INAUGURAL PARLIAMENTARY ORATION—SIR LEO HIELSCHER

QUEENSLAND'S ECONOMIC HISTORY AND HOW THE STATE'S ECONOMY WAS TRANSFORMED FROM THE EARLY 1960S ONWARDS

TRANSCRIPT OF PROCEEDINGS

FRIDAY, 18 OCTOBER 2013

Brisbane

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Madam SPEAKER: Welcome to our inaugural parliamentary oration. At this time I wish to acknowledge the traditional custodians of the land on which we meet and some very special guests. We are here in this beautiful old Upper House of the Queensland parliament with all of its history, and we are going to have a fascinating lunchtime conversation and overview of some amazing Queensland history from someone who has been there at the forefront.

I wish to acknowledge our special guests: Sir Leo and Lady Mary Hielscher, whom we are delighted to have here this morning along with a number of their family and friends; the Minister for Science, Information Technology, Innovation and the Arts, Ian Walker, whom I saw earlier this morning at about quarter to three as the parliament was still sitting; my parliamentary colleagues Steve Minnikin and Michael Crandon, who will be joining us later; a former member of parliament and my father, Gordon Simpson, and my mother, Norma Simpson; the Deputy Consul-General of Japan, Mr Shinya Machida; Dr Geoff Garrett, Queensland Chief Scientist; and Professor Kenneth Wiltshire AO, UQ Business School.

Many distinguished guests, ladies and gentlemen: welcome to Queensland's historic Legislative Council chamber for the launch of the Parliamentary Oration Series. I wish to acknowledge among the other many attendees here today Professor Paul Reynolds, the parliament's Honorary Research Fellow, who first proposed the idea for today's event. When Paul suggested that the parliament instigate a free occasional lecture series, it was a unanimous opinion that the presenter that we wished to launch such an event was Sir Leo Hielscher. Thank you, Sir Leo, for accepting our invitation and our request to be here today. The number of people in attendance is a testament to the great standing you hold and the respect that Queenslanders have for you and your service to our state. Now I would like to briefly mention some of your achievements.

Sir Leo Hielscher has over 50 years experience in the areas of government, the banking and finance industry, domestic and global finance markets, the superannuation industry and as an independent company director. He was Queensland's Under Treasurer from 1974 to 1988 before serving as the chairman of the Queensland Treasury Corporation from 1988 to 2010. Sir Leo remains a special adviser to the QTC board, is the chairman of the Independent Superannuation Preservation Fund, a director of DisabilityCare Australia, and a director of the American Australian Association. In 2007 Sir Leo was honoured as a Queensland Great by the Queensland government.

Sir Leo today will be speaking about Queensland's economic history and how the state's economy was transformed from the early 1960s onwards. Please welcome Sir Leo Hielscher.

Sir LEO HIELSCHER: Thank you very much, Madam Speaker. You have almost embarrassed me with that introduction. I am not very enamoured of public speaking. I do not really like it, but I often appreciate the introduction. Thank you very much.

I chose a subject for today that I thought all would be interested in: the Queensland economy. It is not a very sexy topic, but I will do my best to tart it up as we go. I will start with Queensland today and then turn back to the early 1960s, when our economy was still really Third World. I will then refer to some of the highlights of its journey getting from there to now, where we are close to top of the world.

Those folded sheets on your chairs are a good quick overview of the Queensland economy today. This is public information, by the way, and is included in information that the Queensland Treasury Corporation takes to world banks and investors to convince them to buy Queensland Treasury Corporation bonds and to invest in the 'winning economy' of Queensland.

Our cultivation of the international markets has enabled us to raise a very large volume of funds to facilitate our economic development at very competitive terms and conditions. Just on 50 per cent of our present debt portfolio of some $80 billion has been sourced from offshore financial markets. If you would just bear with me for a moment, I will describe some of the charts to you and then we will get on to the story itself.

The first chart shows the growth in the Queensland economy over the last 24 years and compares it with the GDP growth in Australia as a whole and with the OECD nations over the same period. I have the comparisons in there to really make sense of the graph. It is all very well to have a blue line that runs south to north, but it does not mean much unless you compare it with something. Queensland is the top blue line, Australia is orange, and the OECD countries are green.

Just as a matter of interest, the OECD countries are comprised of about 34 nations mainly from the Western world: the United States, United Kingdom, Japan, Korea and Australia, of course, plus all of Europe from about probably the Russian border through to Portugal and the Scandinavian countries. So that is a pretty good variety of nations with which to compare yourself. You can see that we are well ahead of them in the advancement of our economy.

