



2017-18 Queensland Budget

Snapshot

June 2017



insightful, creative, passionate

Contents

| | |
|--|----|
| Overview | 1 |
| Aboriginal and Torres Strait Islander Partnerships | 2 |
| Agriculture and Fisheries | 3 |
| Communities, Child Safety and Disability Services | 4 |
| Education and Training | 5 |
| Energy and Water Supply | 6 |
| Environment and Heritage Protection | 7 |
| Health | 8 |
| Housing and Public Works | 9 |
| Infrastructure, Local Government and Planning | 10 |
| Justice and Attorney-General | 11 |
| National Parks, Sport and Racing | 12 |
| Natural Resources and Mines | 13 |
| Police, Fire and Emergency Services | 14 |
| Science, Information Technology and Innovation | 15 |
| State Development | 16 |
| Tourism, Major Events, Small Business and the Commonwealth Games | 17 |
| Transport and Main Roads | 18 |

Prepared by:
BBS Communications Group

L10, 144 Edward Street
GPO Box 2902
Brisbane Qld 4001
07 3221 6711
info@bbscommunications.com.au

This document and the ideas and concepts set out in the document are subject to copyright. No part of the document, ideas or concepts are to be reproduced or used either in identical or modified form, without the express written consent of BBS Communications Group Pty Ltd.

Overview

Curtis Pitt's third budget — and the last before Queensland goes to the polls — includes plenty of the spending that typically accompanies pre-election budgets. And while the government's largesse has been spread across a range of portfolios and projects, it's fair to say they're betting big on one in particular: Cross River Rail.

As was widely expected, the Queensland Government has chosen to go it alone on the new rail crossing, allocating almost \$2 billion to the project over the forward estimates. It is by far the most significant single budget item, ensuring it will be the government's "hero project" as it seeks re-election later this year.

Spending measures

The government has plenty in its pre-election war chest, committing \$42.75 billion in capital works projects over the next four years.

Education and housing were two of the big winners in this year's budget, with \$500 million allocated to new or expanded schools, and \$1.8 billion to build 5,500 new social housing units.

Overall the government has allocated \$16.6 billion to health, \$13.7 billion to education and training, and \$1.8 billion to disability services.

The importance of North Queensland in the forthcoming election was reflected in significant spending in the region, including almost \$400 million for power projects alone. The Townsville Port expansion also received \$75 million.

The government has responded to a number of recent high-profile child safety failures with a \$200 million boost to hire almost 300 new Child Safety staff.

Revenue raising

Motor vehicle registration will increase by 3.5 percent — significantly above the current rate of inflation — and absentee landholders will be slugged with a 1.5 percent tax on any land valued at more than \$350,000. However for the most part the government has held fire on new taxes and charges — not unexpected given the likelihood of an election before the end of the year.

Key figures

Infrastructure projects have been designed to add significantly to employment in Queensland, with the government claiming its infrastructure program alone will add around 40,000 jobs.

Economic growth is projected to remain steady at 2.75 percent in 2017/18 before increasing to 3 percent the following year. The impact of Cyclone Debbie led to a loss of around three quarters of a percent in growth.

The budget is once again in surplus to the tune of \$2.8 billion — the largest surplus in a decade.

Government debt has grown to \$34 billion, however this is \$2 billion less than what was anticipated at the mid-year forecast.



Aboriginal and Torres Strait Islander Partnerships

Overview

The 2017-18 State budget strongly focusses on building Indigenous economic and community participation as well as promoting the cultural recognition of Indigenous communities.

The budget includes \$7.8 million over five years and \$355,000 ongoing to support the Aurukun community through community centre redevelopment, adult literacy and numeracy programs, youth engagement and community co-ordination.

Key initiatives:

- \$6 million for land acquisitions relating to the Cape York Peninsula Tenure Resolution Program, allowing Traditional Owners to return to live on country and pursue the economic opportunities on the land.
- \$9.3 million to develop infrastructure and subdivisions for social housing in remote and discrete indigenous communities.
- \$7.6 million over four years to compensate Elders Groups for their work informing policy responses and developing assessment frameworks in response to the 2017 Closing the Gap Report.
- \$1.2 million over three years to enhance the Youth Employment Program to secure sustainable employment for Indigenous young people.
- \$75 million has been allocated over the next 10 years to honour “Katter” leases in Cape York and Torres Strait, to increase home ownership and economic participation of Aboriginal and Torres Strait Islander communities.
- \$8.1 million over four years for the Indigenous Land and Sea Ranger program, creating 25 additional jobs in remote and regional Queensland.



