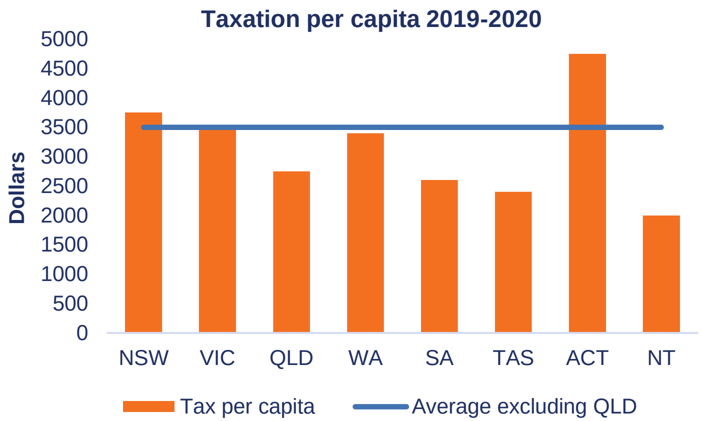
innovation | economy | recovery | taxes | incentives | exports | R&D | jobs | opportunities

16 June 2021

No news is good news – the property industry breathed a sigh of relief today as the Queensland Government announced a steady as it goes budget with no new taxes or tax increases.

Key Takeaways

- Improving state revenues in line with receding COVID-19 pandemic and winding back of relief measures
- Total state revenues to increase to $63.64bn with improvements in land rents and coal and natural gas royalties (up 25.3%). Coal royalties facing significant uncertainty over the forward estimates as result of trade tensions
- Taxation revenue is forecast to be $1.492 billion (9.4 per cent) higher in 2021–22 driven mainly by transfer (stamp) duty on increasing residential property prices
- Queensland is maintaining its competitive tax status, with per capita state tax $771 below the average of other states and territories in 2019–20



Sources: ABS Government Finance Statistics and ABS National, State and Territory Population

- The 50% payroll tax rebate for apprentices and trainees will be extended for 12 months until 30 June 2022. In addition to apprentice and trainee wages generally being exempt from payroll tax, this rebate will provide additional support to employment in the ongoing recovery from COVID-19, in particular youth employment and businesses who employ trainees and apprentices
- Capital works program of $52.2bn over next 4 years on largely already announced projects with 61% of projects in regional QLD
- Total state debt to grow to $116.7bn by 2023 with a budget deficit of $3.8bn in 2021 and a forecast return to small surplus of $153m by 2025
- State charges to increase 1.7% in line with state CPI
- Unemployment projected at 5.75% for 2022 (down from 7% in 2021).

Our review

3/5 – Not enough in the plot

No new taxes or tax increases are great however, we would have appreciated some spending and incentives for our rural areas that were hit quite hard by COVID-19.

Did the Budget put the spotlight on what you wanted?

Reach out to one of our experts below for assistance navigating the implications and opportunities this Budget presents for you, your business and your industry.

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