The chart shows that over the past 10 years Queensland's growth has averaged 3.98 per cent per annum—close to four per cent—compared with three per cent per annum for Australia as a whole and 1.70 per cent per annum for the OECD nations. This chart also shows what the global financial crisis has done to all of these figures, with the added negative for Queensland of the 2010-11 weather disasters. It also shows that from 2011-12 on, Queensland returns to lead the field again.

A significant message from this graph is that our recent economic record is not a just 'flash in the pan'; it is solid and consistent and persevering. When I was preparing for today's presentation I found some old notes from a 1995 speech, where I also mentioned that in the previous 10 years—that is, from 1985 to 1995—Queensland's growth rate had averaged over four per cent per annum. So from 1985 at least until now—that is, almost 30 years—we have averaged four per cent growth per annum.

Chart 2 on page 3 shows more starkly how Queensland's economic growth compares with Australia as a whole. It also shows how the global financial crisis adversely affected the Australian figures and particularly Queensland's performance in 2008, 2009 and 2010. The detrimental effect of the floods also appears in that particular graph. The reason for the GFC's greater detrimental effect on Queensland is that as an export state we are hit harder by overseas financial upsets. This chart also shows how we are recovering the growth rate with the heavy investment in coal and LNG, and by 2016 we have a projection of a six per cent growth rate as the effects of the first LNG exports are felt.

I might add that in these charts I have included Queensland in the Australian figures, whereas a better comparison would have been Queensland versus the rest of Australia. It would have also shown us in a better light, but I did not want to cheat too much.

The third chart shows the diversity of the Queensland economy, with the blue line being the recent 2011-12 figures and the gold line being the situation 10 years ago. It just shows you the difference in our economy over that 10-year period. This diversity, I contend, is the very important reason for our current strength. Western Australia often beats us in the 'growth' stakes, but its heavy reliance on mining and Margaret River reds means it is very vulnerable to offshore problems, and its overall economy is therefore much less robust than the very diverse Queensland economy.

Natural resources are abnormally low in the chart for this year, 2011-12, at 10.6 per cent because the coalmines particularly were full of floodwater. In a normal year, mining is around 14 per cent. You will note also that agriculture represents just under three per cent of the total Queensland economic effort. It is a surprise to some of our international colleagues that Queensland has such a sophisticated economy, with the largest portion being service industries of some kind or other. They seem to have the idea in the back of their minds that we are just 'cows and coal'. Looking back at similar charts from 20 or so years ago, we would find that primary industries would represent closer to seven per cent of our total economy, and it is now just under three per cent. That does not mean that primary industry output has dropped. As a matter of fact, the contrary is the case. Indeed, real agricultural output has more than doubled between 1995-96 and 2005-06. It does mean, however, that our total economy has increased dramatically, and an even bigger primary output represents a much lesser percentage of the whole.

Chart 4B on page 5 shows which countries are Queensland's trading partners and how our export destinations have changed over the last 10 years. The blue line is today, and the gold line is what it was 10 years ago. You will notice that Japan has just lost its No. 1 trading partner status to China, with India also increasing in imports in recent years. Once again, Japan has not diminished in volume and value but our total exports have increased dramatically. Japan maintaining its level of imports from Queensland means it is dropping away as a percentage of the total. Chart 4A shows what our export commodities are, with coal as king of the bunch.

Chart 5 shows the population growth over the last recent period at up to 50 per cent higher than the Australian average and continuing into the future. This is a very obvious consequence of our superior economic performance. This is where the jobs are. Of course, the consequences of this and its effect on our infrastructure demands make a story of their own, but it has not always been as good as this. How we got from where we were to where we are today is a story itself.

Basic to all of this is that today's good story did not just happen. All of the fundamentals—the coal, the bauxite, the beaches and the sunshine—were always here. What has been added to this mix to cause the difference has been people: people thinking entrepreneurially, getting around the rules a little perhaps—that is a nice way of putting it—bending them, not breaking them. As a matter of fact, we coined a new term which was 'brend'. It salved our consciences a little. These were the imperatives that brought Queensland from the moribund bankrupt state it was in the mid-1960s to the robust state that it is today.

