



Speech by

Hon. PETER BEATTIE

MEMBER FOR BRISBANE CENTRAL

Hansard Tuesday, 14 February 2006

MINISTERIAL STATEMENT

State of the State

Hon. PD BEATTIE (Brisbane Central—ALP) (Premier) (9.59 am): On this—the first day of parliament for 2006—I think it is important to look at the current position of our great state and the challenges and opportunities that lie ahead. This is an assessment of the state of the state.

There can be no doubt we are currently experiencing the most sustained period of growth and prosperity ever recorded in our state's history. The economy is booming. It is stronger than at any other time in recent history and stronger than any other state in Australia. Our economic growth rate this financial year is forecast to be 4¼ per cent—easily eclipsing the national figure of three per cent. Consumer and business confidence is high, and so it should be.

The most recent edition of the Deloitte Queensland Stock Index reveals that in December the total capitalisation of Queensland listed companies on the Australian Stock Exchange grew by \$1.1 billion to a staggering \$40.7 billion.

Mr Speaker, there is even better news. I can also reveal today to parliament a major multimillion-dollar announcement that has been made this morning that reinforces our reputation as a hub for business and industry.

Queensland Rail has signalled its intention to undertake expansion of its freight business through the acquisition of almost all of the above rail assets of the Australian Railroad Group, ARG. Under the terms of the \$446.5 million deal, QR will purchase ARG's above-rail assets such as rolling stock, terminals, yards, depots and customer contracts in Western Australia, New South Wales and South Australia. In other words, QR has gone national.

ARG is jointly owned by Wesfarmers and United States based Genesee Wyoming. If QR is to survive, prosper and continue to contribute healthy dividends back to Queensland taxpayers, it must look beyond traditional state borders.

This deal will mean QR can offer customers a world-class freight service that runs across Australia from the west coast to the east coast. With this acquisition, QR will become one of the major rail freight organisations in Australia—delivering a range of flow-on benefits to our economy.

When I was secretary of the Queensland Railway Station Officers Union 28 years ago, I had a vision that QR had to go national to survive. It is a vision shared by the transport minister, Paul Lucas, and by QR. Let me make this point: if we do not go national, third-party access will ensure that we will lose jobs in Queensland Rail in the future. This is about job security for Queenslanders, and my government has delivered it. I want to make this point and I want to make it very clear: the \$446.5 million that I mentioned will be borrowed and therefore it will be serviced out of the venture itself. So there will be no money going out of health or education. This will be self-funding, and that is the beauty of it. We see Toll's and Patrick's argument. But instead of having one private monopoly operating in Australia, we will have QR operating on a competitive basis. That is the strong vision that this Labor government has had for Queensland and we are delivering. I seek leave to incorporate details of the announcement in *Hansard*.

Leave granted.

QR TO UNDERTAKE MULTI-MILLION DOLLAR FREIGHT EXPANSION

QR (Queensland Rail) will undertake a multi million dollar expansion of its freight business announcing today it intended to acquire almost all of the above rail assets of the Australian Railroad Group (ARG).

Under the terms of the \$446.5 million deal, QR will purchase ARG's above rail assets such as rolling stock, terminals, yards, depots and customer contracts in Western Australia, New South Wales and South Australia.

ARG is jointly owned by Wesfarmers and United States based Genesee Wyoming.

In a separate announcement today investment bank Babcock and Brown indicated it will acquire ARG's below rail assets in Western Australia. QR has entered into a long term access agreement with Babcock and Brown.

Premier Peter Beattie said QR would now offer customers a world-class freight service that ran across Australia from the west coast to the east coast.

"The Australian rail industry has changed substantially providing QR with opportunities to expand its freight business interstate and ensure the organisation's continuing viability and value in the long term," Mr Beattie said.

"If QR is to survive, prosper and continue to contribute healthy dividends back to Queensland taxpayers, it must look beyond traditional state borders.

"Rail is a national industry and QR must be able to take advantage of opportunities in the national marketplace in the same way that its competitors are doing.

"With this acquisition, QR will become one of the major rail freight organisations in Australia, reinforcing our reputation as a hub for business and industry and delivering a range of flow-on benefits to our economy."

"QR hauls more bulk freight than any other rail company in Australia but its business is very much centred in Queensland.

"Major freight companies have been calling for more competition in rail and this is about a genuine alternative north south and east west rail freight business.

Minister for Transport and Main Roads Paul Lucas said the acquisition would help ensure QR could compete effectively in the national marketplace.