Agriculture and Fisheries

Overview

The 2017-18 agriculture budget is focused on encouraging the economic development of rural Queensland through aiding recovery from natural disasters, providing more frontline staff, biosecurity measures and enhancing trade in key markets.

\$5.2 million will be provided over three years to deliver the Rural Economic Development Package, supporting rural economic growth and jobs.

\$16 million will be provided over five years to continue the Drought and Climate Adaptation Program, helping primary producers improve their resilience to drought and climate risks, improving resource management, performance and long-term productivity.

Key initiatives:

- \$20.9 million over three years to reform Queensland's fisheries, including hiring an extra 20 patrol officers and tracking commercial fishers by satellite.
- \$5.2 million over three years to support the Rural Economic Development Package, providing for programs such as Growing Queensland's Food Exports, a Rural Economies Centre of Excellence, and continuing the department's One Stop Service.
- \$20 million in funding for the continuation of the Drought Relief Assistance Scheme, providing freight subsidies and emergency water infrastructure rebates to support producers and communities affected by drought.
- \$88.5 million over five years for the Great Barrier Reef Water Quality Program, to help protect the Great Barrier Reef.
- Up to \$9 million over two years to continue the White Spot Disease response in South East Queensland prawns in prawn farms in the Logan River and Moreton Bay.
- \$5.2 million over two years for pest and weed management, including an extra \$1 million for wild dog exclusion fencing and \$3.9 million to continue the National Electric Ant Eradication Program in Far North Queensland.
- \$28.2 million over 10 years to implement the National Red Imported Fire Ant Eradication Program.
- \$18.1 million for research and development, with a focus on developing and upgrading existing research facilities across the state.

insightful, creative, passionate



Communities, Child Safety and Disability Services

Overview

The rollout of the National Disability Insurance Scheme (NDIS) has seen almost \$2 billion allocated to disability services in the 2017-18 budget. This includes more than half a billion dollars to bring forward the rollout scheme in Ipswich, Bundaberg and Rockhampton.

Queensland's much-maligned and understaffed Child Safety Department has received a welcome boost with \$200 million to recruit almost 300 new child safety staff. The staffing boost will help reduce the case load of existing frontline social workers with the aim of ensuring at-risk children are identified before any further tragedies occur.

Seniors programs have been allocated \$12 million, with a \$6.1 million, four-year strategy to make Queensland communities more age friendly.

Key initiatives:

- \$14.8 million for aids, equipment and vehicle modifications to assist people with disability to access their community.
- \$7 million to support young people with disability leaving school.
- \$6.7 million to support young adults with disability leaving the care of the state.
- \$1.6 million for people with spinal cord injuries to assist their transition from the Princess Alexandra Hospital into the community.
- \$2.2 million for innovative and sustainable housing for adults with disability who can no longer be cared for by elderly parents.
- \$2.7 million over three years to expand elder abuse prevention and seniors legal and support services.



Education and Training

Overview

Education is again a big winner in the Palaszczuk Government's 2017-18 budget, receiving a record \$13.7 billion in funding – accounting for more than a quarter of the budget and increasing a remarkable 6.4 percent on last year.

The allocation will see the government continue to invest in schools, providing modern infrastructure, advanced learning programs and skilled teachers.

Specifically the budget will see \$500 million go towards funding two new inner-Brisbane schools and land acquisitions for another four schools in the high growth areas of Yarrabilba (Logan), Caloundra-South, Coomera and Burdell near Townsville.

The government also recognises that education continues long after secondary school, committing \$60 million in 2017-18 as part of a four-year \$240 million Skilling Queenslanders for Work program.

Regional Queenslanders will see \$10 million over two years provided to assist unemployed individuals develop key skills for in demand jobs within their region.