Most of the people that I was able to recruit to Treasury were university graduates or from outside the service—older graduates with some years of experience. We also had a coterie of really good staff in other critical departments such as the Coordinator-General, Mines, Electricity et cetera. Let me now paint the picture of where we came from and what was Queensland back in the dark days 40 or 50 years ago.

Queensland's finances were desperate and the economy was at a standstill. In one year in the mid-sixties we were forced to apply to the Commonwealth for a short-term loan to pay for the wages and current running expenses—as we could do then under the Constitution. But as far as the economy was concerned, back then we had just one major company. That was MIM. It was in trouble because the rail between Mount Isa and Townsville was clapped out. The rest of the economy depended very much on our pioneer primary industries: beef, dairy, wool, sugar and a bit of mining. Elsewhere it consisted of a string of cottage industries: stove foundries, a boot factory in Ipswich, small clothing establishments, a couple of woollen mills and sustenance type personal endeavours. We did not rely on service industries, where people worked for people as they do today. We painted our own houses, mowed our own lawns, grew our own vegetables in the back yard, had our own chooks and rainwater tanks—we had them then; we have got them again now—and fixed our own motor cars. There were some important branch offices of banks, wholesalers like Dalgety's and Thomas Brown and the state branches of the oil companies and so on.

The reason for this economic stagnation principally was that Queensland was still enduring the debilitating effects of the 1930s Depression followed by the complete focus on the war effort in the 1940s, with Queensland as a front-line state, and then the austerity that followed. In the 1960s we still had no coal industry, no bauxite-aluminium industry and no tourism industry of substance. Brisbane stopped at the tram termini at Balmoral, Camp Hill, Mount Gravatt and Salisbury. The trains were steam driven. Very few streets were bitumen and few cities were sewered.

Even with all that justification for our parlous position in the sixties, Queensland was very much trailing the rest of Australia in its recovery. Both the state's finances and the economy had to be put right more or less concurrently. As far as the finances were concerned, all measures of strict budget control were introduced: firstly, balance the books then look for all sources of revenue other than general taxation—for example, royalties, coal freights, casino taxes et cetera. But principally it was control of expenditure that was the key and that could only happen with a strong Treasury supported wholeheartedly by a political government.

The concurrent action was the building of the state economy which fed into and enhanced the revenue side of the equation, allowing for improved public services and then to the budget surplus. On the economic side we firstly had to cultivate a development culture. Several generations had lived and worked in conditions where frustrations, doing without, saving for the rainy day, not overcommitting—careful, careful, careful—were the essentials of our very existence. The recognition that there may be a way out of this malaise was the first step. Then we had—horror of horrors—to seek out and accept globalisation and facilitate the investment of foreign capital, particularly into our mineral industries; then, one by one, create the opportunities and support the opportunities that others created. The government's role was to facilitate, not to fund or expose taxpayer moneys to great risk. It had to be entrepreneurial in its thinking and its actions while at the same time securing as much benefit as possible for Queensland and Queenslanders.

Let me give just one anecdote as an example of how we had to be thinking outside the square. The first project was the upgrade of the Mount Isa rail line. We searched the world for the best private sector engineers to plan and complete the works and eventually contracted the American firm Ford, Bacon & Davis. On the funding for the upgrade we tried first to do it within the square with a special Australian Loan Council borrowing allocation. This was rejected. We then approached the World Bank as a mendicant—well, not really as a mendicant. We had a very good business case that concluded that we could return the loan and interest within 10 years. The World Bank has many assistance schemes ranging from straight-out grants to the very poor countries all the way up to fully repayable loans with interest, which was what we applied for. There are many countries that the World Bank assists with these grants and loans—hundreds of them—but only a few countries that contribute funds to the bank and one of those countries was Australia. Our application apparently skated through and was about to be approved when the bank phoned Canberra—from here on it is a little bit of hearsay; I was not present at this, but this is supposed to be factual—to ask why one of Australia's provinces with a project like this could not be funded domestically. Canberra, it appeared, was appropriately embarrassed and we had the funds from the Loan Council within weeks and, of course, repaid within 10 years. Is this Chatham House rules here? No? Okay. I'll give it a go.

Unidentified Speaker: I'm on the Council.

Sir LEO HIELSCHER: The Loan Council controlled the borrowing ability of the states and was a serious and severe shackle for Queensland. Queensland was desperately in need of capital for the tasks that it had to do. For historic reasons Queensland was restricted to 12 per cent of the total borrowings approved for the Australian states. With an economy eventually getting off the floor and with a population growing rapidly towards its present 20 per cent of the Australian total, 12 per cent of available capital funds was just ridiculous. No state would give up a percentage point of its share for Queensland; they needed all the capital they could get for themselves. The strangulation by the Loan Council had to be overcome, got around or bypassed or the rules bent a little for Queensland to get on with the job.