"The acquisition of ARG is a unique opportunity to establish a truly national offering for QR's customers.

"Being such a decentralised state, Queensland is massively reliant on freight competitiveness and you'll not have freight customers prepared to put their national business on the line if they can't have confidence that one company will haul it all itself.

"Already QR has secured 12% of the Hunter Valley coal market. Profit from these operations goes to the state for our schools, hospitals, policing and other important initiatives.

"More than \$8 billion will be invested in rail infrastructure and rollingstock for both the south east Queensland Citytrain network and the central Queensland coal systems over the next five to ten years," Mr Lucas said.

QR Chairperson Bronwyn Morris said Australia's rail freight industry was experiencing increased competition.

"There is a strong market need for another major operator to provide rail haulage customers with a real choice. With this acquisition QR will be well positioned to take its place among the major players in this market," Ms Morris said.

QR Chief Executive Officer Bob Scheuber said the move was a significant step forward in implementing QR's national freight strategy.

"The acquisition builds on a number of aggressive initiatives we have undertaken to challenge for a greater share of the national rail and land transport market," Mr Scheuber said.

"The strategic acquisition of ARG enables us to provide a seamless freight service from Perth through to Cairns and gives us the opportunity to expand our world-class expertise in hauling bulk and non-bulk freight.

"Together with the purchase of CRT earlier this year and the expansion of our operations into the Hunter Valley, this acquisition will give us a strong platform to secure our bulk freight business and significantly expand our container freight and integrated logistics business," he said.

Mr Scheuber said QR's national freight strategy aimed to ensure a secure and sustainable future for its business and employees, as well as a long term return on investment for its shareholder, the Queensland Government.

Mr BEATTIE: The latest data shows also that in Queensland in the past 12 months public and private investment, exports, dwelling investment and retail trade have all continued to record strong growth. Our unemployment rate is at the lowest levels in a generation. In fact, I just happen to have a newspaper article from this very day nine years ago that indicates just how far we have come.

I table a front-page article in the *Courier-Mail* on 14 February 1997 which shows unemployment at a record 10.3 per cent under the previous coalition government. It was the highest unemployment rate in Australia. The article states that the then Liberal Treasurer, Joan Sheldon, claimed the figure was unacceptable. However, rather amazingly, she also claimed that coalition policies were working—10.3 per cent! Heaven help us if the current coalition ever comes up with any policies and is given a chance to put them in place. Who knows how high unemployment might climb under a coalition!

In stark contrast, it is obvious that our policies do work. The latest figures released just last week reveal that the trend unemployment rate is five per cent—the lowest level in more than 30 years.

Through innovative Smart State policies such as Breaking the Unemployment Cycle and our record investment in education, training and infrastructure we have created an environment for job creation in business and industry. We are spending more than \$8 billion on infrastructure projects around the state this year alone.

Work is well underway on projects in our \$55 billion 20-year South East Queensland Infrastructure Plan and through our Office of the Coordinator-General we are currently working to help facilitate more than 100 significant projects from cruise ship terminals through to new power stations.

However, we would not have been able to provide these opportunities without strong and responsible financial management by my government. As a result, not only is our economy the best in the country but we also have the best books.

On the weekend Moody's Investor Services once again reaffirmed our AAA credit rating, noting that our economic expansion and population growth continued to outpace that of the rest of the nation. We have consistently delivered strong surpluses and other independent economic commentators have even rated our performance among the best in the world, and that is where Queensland should be—not having an unemployment rate of over 10 per cent under those opposite. We want to be amongst the best in the world, and that is where we are.

However, we do not shy away from the fact that there are some challenges. Earlier this month the federal president of the Australian Medical Association said that all Australian states were experiencing real difficulties in keeping their public hospital systems functioning.

Queenslanders have made it clear that they want a better health system, and we are doing everything we can to make that happen. That is why we are working hard to implement a record \$6.4 billion over the next five years in areas such as elective surgery, intensive care, mental health, emergency departments and cancer and cardiac services. It is why a few weeks ago the Minister for Health, Stephen Robertson, and I announced another \$272 million over three years to provide better pay for our senior doctors. And it is also why I have been so vocal in trying to get a fairer deal from the Australian government.

At the Council of Australian Governments meeting on Friday the Prime Minister clearly stated he recognised that one of the big problems we had was a shortage of doctors. They were his words, not mine. So let us hear no nonsense from those opposite. The Prime Minister said at our joint news conference—

I might also mention in the health area if I can go back to that again that we recognise that one of the big problems is the shortage of doctors.

