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9th November 2015

Ref: J2909

Statistical Note – Queensland State Budget Capital Expenditure by Region

Budget 2015-16

The following table gives an analysis of the 2015-16 State budget capital expenditure (purchases) by region compared with population.

The table gives expenditure per capita, the expenditure that would occur if the capital expenditure was on the same per capita basis across the State and the comparative deficit/surplus for that region.

Table #1: Comparative Capital Expenditure by Region – Queensland Budget 2015-16

<u>Region</u>	<u>Budget expenditure</u> \$m	<u>Population</u> <u>2014</u> No.	<u>Expenditure</u> <u>per capita</u> \$	<u>Expenditure on</u> <u>State average</u> \$m	<u>Deficit/</u> <u>Surplus</u> \$m
Greater Brisbane	\$2,333 m	2,274,500	\$1,030	\$4,167 m	(-\$1,834 m)
Gold Coast	\$900 m	560,268	\$1,610	\$1,014 m	(-\$114 m)
Sunshine Coast	\$1,375 m	335,874	\$4,100	\$608 m	+\$767 m
Twba/Darling Downs	\$1,022 m	279,200	\$3,670	\$505 m	+\$517 m
Wide Bay	\$479 m	288,597	\$1,660	\$522 m	(-\$43 m)
Fitzroy	\$787 m	223,749	\$3,520	\$405 m	+\$382 m
Mackay	\$310 m	182,049	\$1,700	\$330 m	(-\$20 m)
Townsville	\$443 m	236,629	\$1,870	\$428 m	+\$15 m
Cairns	\$330 m	242,598	\$1,360	\$439 m	(-\$109 m)
Outback Qld	\$595 m	88,424	\$6,720	\$160 m	+\$435 m
Total	\$8,574 m	4,727,447	\$1,810	\$8,574 m	Nil

Source : Cummings Economics from, Q'ld Budget Papers Appendix C Table C1 and Australian Bureau of Statistics (ABS) data.

What is clear is that among the regional areas, the Cairns region (Cairns, Tablelands, Cassowary Coast, Douglas) is the big loser.

It has the lowest per capita expenditure outside of Greater Brisbane area. On State per capita averages, it is short changed by over \$100m.

While Greater Brisbane has the lowest per capita expenditure, some of the surrounding regions in the south-east have very high per capita expenditure. If you take SE Queensland as a whole (Greater Brisbane, Gold Coast, Sunshine Coast, Toowoomba/Darling Downs, Wide Bay), per capita expenditure was \$1,639m, ie. higher than Cairns region at per capita \$1,360. If the Cairns region was on a par with the Sunshine Coast, it would have an extra \$664 million and on a par with Toowoomba Darling Downs, an extra \$560 million.

An extra \$523 million would be needed to bring it up to par with the Fitzroy region on a per capita basis.

On a per capita basis, the smaller population Townsville region was allocated \$123 million more.

Movements Over Past Four Years

The following analyses movements over the past four years.

Table #2: Comparative Queensland Budget Capital Expenditure by Region – 2012-13, 2013-14, 2014-15, 2015-16

<u>Region</u>	<u>2015-16</u> <u>\$m</u>	<u>2014-15</u> <u>\$m</u>	<u>2013-14</u> <u>\$m</u>	<u>2012-13</u> <u>\$m</u>	<u>Total</u> <u>\$m</u>
Greater Brisbane	2,333	2,610	3,499	4,243	12,685
Gold Coast	900	973	1,487	1,594	4,954
Sunshine Coast	1,375	1,550	1,230	989	5,144
Twba/Darling Downs	1,022	885	1,148	872	3,927
Wide Bay	479	718	736	952	2,885
Fitzroy	787	663	801	1,093	3,344
Mackay	310	455	431	586	1,782
Townsville	443	676	649	801	2,569
Cairns	330	480	643	720	2,173
Outback Qld	595	376	393	490	1,854
Total Qld	8,574	9,386	11,017	12,340	41,317

Source : Cummings Economics from, Q'ld Budget Papers Appendix C Table C1 and Australian Bureau of Statistics (ABS) data.