A couple of anecdotes now—these haven't been ever spoken about before—are examples of how this was achieved. SGIO at the time was a subdepartment of Treasury and we were able to secure some of the projects by nominating these for SGIO investment at full bond rates of interest. SGIO, as a state government instrumentality, was exempt from Commonwealth income tax, but to make SGIO as competitive as possible the state taxed it using the Commonwealth Tax Act. One of the provisions of the Commonwealth act was that insurance companies had to invest 30 per cent of their overall investments for the year in government bonds on a penalty of heavier taxes if they did not. We said to the SGIO that we would waive this clause to the extent that it invested in capital works for the state which we nominated. 'We will pay you as a rent the same rate as the Commonwealth bond on the amount invested so no-one really loses, none in our camp loses, and we get our infrastructure built with no cost to our loan allocation from the Loan Council, thus freeing up funds for other works.' The Executive Building, Mineral House, all the buildings on the south side we needed for Expo and others were financed in this way.

Another example was with the great coal development. Queensland was able to fund all the rail tracks, rolling stock and, in some cases, port costs without reliance really on Loan Council approval. We had told the coalmining companies first of all that the railway was to be a government rail system because we wanted to control where the line was built so that we were in charge of the economic destiny of this new industry. It would be a 3' 6" gauge so that we could use the rolling stock state-wide, it would be a very up-to-date, efficient system, trains up to two kilometres long, hauled by six diesel electric engines—three in the front and three in the middle—with one crew controlling all the six engines and so on. The wagons were to be bottom dump so the trains would virtually be non-stop. They would fill up at the coal chute at the mine and when they arrived at the port a trip lever on the wagon would open the bottoms and the coal would fall out, as the train continued to move on, onto a belt and shipped out to the ship or the dump.

That sounded okay. But we said, 'Once we do all that, we want to be sure you will use it. There is only you and kangaroos out where you are mining and if you or your company's partner just do not send the ships we are exposed.' I said, 'What we need is a security deposit to ensure you use the system.' They agreed in principle and then asked how much was the deposit. The reply was, 'Well, it just happens to equal the cost of the line and the cost of the rolling stock.' Not only was the state then able to fund these developments; the security deposits provided the guarantee that the companies would use the facility to the full when completed. The security deposits were repaid with interest at eight per cent per annum over 10 years out of the rail freights charged. Rail freights were lifted just a little bit to cover that.

When the bauxite-aluminium industry was being considered it became evident that mining royalties generally needed attention. Royalties had not been touched for many years and were basically 5c and 10c a ton. These were amended to five per cent and 10 per cent—just the addition of 'per'—of the value, with minerals not upgraded in Queensland attracting the 10 per cent charge. For bauxite, a condition of the lease was that a substantial portion of the product had to be upgraded in Queensland under penalty of loss of the lease if it was not done within a certain number of years. The reason, of course, was that the real benefit to the Queensland economy was not the exporting of bauxite but the value added to the resource within Queensland.

The government encouraged and facilitated the development with legislation to allow the establishment of the town and port at Weipa and worked to provide the cheapest electricity possible at Gladstone for the refining to alumina and, eventually, smelting to aluminium. And you would appreciate that aluminium is simply upgraded bauxite and electricity. The electricity was fully costed to the company and not subsidised in any way from the grid, but the cost was minimised by securing long-term funding from the Commonwealth at six per cent to build the Gladstone Power Station and also securing Blackwater Tops Coal at nil cost other than the transport. This really made possible the great aluminium industry in Gladstone. The reason we could get the coal at nil cost was that the mining company was looking for a mineral lease for Blackwater and the mineral lease was for coking coal and the coking coal had an overlay of steaming coal, which they had to remove anyhow, so one of the conditions of the mineral lease was that we got the coal for nothing. With cheap finance and cheap coal we were able to match the world price of electricity and got the aluminium industry going in Gladstone.

Other examples from that dramatic growth period of Queensland's economy emphasises the rewards that flowed from thinking positively and working entrepreneurially for the good of the cause. The building of the Cultural Centre was funded out of casket and lottery funds once the Commonwealth's free hospital scheme was introduced in the early seventies. Back in the thirties the government of the day had a little problem convincing the electorate that they could have a state lottery, the Golden Casket. But the government of the day convinced the electorate that they would put all their surplus, all their profits, into the then fledgling free hospital system and were able to win the day.