I table for the information of the House the COAG communique which deals with the initiatives that have come out as a result of that meeting and the push from Queensland.

At the Council of Australian Governments meeting on Friday the Prime Minister clearly stated he recognised, as I said, that one of the big problems we had was a shortage of doctors. Our '325' advertising campaign to get more doctors trained—that is Australians trained in Australian universities to treat Australians—has been successful in drawing national attention to this issue.

At COAG we had three major breakthroughs: agreement to urgently address health university places across the country; an increase in the quota of full fee-paying medical places for domestic students—this could result in up to 60 extra students graduating as doctors from the University of Queensland each year; and the creation of a national assessment process for overseas trained doctors. We are yet to get the figure. That is why I want all Queenslanders to support our '325' campaign so that we get a maximum number of doctors being trained in Queensland in our public hospitals and universities. This is a major step in the right direction in providing a national solution to what is a national problem.

Mr Johnson interjected.

Mr SPEAKER: Order! Member for Gregory! It is St Valentine's Day today—I love you all. But if you start playing up, you will be going for a walk.

Mr BEATTIE: I just hope that one day we can get some bipartisanship to look after Queensland patients, instead of the opposition—

Mr Seeney interjected.

Mr SPEAKER: Order! Member for Callide, I warn you under standing order 253.

Mr BEATTIE: If there were a gold medal for whingeing in the Commonwealth Games, the opposition would win it. You whinge; we work. Let us get on with the good things about Queensland.

There are other challenges ahead. Late last year the Queensland population topped the four million person mark—

Opposition members interjected.

Mr BEATTIE: We have four million people, Mr Speaker. I am happy to go out and explain it to him.

We are growing at such a rapid rate that as early as 2027 we could overtake Victoria to become the second largest state in the country. While this growth brings opportunities, it also brings pressure and pressure brings challenges. That is why we are continuing to work to make sure we get the basics right in key areas such as water, education and transport. Through our Water Plan 2005-2010 we are focusing on infrastructure, fairer pricing structures, comprehensive catchment based water resource plans, regional supply strategies, making smarter use of existing supplies by reducing water use, adopting conservation

measures and re-using and recycling water, protecting water quality, and investing in education and new technology.

We have also initiated a whole-of-government water task force to accelerate the delivery of infrastructure such as the western corridor recycled water project. This will make up to 130,000 megalitres of treated recycled water available for industrial development. We are also providing additional funding to councils to help address issues such as leaky pipes—currently, the equivalent of 75 Olympic swimming pools a day are being wasted. We have also committed to a new dam and have brought forward the preconstruction work of Cedar Grove weir on the Logan River. Once completed, it will deliver around 12 million litres of additional water every day to the rapidly growing urban areas around Beaudesert.

In education, we have another 25 schools offering prep for the first time this year as part of the phase-in process. These schools join 97 others throughout the state that already have prep classes. Approximately 2,700 children are expected to participate in prep in 2006—an increase of about 700 on 2005 prep enrolments. Our government's initiative to introduce prep will ensure we give young Queenslanders the very best start to school by helping them to make a smooth transition to year 1 and setting them on the path to lifelong learning. As part of the initiative, we have spent almost \$59 million to build and refurbish classrooms throughout Queensland.

In transport, we are undertaking a record \$10.5 billion five-year Roads Implementation Program with the support of the Australian government. In south-east Queensland alone we have committed to more than \$24.5 billion in transport projects over 20 years as part of our historic South East Queensland Infrastructure Plan. We are building the Queensland of today and the Queensland of tomorrow. We are undertaking these initiatives as well as working with the community to continue to plan for growth through the South East Queensland Regional Plan, Blueprint for the Bush and various regional planning initiatives across the state.

Since our government was elected, we have spent more per capita on our state's capital program than any other state in the nation. We have increased funding for health by 64 per cent or \$2.1 billion, education by 55 per cent or \$2.3 billion, and welfare and housing by 139 per cent or nearly \$800 million. I highlight these and the other achievements I have listed today not for credit or praise. We are simply doing the job Queenslanders expect from a good government. I highlight these achievements because they illustrate how our diverse multicultural state has grown and continues to grow under our Labor government. I highlight the strong state of our state because it clearly shows that Queensland still remains the best place to live in Australia. I encourage our private sector to continue to invest in the way that it is. I highlight these achievements because they clearly illustrate that my government is providing the leadership and stability to build Queensland now and into the future. Only our government can provide this sort of leadership.