Key initiatives:

- \$28 million as part of the \$500 million Building Future Schools Fund to address enrolment growth pressures in state schools.
- \$250 million to be invested in new secondary school classrooms and additional infrastructure to cater for the extra 17,000 students in 2020.
- 98 school infrastructure projects fast tracked with additional \$200 million in funding with more than \$150 million to build new school halls and upgrade existing halls at 30 state schools.
- \$112.5 million to undertake new stages in recently opened schools and provide additional classrooms at existing schools in key growth areas throughout the State.
- \$42.4 million to undertake revitalisation and minor projects at existing schools.
- \$42.7 million to replace and enhance facilities at existing schools.
- \$150 million to attract, retain and build capacity in Queensland teachers and leadership teams to support continued improvements in student outcomes.
- 230 additional teachers in 2018 and 2019 to ensure the first cohort of Prep students from 2007 are not disadvantaged in subject choices in their senior years.
- \$314.8 million in programs strengthen children's transition to school by providing access to quality early childhood education and care.
- \$17.3 million for the renewal and growth of Queensland's training assets required for delivery of priority skills training that supports workforce and economic development.

insightful, creative, passionate



Energy and Water Supply

Overview

Energy is a critical focus for governments across the world and Queensland has recognised its importance with \$1.16 billion for its Powering Queensland Plan, the government's strategy for lowering energy costs and leading the transition to a low-carbon economy. The 2017-18 energy budget includes a mix of capital expenditure and government subsidies, with generous allocations in regional Queensland.

In addition to subsidies and support across the portfolio, more than \$2 billion in capital expenditure has been allocated to government-owned power and water bodies.

A key focus is the plan to transform North Queensland into a Clean Energy Hub, with \$150 million to fund a strategic transmission line in the north of the state to kick start the initiative. A new hydro-electric power station and dam upgrade at Burdekin Falls Dam will also receive \$236 million.

Just under half a billion has been allocated to subsidise energy bills in regional Queensland, in order to keep them in line with power prices in the south east.

Key initiatives:

- A \$770 million energy affordability package for all Queenslanders.
- \$386 million to strengthen and diversify energy supply in North Queensland.
- \$236 million to upgrade the Burdekin Falls Dam and fund a proposed hydro-electric station
- \$10 million over two years for a regional business assistance package.
- \$2.5 million allocated to the investigation and possible establishment of a 'CleanCo' that will own the State's renewable and clean energy assets.
- \$490.7 million in subsidies to ensure that regional power bills are in line with those in South East Queensland.



Environment and Heritage Protection

Overview

The Queensland Government has committed nearly \$275 million over five years to the environment, with key priorities including reducing carbon emissions, enforcing environmental laws and supporting Indigenous Land and Sea Rangers.

The budget includes \$15 million to manage risks of climate change and \$175 million to protect the Great Barrier Reef and improve water quality.

The government will continue its work tackling waste with additional funding for the roll out of the Container Refund Scheme and the plastic bag ban, to be enforced from 1 July 2018.

Key initiatives:

- \$175 million over five years to deliver the Great Barrier Reef Water Quality Program.
- \$3.2 million for delivery of the Queensland Government's Protected Area Strategy and the continued management of Nature Refuge Agreements.
- \$15 million over three years to reduce carbon emissions.
- \$1.6 million to implement the recommendations of the Queensland Renewable Energy Expert Panel including undertaking a reverse auction for up to 400MW of renewable capacity.
- \$2.5 million to implement the Container Refund Scheme and plastic bag ban as part of the Advancing Queensland Waste Reform Agenda.
- \$8.1 million over four years for the Indigenous Land and Sea Rangers program, which will create an additional 25 jobs in regional and remote areas of Queensland.
- \$23.3 million over four years and \$5 million ongoing for enforcement activities to enhance delivery of environmental regulatory services to protect the environment.
- \$1.4 million for the management of historical fire-fighting foam pollution.
- \$2.7 million to improve rehabilitation standards of mined land across Queensland.



Health

Overview

The Palaszczuk government continues to spend big on health, with the budget set to grow to a record \$16.6 billion in 2017-18, representing an 8.7 percent increase on last year's health spend. The majority of the budget — \$14 billion — has been allocated to Queensland's 16 Hospital and Health Services.

The government is investing more than \$916.1 million in capital works, including upgrades and expansions to hospitals and mental health infrastructure, and the delivery of new ambulance vehicles and stations. A key element of this is \$131.8 million for planning and preparatory works for proposed redevelopments at Logan, Caboolture and Ipswich hospitals.

