



# MARKET-LED PROPOSALS

Delivering Jobs and Innovative Infrastructure for the Future

**A Tim Nicholls-led Liberal National Government will work with the private sector to drive investment and jobs to deliver transformative job-creating projects to build a better Queensland by cutting red tape for business.**

## The Problem

Infrastructure spending is rapidly declining in Queensland under a Labor Government stuck in neutral. As highlighted in the 2016 Major Projects Report update, activity halved in 2015-16 while business investment fell by almost \$13 billion, meaning less jobs. **Labor's first budget saw government infrastructure spending slashed by \$2 billion and over the next four years it's been cut by \$3 billion.** Instead of leading the way in job creation and economic growth we are falling behind.

The Palaszczuk Labor Government's Market-Led Proposals policy has failed to stimulate innovative private sector projects. Since the Market-Led Proposals framework was announced a year and a half ago, more than 100 private sector proposals have been presented to the Palaszczuk Government, but only one has progressed to contractual close. **That's a success rate of less than one per cent and shows something's not working.**

## Our Record

The LNP has a record of working with the private sector to deliver the infrastructure Queenslanders need. While in government we delivered major projects in partnership with the private sector, including the:

- \$4.4 billion New Generation Rollingstock Project
- \$1.6 billion Toowoomba Second Range Crossing
- \$1.4 billion Queensland Schools Project
- \$1.8 billion Sunshine Coast University Hospital, and
- \$457 million Government Wireless Network.

The LNP also started and delivered major private sector projects including the \$3 billion Queens Wharf Brisbane and the Herston Health Quarter Precinct. Our approach was about partnering with private providers to deliver the infrastructure Queenslanders need while creating thousands of jobs.

We recognise the infrastructure deficit in Queensland can only be met if we provide policy certainty, streamline major project approvals and get the investment settings right so that Queensland once again becomes an attractive investment destination.

## Our Real Plan

A Tim Nicholls-led LNP Government will reform the Market-Led Proposals framework to make it easier to get investment going again in Queensland and eliminate the backlog. We will:

- Commit to a four-month assessment period, to give proponents certainty their proposals will be considered in a timely fashion. We will also commit to publishing the number of submissions received in any year, the types of projects submitted, the number of projects selected for advancement and the reason for not progressing unsuccessful projects.
- Better define the parameters around what types of Market-Led Proposals the government is looking to attract. This will save proponents time by concentrating on certain areas of government focus and save Queensland Treasury time by ensuring proposals match identified infrastructure or service needs.
- Reform the Project Assessment Framework to relax the current uniqueness test and place more emphasis on value-for-money and ability to deliver. It will also include more tender options and opportunities for advancement. Our plan is all about speeding up the approvals process and getting more projects off the ground.

**The LNP's reforms will see more proposals approved and delivered, meaning more jobs and better infrastructure.**

Tabled by: Mr Emerson

At: \_\_\_\_\_

Time/date: 5:58 pm

Signature: [Signature]

To learn more about Our Plan visit

**[www.timnicholls.com.au](http://www.timnicholls.com.au)**



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## Frequently Asked Questions

### Why change the Market-Led Proposals framework?

Since the Palaszczuk Government launched the Market-Led Proposals framework in July 2015 more than 100 projects have been presented to government, including 37 formal proposals, but only one has progressed to contractual close. **With a success rate of less than one per cent it's clear something is not working and reform is needed.** There are currently another 15 projects either being assessed or considered by the government, however there is no public information about the status of those projects or those projects deemed unsuccessful. The only information provided has been through LNP parliamentary questioning. That needs to change to build confidence in the process.

The LNP believes there are ways in which the Market-Led Proposals framework can be tweaked so that there is more opportunity for proponents to advance their project and more flexibility for the government to utilise the information provided to them. That is why we're committed to improving the guidelines and learning from the experience of other Australian jurisdictions.

### How would a new tender framework work?

Objectives of the Market-Led Proposals framework would be better-defined to give proponents more clarity. Proponents would have the potential to submit their projects against their preferred tender model. Different models utilised could include:

- **Swiss Challenge:** Following an unsolicited approach, an open bidding process would be conducted. If unsuccessful, the Proponent would have the option to match the winning bid and win the project.

- **Developer Fee:** The project or bid development costs of the original Proponent would be reimbursed by the winning bidder.
- **Open Book:** The Queensland Government would sign with the Proponent for a two-stage open book process where the Proponent receives a defined rate of return to develop bid criteria and material for the tender, followed by a second stage where the Proponent is then allowed to bid for the project.
- **Negotiation Exclusivity:** If the Proponent's proposal progresses to a detailed proposal stage, the Queensland Government could enter into **direct negotiations** with the Proponent, and would work cooperatively to develop a proposal amenable to both parties.

The changes to the uniqueness test would place less emphasis on the requirement for the proposal to be unique – as long as it can demonstrate value for money and there are no other similar or competing proposals currently being assessed by government.

### What is the benefit of a timeline for decisions?

This is again about providing proponents with investment certainty and clarity. The four-month approvals timeframe before deciding whether to progress the project gives proponents more confidence in the Market-Led Proposals process. The Queensland Government would also retain the right to extend the assessment period for another two months where necessary, relaying the need for the extension back to the proponent to keep them engaged and informed.

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Build a Better  
Queensland**

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