Table #3: Comparative Queensland Budget Capital Expenditure by Region Per Capita – (2014 Residential Population), 2012-13, 2013-14, 2014-15, 2015-16

<u>Region</u>	<u>2015-16</u> <u>\$</u>	<u>2014-15</u> <u>\$</u>	<u>2013-14</u> <u>\$</u>	<u>2012-13</u> <u>\$</u>	<u>Total</u> <u>\$</u>
Greater Brisbane	1,026	1,148	1,538	1,865	5,577
Gold Coast	1,606	1,736	2,654	2,845	8,842
Sunshine Coast	4,094	4,615	3,662	2,945	15,315
Twba/Darling Downs	3,660	3,169	4,111	3,465	14,065
Wide Bay	1,659	2,488	2,550	3,299	9,996
Fitzroy	3,517	2,963	3,579	4,884	14,945
Mackay	1,703	2,499	2,367	3,218	9,789
Townsville	1,870	2,857	2,742	3,385	10,857
Cairns	1,360	1,978	2,650	2,968	8,957
Outback Qld	6,728	4,252	4,444	5,541	20,967
Average Qld	1,816	1,988	2,333	2,613	8,749

Source : Cummings Economics from, Q'ld Budget Papers Appendix C Table C1 and Australian Bureau of Statistics (ABS) data.

The Tables indicate that over the four years, the Cairns region has consistently been among the lowest per capita in the State outside of Greater Brisbane. The Gold Coast was marginally lower in some years and in one year Wide Bay and Mackay were marginally lower. In total, over the four years, the Cairns region has recorded the lowest per capita State Budget capital spending outside Greater Brisbane and the Gold Coast.

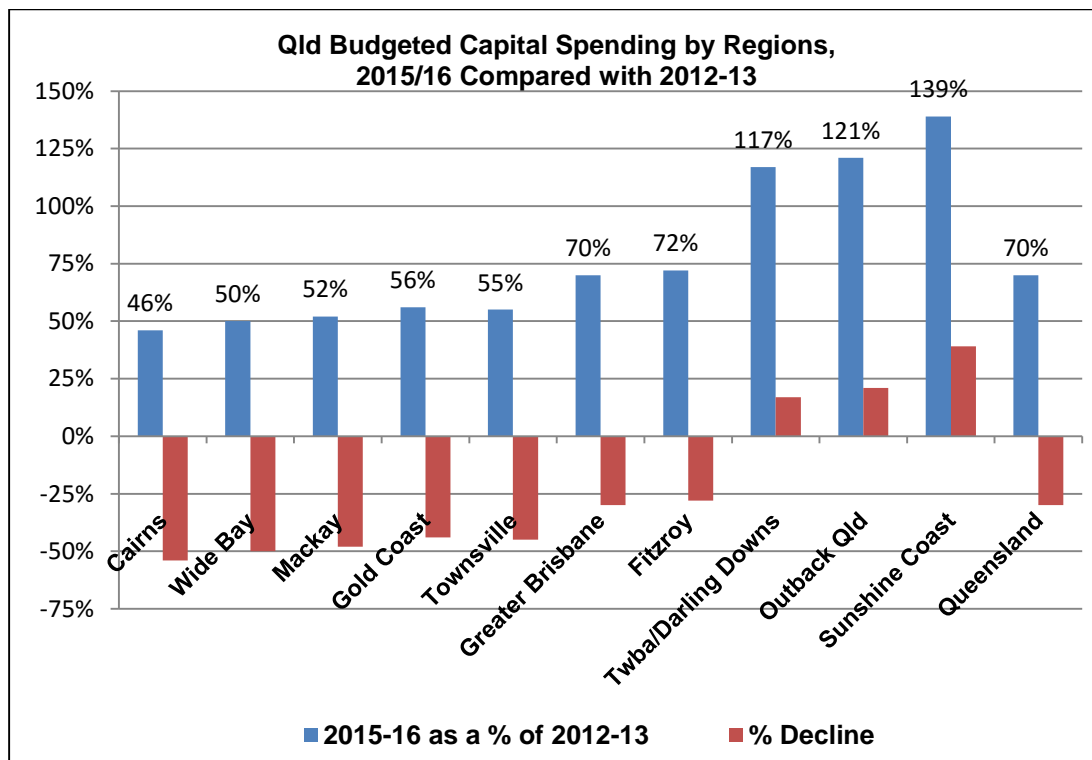
A notable feature of the four years has been a decline in Queensland’s total budget capital expenditure from \$12.3bn to \$8.6bn, ie. by 30%.

At the beginning of the period recorded in 2012-13, the Cairns region recorded the lowest per capita capital budget outside of Brisbane and the Gold Coast. The following illustrates that over the four years since then, the Cairns region also recorded the biggest decline with 2015-16 54% less than 2012-13 compared with a State average decline of 30%.