But when Bill Hayden, Gough Whitlam's minister for health, introduced free hospitals to the rest of Australia we fought very hard and successfully to have what Queensland was already doing recognised for Commonwealth payout. That meant we did not need the casket profits, which were only around $4 million a year at the time, for the hospitals and this money was subsequently available to build the Cultural Centre. But inflation really took over in the seventies and $4 million was not enough. And we had already promised the government that we were not going to hit the budget for the Cultural Centre so we introduced scratchies. That is the genesis of scratchies. And the scratchies and the casket funded the building of the Cultural Centre over there, of which we are all proud, at no cost to the budget and no residual debt.

The Gateway Bridge and the Gateway road system had to be eventually built with innovative funding with two senior public servants initially and nominally owning the bridge. Funding came with a Queensland government guarantee of the borrowings and, of course, it had to be tolled to pay back the debt. And I had a little job with the Premier of the day of getting the toll on. I said to him, 'We could very well, if you wish, fund the bridge building out of road funds but it would mean no money for the next 10 years for the Landsborough and Leichhardt highways—good highways being built out in the Country Party area.' So I think I won the day. I also said, 'Premier, no-one needs to pay the toll. They can go the way they are already going if they don't want to pay it.' I went home that evening and he was on the television explaining about the bridge crossing that was being built and the interviewer immediately hit him with the toll idea and he said, 'Well you needn't go that way. You can go the way you are going at the moment.' Anyhow, he was a very good Treasurer and Premier. I will not mention his name.

The establishment of the sugar ports and the Lucinda long wharf required government initiative with Japanese refiners to break a deadlock when the spot price for sugar dropped away. The Japanese sugar refiners were building an extended plant in Tokyo and were looking for substantial imports of Queensland sugar. The sugar contract price at the time was $500 a tonne. But the spot price was hovering around $1,000 a tonne. The new contract was negotiated at $600 and everyone was happy—we were certainly happy with the extra $100—until the spot price dropped to $200. The Japanese then wanted the contract renegotiated, but we held firm and kept sending the sugar ships up to Tokyo under the contract until Tokyo Bay was brimming full. From the Marunouchi business district in Tokyo they could see another sugar ship coming into the harbour.

One of our problems was that the Sugar Board and the government had started to spend the extra $100 per tonne building extra bulk sugar terminals and also building the Lucinda long trestle wharf, which, as you know, extends way out into the Pacific. We finally renegotiated the contract—so everyone saved face and was happy—at a price of $500 for the first year, $600 for the second and $700 for the third year, together with a yen loan to cover the costs we had already incurred whilst we were receiving only $500 per tonne.

The great Queensland tourism industry, which had virtually no international tourists right up into the mid-1980s, was virtually launched with the introduction of casinos. The tourism industry was saying, 'We will do all the things you say that the international tourists need.' They need tourist terminals. They were out there from Japan and America and Holland and all of those sorts of places. They said, 'Once they come we will do that.' Of course, they would not come until all of these facilities were allowed. So, to break that impasse, that was the reason, really, that we introduced the casino. A condition of the casino licence required the winner of the licence to provide golf courses and all the things they needed for international tourists.

The establishment of the film industry on the Gold Coast required a deal of fast footwork and strong talking with Hollywood producer Dino De Laurentis. The whole deal was initiated and consummated with cabinet approvals and De Laurentis approvals from Los Angeles in just under a week.

Individual projects often required special arrangements to succeed—but never exposing the Queensland taxpayer to losses. We did not like moving into the private sector at all, but sometimes we had to. And the development of Sanctuary Cove is a great example where we saved the project at no cost to the government.

The Commonwealth Games in 1982 and Expo in 1988 were the watersheds as far as the world opinion of Queensland was concerned—we had arrived. We had already arrived but the world did not recognise us until we had the Commonwealth Games and the Expo.

But not all of the entrepreneurial thinking, however, resulted in happy endings. In association with Chioda of Japan and Westinghouse of the United States, we tried very hard to provide a power station in Turkey which would have meant at least three new coalmines for Queensland, but we were unsuccessful. Our cost outlay, however, up to abandonment of the project, was no more than travelling expenses and salary costs and time. There was to be no cost exposure to the Queensland taxpayer until the project was assured.