Key initiatives:

- \$208 million to upgrade health facilities and supporting infrastructure in rural and regional Queensland including:
 - \$128.4 million over four years to redevelop or replace Kingaroy, Blackall and Sarina Hospitals
 - fit-outs of Townsville Hospital's breast-screen clinic and clinical services
 - the replacement of the Mer (Murray Island) primary healthcare centre clinical building
 - upgrades to staff accommodation across Queensland.
- \$200 million to enhance public hospital capacity and services in South East Queensland, including \$131.8 million for detailed planning and preparatory works for proposed redevelopments at Logan, Caboolture and Ipswich hospitals.
- \$10 million to expand Maryborough Hospital emergency department and refurbish the specialist outpatients department.
- \$138.2 million over four years for mental health infrastructure in South East Queensland and Cairns.
- \$126.5 million for the Government's Specialist Outpatient Strategy to reduce hospital waiting times and clear the backlog of patients in the public system.
- \$719.6 million for the Queensland Ambulance Service budget, including \$23.3 million for new ambulance stations in Hervey Bay, Drayton and Kirwan, and redevelopments at Rockhampton and Cairns stations.
- \$10 million over four years allocated to a new Queensland Health and Medical Research Funding Program.



Housing and Public Works

Overview

This year's budget introduced the Queensland Housing Strategy, with an historic \$1.8 billion, 10 year plan to provide 4,522 new social homes and 1,034 affordable homes to reduce the 26,000-strong social housing wait list.

The government have also allocated \$30 million to extend the \$20,000 Queensland First Home Owners' Grant for newly constructed homes and apartments for a further six months in order to drive construction and create jobs.

Key initiatives:

- Queensland Housing Strategy- \$1.8 billion over 10 years
 - \$1.2 billion to renew existing social housing property – 4,522 new social homes.
 - \$420 million allocated for a housing construction program.
 - \$75 million to progress home ownership in Aboriginal and Torres Strait Islander communities.
 - \$100 million for housing and homelessness service system improvements.
- \$10 million for regional planning and program implementation, supporting a land supply monitoring program.



Infrastructure, Local Government and Planning

Overview

The State Government has committed \$42.75 billion over four years for infrastructure projects that will contribute to around 40,000 jobs in 2017-18.

Transport and roads will receive more than \$3.8 billion in funding, including \$252.5 million for construction of the Toowoomba Second Range Crossing, and \$236.3 million for widening the Gateway Motorway North.

The government has allocated \$916.1 million for health, including investments in health facilities and supporting infrastructure across urban, rural and regional areas, and \$8.7 million for adolescent mental health facilities.

The energy and water sectors will receive around \$2.06 billion in funding to deliver cost effective, reliable energy and water supply.

Key initiatives:

- \$176 million over two years to expand the Cairns Convention Centre.
- \$120 million over four years for modern water and waste infrastructure improvements with Queensland's Indigenous Councils.
- \$120 million for the Cairns Shipping Development Project to deliver growth in cruise shopping and jobs in the tourism sector
- \$3.37 million in additional funding for Indigenous Councils and their communities under the State Government Financial Aid Program.
- \$5 million over two years to assist small Councils to install fluoride infrastructure for local water supplies.
- \$29 million for community infrastructure works delivered through the Local Government Grants and Subsidies Program.
- \$15 million over four years under the Major Infrastructure Program for Torres Strait communities.



Justice and Attorney-General

Overview

The Queensland Government is targeting a range of safety measures and key reforms in its 2017-18 justice budget.

With community safety one of the top priorities, the Palaszczuk Government has allocated significant funding to the Queensland Police Service to deliver hi-tech policing, reduce reoffending, ease pressure on courts, and tackle domestic and family violence.

Key programs targeting drug abuse and the youth justice system have also received funding.

Key initiatives:

- \$199.6 million to support the transfer of 17-year olds from the adult justice system to the youth justice system.
- \$69.5 million to continue the specialist domestic and family violence court at Southport and to roll out courts in Beenleigh and Townsville, including circuit courts in Mount Isa and Palm Island.
- \$32.6 million to re-establish a drug court in Brisbane with support services in four locations.
- \$18 million to take action on the harmful use and effects of crystal methamphetamine (Ice).



National Parks, Sport and Racing

Overview

The State Government has committed \$40 million over two years to revitalise national parks in Queensland. The majority (\$35 million) of the funding has been allocated for improving critical infrastructure, including nature-based tourism opportunities and national park management.