Table #4: Queensland Budgeted Capital Spending 2015-16 as a percentage of 2012-13

<u>Region</u>	<u>2015-16 as a % of 2012-13</u>	<u>Decline</u>
Cairns	46%	(-54%)
Wide Bay	50%	(-50%)
Mackay	52%	(-48%)
Gold Coast	56%	(-44%)
Townsville	55%	(-45%)
Greater Brisbane	70%	(-30%)
Fitzroy	72%	(-28%)
Toowoomba/Darling Downs	117%	+17%
Outback Queensland	121%	+21%
Sunshine Coast	139%	+39%
Queensland	70%	(-30%)

Source: Cummings Economics derived from Table #2 above.



Source: Cummings Economics from Table #4 above.

Over the budgets 2012-13 to 2015-16, the Cairns region has experienced a major decline in absolute terms of \$390 million. This \$390 million hole in the economy is currently a major factor holding back the region’s economic recovery, offsetting gains in other directions.

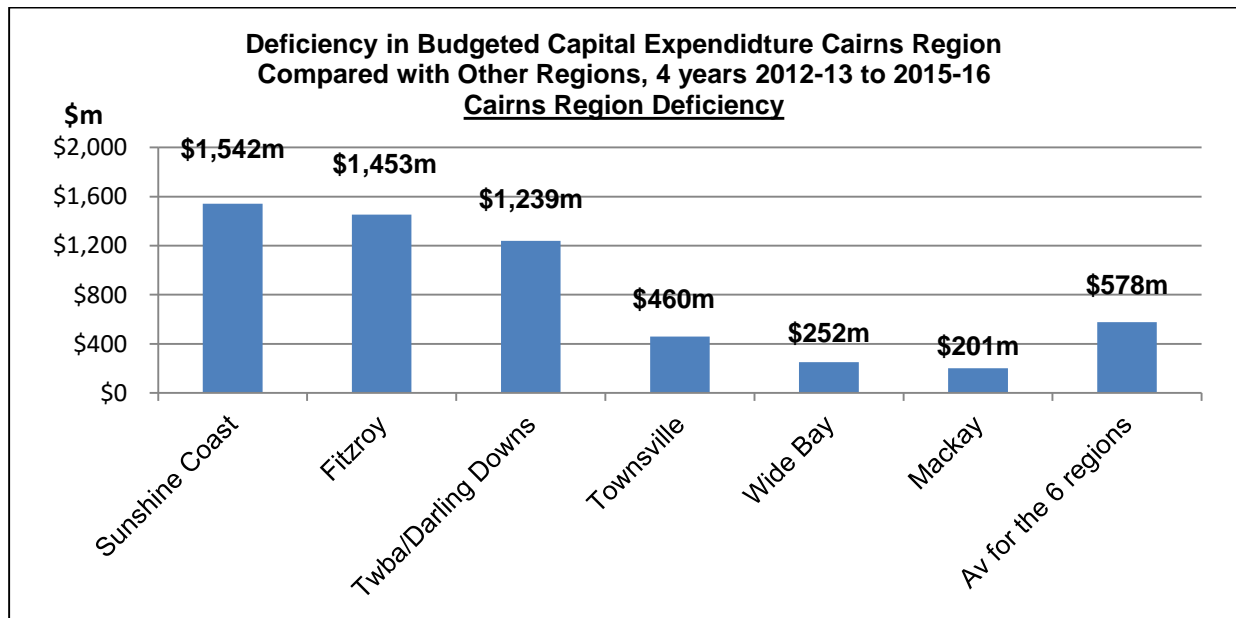
To add salt to the wound, a large part of the State Government spending in the region over this period was on the Cairns Hospital with the money coming from the \$400m sale of Cairns Airport.

To be equitable on a per capita basis with other similar regions, the State Government owes the Cairns region, in total over the four years, as follows.

Table #5: Deficiency in Budgeted Capital Expenditure, Cairns Compared with Other Regions, 4 years 2012-13 to 2015-16

<u>Region compared with</u>	<u>Cairns Region Deficiency</u>
Sunshine Coast	\$1,542 m
Fitzroy	\$1,453 m
Toowoomba/Darling Downs	\$1,239 m
Townsville	\$460 m
Wide Bay	\$252 m
Mackay	\$201 m
Average for the six regions	\$578 m

Source : Cummings Economics derived from Table #3 above.



Source : Cummings Economics from Table #5 above.