To summarise, Queensland has advanced a long way from the mid-1960s with the cash strapped situation then when we had to borrow from the Commonwealth to pay salaries and wages. In addition, our economic performance is now the best in Australia and, with some hiccups, has been so for years—and it is very much better than that of the OECD countries. In other words, we are the best in the world. Our focus now is to keep it that way. I conclude now with an exhortation to all in critical positions of influence in Queensland. That is, please, at all costs, avoid complacency.

National and regional economies either go up or down; they never plateau. They need constant attention and boosting. All famous empires in world history—from Genghis Khan to the Greeks, Romans, Portuguese, Spanish, Ottoman and British empires—have waxed and waned. No doubt there were many different reasons for each empire. But there was one reason present for all: when their countries were at the top of the graph, the citizens thought 'it has always been like this and always will be like this', when what was needed was a continuation of the audacious spirit that got them there in the first place.

We in Queensland today are at that point. Generally speaking we are living well. My sincere pleading is: don't become complacent, stay vigilant, active, innovative and entrepreneurial so that our good times get better and stay with us longer, for the benefit and enjoyment of our children and their children. Thank you very much.

Madam SPEAKER: I think you will agree that that was an outstanding address, and how fortunate we are to be able to have such an insightful overview of some significant times in Queensland's economic development. We have time for a couple of questions and then we will proceed to have a light lunch on the veranda of the Annexe. But if you could state your name clearly—it is very hard when your father puts his hand up! Hello, Gordon Simpson.

Mr Simpson: Sir Leo, what effect did the abolition of death duties have on giving a fresh start to Queensland?

Sir LEO HIELSCHER: I think the abolition of death duties had one casualty and that was our Treasurer, Gordon Chalk, because he opposed it and the Premier of the day was very adamant. I believe Gordon said, 'If you do, I'll resign,' and the Premier said, 'Okay, here, give us your resignation.' Anyhow, it really moved mountains as far as the economy was concerned, to such an extent that the rest of Australia just had to follow suit, otherwise they would have missed out. We had people streaming over the borders to die in Queensland.

Madam SPEAKER: As long as they brought their money! I call Ian Walker.

Mr Walker: Sir Leo, there are fantastic lessons to be learned from your speech. As Minister for the Arts, I am hearing stories about the Golden Casket. I certainly look forward to inviting you to the opening night of *Scratchies: the musical*! But as Minister for Science and Innovation, my job is to get that part of our economy moving. It is an area where we have plenty of ideas. That is not the problem, but commercialising them and making money out of them is. I would just be interested to hear your lessons from your long period to give me advice.

Sir LEO HIELSCHER: First of all, Ian, I will let you get that commercial in for the *Scratchies* night. As far as the innovative industry we have here in Queensland is concerned, it is quite exciting. We have the brains and we often have the facilities, with the QIMR, the IMB and the Brain Institute. They are a few examples. But once again, as you said, we want to be able to commercialise those brains because quite often the innovation, the invention, requires perfection, it requires capital, it requires investment, and we run out of capital. We have not got something there to support it but someone over in Silicon Valley has and, Bob's your uncle, it is developed over there and that is where the profits are and the people out here go off and invent something else. So it is quite an issue. I think it is something we should be addressing. If we could solve that issue, I think it could very well be the next section of our economic growth, because I say again that we have the brains and we have the facilities but we want the money to take the entrepreneurial risk of commercialisation.

Madam SPEAKER: It is with regret that I have to draw the questions to a close. I get the sense that there are many others who would like to ask questions and have a fireside chat with Sir Leo about his extensive experience. But if I can just grab a few of the words that you summarised with before, you were urging us not to be complacent and you also talked about the importance of the entrepreneurial spirit, and that takes courage.

In closing, I reflect that our state motto 'Audax at fidelis'—bold but faithful—sums all of that up: the boldness to step out beyond the ordinary but to do it with care and for the benefit of others. And you talked about another generation, about our children, to have a legacy that goes on beyond what we have been fortunate to enjoy. We thank you for being part of Queensland's legacy and for handing that on and setting great foundations, giving us an insight, too, into the leadership journey with those cohorts who joined with you and to whom I am sure you provided some very wise counsel along the way. Ladies and gentlemen, before we adjourn to lunch over on the veranda of the Annexe, I would like you to please put your hands together and thank sincerely Sir Leo Hielscher.