The government will fund a \$6 million redevelopment program for country and regional thoroughbred, harness and greyhound racing. The funding will assist racing clubs to improve racing operations, enhance industry returns, and deliver better workplace health and safety and animal welfare outcomes.

The \$15 million Female Facilities Fund will support sporting clubs to provide facilities for women.

Key initiatives:

- \$35 million for capital works and infrastructure in national parks.
- \$64.3 million for grassroots sport and recreation.
- \$20.6 million over four years for Stadiums Queensland.
- \$1.3 million over three years to support the operation of an additional vessel for the Great Barrier Reef Joint Field Management Program.
- Revamp the Daisy Hill Koala Centre and redevelopment of the Mon Repos Turtle Centre.
- Expand public mooring and reef protection program in the Great Barrier Reef World Heritage Area.
- \$6 million Country and Regional Capital Works Program across all three racing codes (thoroughbred, harness and greyhound).
- \$15 million over two years for the Female Facilities Fund.



Natural Resources and Mines

Overview

The 2017-18 budget sees funding levels for Natural Resources and Mines fall slightly, with \$445.905 million allocated for the year, down from \$456.731 million last year.

The department continues its work in enforcing the regulatory framework for health and safety, and sustainability in the resource sector. Allocated funds will also go towards boosting exploration and delivering a gas supply and demand action plan.

Key initiatives:

- \$27.125 million over four years to expand exploration and development through the Strategic Resources Exploration Program including:
 - \$3.6 million for gas exploration in the Georgina, South Nicholson and Isa Super Basins
 - \$4.275 million for mineral geophysics to pinpoint the locations of potential new mineral prospects over wide areas
 - \$1.45 million for mineral geochemistry programs
 - \$4.95 million for mineral synthesis to develop a comprehensive and integrated understanding of the geology of the North West Minerals Province.
- \$42.313 million in additional funding over four years from 2018-19 for the Natural Resources Investment Program, supporting sustainable landscape management.



Police, Fire and Emergency Services

Overview

Anti-drug programs and counter-terrorism are the main focuses in the government's policing budget. The government's main priority is targeting drug driving, with \$4.1 million to expand roadside drug testing.

Almost \$50 million over three years has been allocated to build a counter-terrorism facility at Wacol, with a further \$30 million for additional counter-terrorism and frontline police.

Reform of the Queensland parole system has led initiatives in corrective services. The new Parole Board Queensland will be led by Michael Byrne QC, kicking off a six-year reform process worth \$265 million. There is also funding to expand the use of GPS trackers to a further 500 parolees.

The overcrowded Brisbane's Women Correctional Centre will receive almost \$30 million to expand its capacity, as well as \$4.5 million per year in recurrent operational funding. The Capricornia Correctional Centre and Borallon Training and Correctional Centre have both also received funding to increase capacity.

Key initiatives:

- \$46.7 million over three years for a world class use of force, weapons and counter-terrorism facility at Wacol.
- \$32.3 million over four years for an additional 30 counter-terrorism police and 20 frontline police.
- Additional funding of \$8.5 million over four years for additional prosecutorial staff as part of Specialist Domestic and Family Violence Courts.
- \$7.4 million in additional funding over five years to continue Project Booyah (early-intervention youth program) in nine locations.



Science, Information Technology and Innovation

Overview

The 2017-18 budget sees the Department of Science, Information Technology and Innovation receive a \$40 million funding increase, taking its total budget to \$419.6 million. The additional funds will go towards government digitisation, digital security initiatives and the improving the delivery of science services.

Key initiatives:

- \$20 million to continue the streamlining of government services through the One-Stop Shop program.
- \$12.7 million over two years to support the first stage of a digital archive solution, developing and implementing a strategy to ensure the security and integrity of the state's records.
- \$6.2 million to support the Accelerating Science Delivery Innovation Strategy, improving government access to integrated, coherent and reliable scientific information.
- A \$1.1 million boost to the Open Data initiative over two years, improving readability and access to high value data sets for the research sector and industry.



State Development

Overview

The Department of State Development has seen its funding fall, with \$429 million allocated in this year's budget, down from \$478 million last year.

