

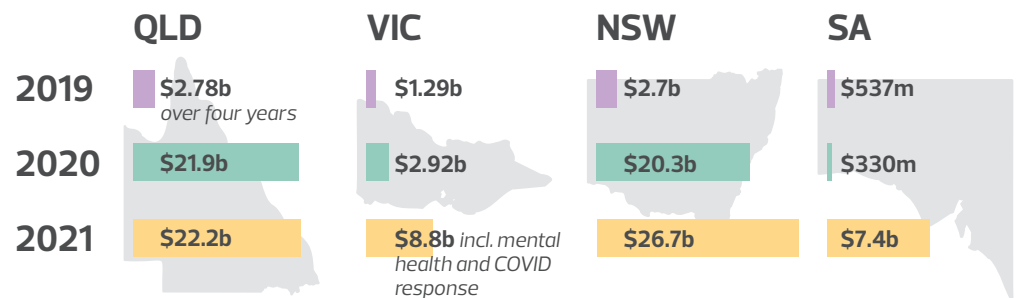
STATE BUDGET COMPARISON BY INVESTMENT FOCUS

Spending across all major investment areas has increased dramatically since the COVID-19 pandemic hit in early 2020, including health, education, and infrastructure. This indicates that these governments may be spending their way out of the pandemic. The focus is on keeping people safe and healthy, providing strong educational infrastructure, and creating jobs.

State spending priorities are consistent with the federal focus on infrastructure and environmental investment, and building more capacity in the education and health sectors. Overall, this spending is set to help Australia transition from a recovery footing to a focus on growth and futureproofing.



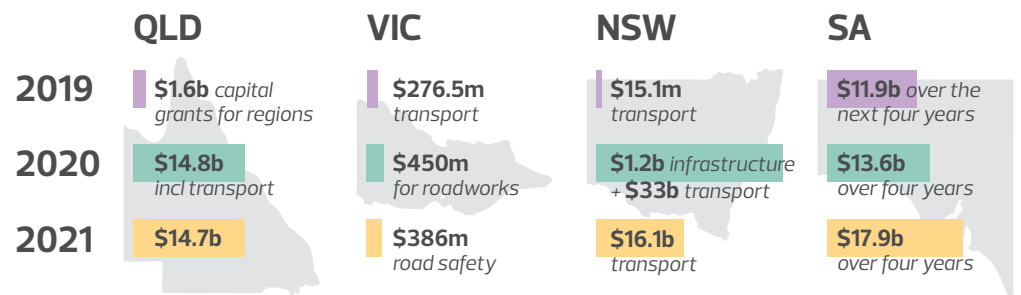
Health



The coronavirus pandemic has had a noticeable effect on health budgets with all four states increasing their budgets significantly in the wake of COVID-19. Queensland and South Australia have had the largest increases, going from less than \$1 billion each in the 2019–20 budget to \$22 billion and \$7.4 billion respectively in the 2021–22 budget.



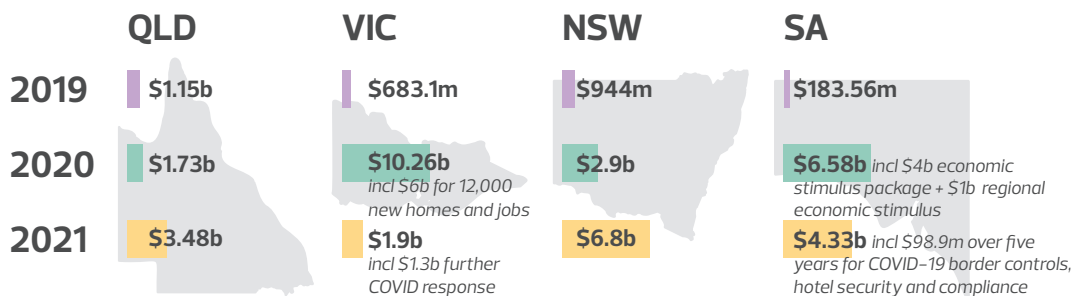
Infrastructure



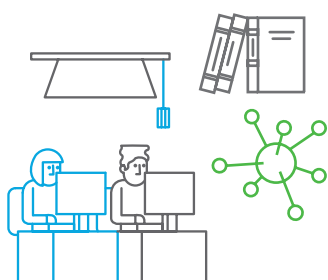
Infrastructure spending hasn't been dramatically affected in the wake of COVID-19 except in Queensland.



