

Notes to the Financial Statements

27. Public private partnerships continued

Housing and Public Works

(a) Development at 1 William Street Brisbane

1 William Street is a commercial office tower development. Cbus Property was the successful tenderer with a bid of \$653 million and on 21 December 2012, the State entered into a sublease pre-commitment via a series of transaction documents involving a project deed, development lease, 99-year ground lease and a sub-lease from the developer for 15 years.

(b) Queen's Wharf Precinct

On 16 November 2015, the Queensland Government entered into contractual arrangements with the Destination Brisbane Consortium (the Consortium) to redevelop the Queen's Wharf Precinct in the centre of Brisbane into an Integrated Resort Development (IRD) Project. A leasehold development lease and a freehold development lease for the project commenced on 22 February 2018, transferring responsibility of the whole of the site from the State to the Consortium. As at 30 June 2020, the land and buildings in the precinct have been valued on the basis that the contractual arrangements are considered to be non-cancellable and the highest and best use of the land and buildings in the precinct is that of an IRD.

Cross River Rail Delivery Authority

On 4 April 2019, the Queensland Government announced the companies selected to build one of the key Cross River Rail Project works packages. The Tunnel, Stations and Development (TSD) PPP will be delivered by the Pulse consortium.

The TSD PPP will deliver the underground section of the project, including the tunnel from Dutton Park to Normanby and the construction of four new underground stations at Boggo Road, Woolloongabba, Albert Street and Roma Street.

The TSD package reached Financial Close on 1 July 2019 and is accounted for as a construction contract with a service outsourcing arrangement. The State is contracted to make payments between 2019-20 and 2049-50 covering the capital cost and financing of the TSD component, as well as maintenance.

The estimated net cash flows resulting from PPPs is reflected below:

	<i>General Government</i>		<i>Total State</i>	
	2020	2019	2020	2019
	\$M	\$M	\$M	\$M
Inflows				
Not later than 1 year	78	88	78	88
Later than 1 year but not later than 5 years	343	277	343	277
Later than 5 years but not later than 10 years	447	404	447	404
Later than 10 years	772	428	772	428
	1,640	1,198	1,640	1,198
Outflows				
Not later than 1 year	(577)	(828)	(577)	(828)
Later than 1 year but not later than 5 years	(4,229)	(2,220)	(4,229)	(2,220)
Later than 5 years but not later than 10 years	(4,454)	(3,266)	(4,454)	(3,266)
Later than 10 years	(8,782)	(7,007)	(8,782)	(7,007)
	(18,042)	(13,322)	(18,042)	(13,322)
	(16,402)	(12,124)	(16,402)	(12,124)

Tabled by: Member for Chatsworth

At: Transport and Resources Committee Estimates

Date: 11 December 2020

Signature: 

Hearing