



Speech by

Hon. PETER BEATTIE

MEMBER FOR BRISBANE CENTRAL

Hansard 30 November 1999

MINISTERIAL STATEMENT

Smart State

Hon. P. D. BEATTIE (Brisbane Central— ALP) (Premier) (9.40 a.m.), by leave: Honourable members will be well aware that my Government proposes to make Queensland the Smart State to guarantee our future. This will be achieved through increased research and development, improved curriculums and education facilities and a sharper focus on policies that ensure Queensland is ready to take advantage of opportunities when they arise. At the same time, we are also supporting our traditional industries. Queensland's economic wealth, and therefore our quality of life, will continue to be generated by miners, primary producers and the tens of thousands of people employed in the tourism industry—rocks, crops and our beautiful environment.

It was in this light that I initiated discussions yesterday with entrepreneur Richard Branson to locate the headquarters of his Virgin Australia airline in Brisbane. The launch of Virgin Australia gives us the opportunity to create hundreds more jobs for Queenslanders through cheaper airfares to our tourist destinations. I am determined to do what I can to attract the headquarters to Queensland because Mr Branson is predicting the creation of 300 new jobs in the first year of operations. I know this will be difficult, but we are prepared to give it our best shot.

I spoke to Mr Branson yesterday and I told him that Queensland is very keen to have the Virgin Australia headquarters here in Queensland, along with the maintenance base and the call centre, notwithstanding bids from Victoria and New South Wales. I also told Mr Branson that my Government is prepared to offer an incentives package to his company which will cover payroll tax concessions and relocation costs. This would include normal commercial incentives as well as helping to find hangar space for the airline's planes. The presence of the regional headquarters of Boeing in Queensland will help our push for the headquarters of Virgin Airlines because of the high quality skills associated with aircraft maintenance, and I will come back to that in a moment.

The introduction of the Federal Government's goods and services tax will mean at least a 7% jump for domestic airfares to Queensland's tourism destinations. Therefore, we are concerned about its impact on tourism. Ironically, the Federal Government's GST will not affect flights to destinations such as Noumea, Bali and Fiji, which makes those destinations more competitive with the Sydney and Melbourne markets. Tourism is one of the most competitive industries in the world. Queensland cannot afford to start with a 7% cost disadvantage. If Mr Branson can reduce domestic fares and therefore help to offset the GST slug, Queensland tourism and tourism jobs will be the winner. It is our second biggest industry.

Mr Branson told me that he was investigating the possibility of operating services between cities with a population of 50,000 and more. That has very specific benefits and relevance to this State, the most decentralised mainland State of Australia. If Virgin Australia gets permission to fly to these centres—we know that it will not happen overnight; there will be introductions as part of the Olympic Games where they will be seeking, along with other airlines, to take advantage of the Olympics, and no doubt this will spread to the regional centres over time—it will mean cheaper fares to Cairns, Townsville, Mackay, maybe Hervey Bay, Rockhampton, the Sunshine Coast, the Gold Coast, Toowoomba, as well as Brisbane. We are the most decentralised mainland State. This is another reason why it would make sense for Virgin to have its headquarters here.

I told Mr Branson that Boeing has located its Asia-Pacific headquarters in Queensland. My Government is now examining the possibility of establishing a training facility for aircraft maintenance staff. My message to Mr Branson was that we want him here and that he should talk to us before he makes any decisions. In fact, to borrow a line from the Tourism Queensland advertising campaign, which the Minister for Tourism, Sport and Racing and I launched, what I said to Mr Branson was simply this: where else but Queensland?