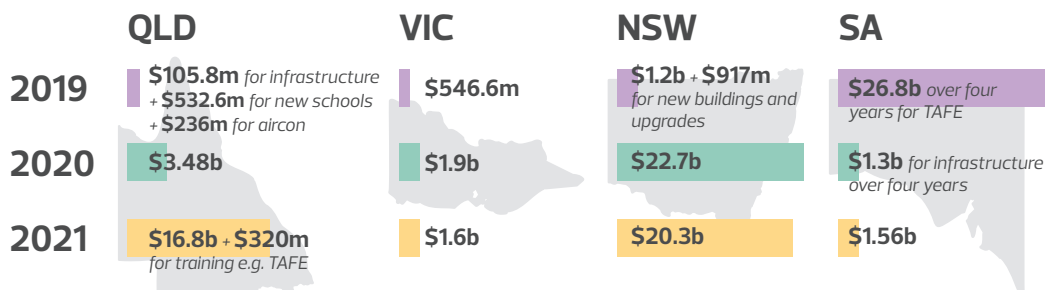
Economy/COVID



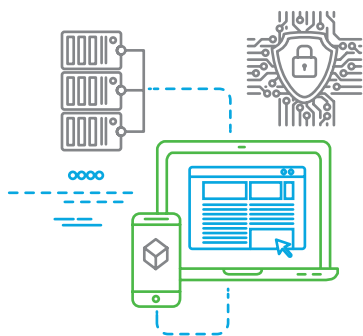
Most states have included spending for economic stimulation and COVID-19-specific responses in their budgets. Victoria and South Australia were the biggest spenders in 2020-21, in the immediate face of the pandemic, while NSW and SA will continue to spend significantly in 2021-22.



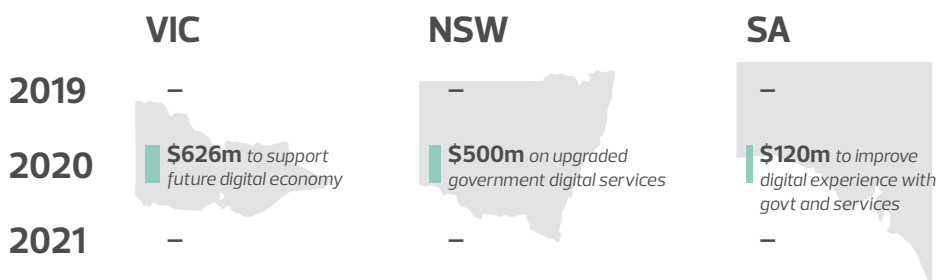
Education



All four states are focused on education with significant increases in spending from 2019-20 to 2021-22. Spending on jobs-based education such as TAFE is a focus, as is improving education infrastructure.



Digital



Digital transformation became a focus for Victoria, NSW and SA during the height of the pandemic in the 2020-21 budget, with money set aside for digital initiatives. This investment did not occur in the previous year's budget and was not repeated in the 2021-22 budget.

CONCLUSION

Other than New South Wales, no state has taken this once-in-a-lifetime chance to make substantial structural reform to the tax system. Instead the focus is on infrastructure, jobs, health and education which have always been the traditional focal points of state governments. Whilst tax reform is not as simple as making quick changes, a more unified approach and a concerted effort to achieve structural reform will mend the rift in thinking between states.