The department will continue to lead the Advance Queensland program, which aims to diversify the Queensland economy and create opportunities in new industries. It will also continue to direct the Building our Regions infrastructure program, which received \$111 million in funding this year.

The department will implement — in partnership with Queensland Treasury — the previously announced \$200 million Jobs and Regional Growth package, which targets growth and employment in regional economies.

Key initiatives:

- \$46 million for the Townsville Stadium in 2017-18.
- An additional \$15 million over four years to implement the Advance Queensland Priority Industry Roadmaps and Action Plans, identifying knowledge-based jobs of the future including access to world-class biomedical infrastructure, and promoting Queensland's defence and aerospace industries.
- \$20 million for the Made in Queensland program, providing grants for local small and medium enterprise manufacturers.
- \$130 million over three years from 2016-17 for the Jobs and Regional Growth Fund, managed in partnership with Queensland Treasury. The fund, focussing on regions with higher than average unemployment, provides one-off financial assistance ranging from \$100,000 to \$10 million for private sector projects and economic growth opportunities.
- \$1.5 million over three years for Regional Facilitation Teams to identify and facilitate private sector investment and infrastructure development opportunities.



Tourism, Major Events, Small Business and the Commonwealth Games

Overview

The 2017-18 Queensland Budget has committed to the continuation the \$100 million per annum funding guarantee for Tourism and Events Queensland, with an additional \$47 million allocated for 2020-21.

The Queensland Government *Attracting Aviation Investment Fund* has been designed to open up new aviation routes and tourism expenditure between Asian growth markets and Queensland.

Attracting Aviation Investment Fund has already delivered an additional 436,000 seats on routes into the state, two new international services, and extra flights from several destinations to the Gold Coast, Cairns and Brisbane.

Key initiatives:

- \$6.9 million in grants allocated to the Carrara Precinct including Carrara Indoor Stadium, Carrara Southern Precinct and Gold Coast Sports and Leisure Centre for wrestling and badminton.
- \$1.7 million granted to the Belmont Shooting Centre for clay target, full bore, pistol and small bore shooting.
- \$1.5 million assigned to the Coomera Indoor Sports Centre for gymnastics and netball.
- \$1.3 million to be given to the Mackay Tourism Visitor Information Centre.
- \$1.3 million allocated in grants to the Village Roadshow Sound Stage 9 for squash, table tennis and boxing facilities.
- \$1.2 million granted towards the Gold Coast Hockey Centre.
- \$590,000 is awarded in grants towards the Nerang Mountain Bike Trails.
- \$541,000 is allocated towards the Mt Inkerman Nature Tourism Development.



Transport and Main Roads

Overview

After the Federal Budget in May failed to come to the Cross River Rail party, the big question for Queensland was whether or not Minister Trad and Premier Palaszczuk would go it alone. Today's Queensland Budget answered that question with an emphatic "yes".

Premier Palaszczuk has long described Cross River Rail as her government's number one priority and today Treasurer Pitt backed the rhetoric up with funding. The project will add a second CBD river crossing to South East Queensland's rail network, relieving pressure on the at-capacity Merivale Bridge.

Roads haven't been forgotten however, with \$21 billion now allocated over the next four years to projects across the state. More than \$5.5 billion has been allocated to Bruce Highway Upgrades, although much of this is joint funding with the Commonwealth.

Stage one of Mackay Ring Road has received \$70 million and almost \$40 million has been allocated to Gold Coast roads ahead of next year's Commonwealth Games. Stage 2 of the Gold Coast Light Rail – which will connect the light rail and heavy rail networks – has received \$233.5 million.

Key initiatives:

- \$252.5 million towards the Toowoomba Second Range Crossing, out of a total of \$1.606 billion
- \$236.3 million towards the Gateway Motorway North six laning, out of a total of \$1.143 billion
- \$233.5 million to deliver Gold Coast Light Rail Stage 2, out of a total of \$420 million
- \$120 million to duplicate Bruce Highway between Caloundra Road and Sunshine Motorway, out of a total of \$929.3 million
- \$105 million to undertake restoration works under Natural Disaster Relief and Recovery Arrangements
- \$44.4 million to duplicate the Warrego Highway, Charlton to Kingsthorpe, out of a total of \$160 million
- \$36 million to construct additional lanes on Stage 1 of the Ipswich Motorway between Rocklea and Darra, out of a total of \$400 million