



Speech by

Hon. PETER BEATTIE

MEMBER FOR BRISBANE CENTRAL

Hansard Wednesday, 1 March 2006

MINISTERIAL STATEMENT

State of the State

Hon. PD BEATTIE (Brisbane Central—ALP) (Premier) (9.41 am): I want to provide an update to the State of the State report that I gave to the House when parliament sat last. For a decade now the Queensland economy has outperformed the Australian average, and this financial year, to 30 June 2006, is not expected to be any different. We are looking at growth of 4.25 per cent for the year compared with three per cent for Australia as a whole. Trend unemployment is running at five per cent—less than half what it was in 1997 and less than the 5.2 per cent rate recorded by the rest of Australia. Moody's have just confirmed the state's international AAA credit rating, the highest possible, and business investment continues to boom, rising 5.4 per cent in the quarter to 30 September 2005 and 11.3 per cent for the year to that date.

That is why, in terms of growth, my government has prepared the South East Queensland Regional Plan 2005-2026 and the South East Queensland Infrastructure Plan. We are looking at more than 230 projects in south-east Queensland worth up to \$55 billion, the largest such program outlined in Australia since Federation. In the first 10 years, that investment will total \$35 billion. That is such a large commitment that some have questioned whether the engineering and construction sector has the capacity to deliver it. While there will inevitably be pressures in the short term as firms adjust to the workload, I am confident that the market will respond to the opportunities before them and gear up as quickly as they can. Today I will be addressing the Property Council lunch, and during that lunch I will advise that the government understands that this gearing up process will be much easier if industry has a clear understanding of the timetable for delivering the various projects and is confident that agencies will keep to that timetable.

Managing such a timetable across a broad range of projects is a complex task, and that is why the Coordinator-General has set up a program management office for the infrastructure plan. It is a high-powered task force made up of private sector program management specialists and government officials who will drive the implementation of the plan. They will not only monitor their progress but also help find solutions to any issues that arise to ensure that the projects meet their objectives and are delivered on time and on budget. The program management office will pay particular attention to the scheduling and sequencing of projects to ensure that there is an even flow of work across the years to reduce any strain on supply markets. The government is gearing up to ensure that the SEQ Infrastructure Plan rolls out like clockwork. We will be refining the infrastructure plan on a regular basis, with a 2006 version due to be released in mid-May.

In terms of my report on the State of the State, I also include information on transport infrastructure, the Gold Coast Cruise Terminal, the Townsville Ocean Terminal, the Brisbane Cruise Terminal, the Tennyson State Tennis Centre development, North Bank, Wacol Westgate, the review by the minister for local government of the Integrated Planning Act or IPA, and a range of other matters. I seek leave to incorporate all those details—which I will address to the Property Council—in *Hansard* for the information of all in the House.

Leave granted.

I know the Property Council has raised concerns about how we compare on property prices with other states, but I think there are other factors that need to be considered.

Per capita collections of State taxes in Queensland are estimated at \$1,735, compared with the weighted average of the other States of \$2,163.

NSW and Vic residents estimated to pay \$584 and \$331 more per capita in State taxes, respectively, than Queenslanders in 2005-06. This does NOT include the benefit Queenslanders receive from our \$500 Million Fuel Subsidy Scheme!

The overall tax burden of other States is forecast to be 25% higher, on average, than Queensland in 2005-06.

Queensland's transfer duty rates continue to compare very favourably with rates in other jurisdictions.

Even with the increases commencing 1 July 2006, Queensland's transfer duty for transactions between \$250,000 and \$1 million will be the lowest in Australia.

The transfer duty here on (non-first) home purchases is significantly lower than other States. And the transfer duty on a median priced capital city first home is amongst the lowest in Australia.

Amongst the States, Queensland has the highest effective land tax exemption threshold for individuals, and the second highest for companies.

In a media statement last month, the Property Council's Robert Walker noted that Brisbane is on the verge of a construction boom.

He said: "The twin impacts of rapidly rising demand and rising rents have been the trigger we have been waiting for.

"Queensland is definitely the place to invest, and we are already seeing investors and developers from across the country turning their eyes to Brisbane."

In 2005, Queensland's population reached 4 million people and we're expecting one million more new Queenslanders in the south east corner alone by 2026.

Figures released by the Australian Bureau of Statistics last month show that Queensland's population grew by 75,900 people in the year to June 30, 2005, making us by far the fastest growing state or territory.

We're looking at more than 230 projects in south east Queensland worth up to \$55 billion, the largest such program outlined in Australia since Federation.

In the first 10 years, that investment will total \$35 billion.

That's such a large commitment that some have questioned whether the engineering and construction sector has the capacity to deliver it.

While there will inevitably be pressures in the short term as firms adjust to the workload, I'm confident that the market will respond to the opportunities before them, and "gear up" as quickly as they can.

The government understands that this "gearing up" process will be much easier if industry has a clear understanding of the timetable for delivering the various projects, and a confidence that agencies will keep to that timetable.

Managing such a timetable across a broad range of projects is a complex task, and that is why the Coordinator-General has set up a Program Management Office for the infrastructure plan.

It's a high powered taskforce, made up of private sector program management specialists and government officials who will drive the implementation of the plan.

They will not only monitor their progress, but also help find solutions to any issues that arise, to ensure the projects meet their objectives and are delivered on time and on budget.

The Program Management Office will pay particular attention to the scheduling and sequencing of projects to ensure there is an even flow of work across the years, to reduce any strain on supply markets.

So the government is gearing up to ensure the SEQ Infrastructure Plan rolls out like clockwork.

We'll be refining the infrastructure plan on a regular basis, with the 2006 version due to be released in mid-May.

This version will include a full update on progress and further detail regarding the future program, including a couple of new categories of infrastructure.

In the meantime, we're getting on with the job.

The government has made significant capital investments in the first six months of 2005-06 and is well on the way to achieving the record \$8 billion of capital investment across the state announced in the budget.

Transport infrastructure is a major component of the infrastructure plan and we've spent more than \$30 million on four major road projects so far this financial year—upgrading the Bruce Highway between Boundary Road and Caboolture, the Caboolture Northern Bypass, Hope Island Road upgrade, and the Nerang Broadbeach Road upgrade.

Submissions from potential partners have just closed for the delivery of rail projects worth \$665 million, which Queensland Rail proposes to complete between 2009 and 2012. They include:

- Caboolture to Beerburrum duplication,
- Robina to Reedy Creek extension,
- Corinda to Darra third track, and
- the Beerburrum to Landsborough duplication.

One method of delivering infrastructure is through Public Private Partnerships.

My government has been steadily advancing this method of application and, while some might like to see the pace quickened, these are complex arrangements and we need to ensure the state is getting value for money, particularly with the first few projects.

I have been pleased with the results to date.

The Southbank TAFE PPP is a good value for money outcome—coming in some 7 per cent below comparable public sector projects. The Axiom consortium is developing a good relationship with the TAFE and construction of some of the 11 new buildings is underway. There is a wide range of other projects where we are working with the property sector to try to find smart ways to deliver new services and achieve positive outcomes for the economic development of Queensland. These are also, in my view, a form of public private partnership.

I will give you a few examples:

The Gold Coast Cruise Terminal

We commenced in October last year an Environmental Impact Statement process in accordance with the State Development and Public Works Organisation Act.

We have consulted widely on the Terms of Reference, and the technical studies to support the EIS will commence in the near future.

Also, in October 2005, the State commenced a two stage competitive process for a Gold Coast Marine Development Project (cruise terminal, marina and tourism development).

We have received 9 Expressions of Interest, which are currently being reviewed. It's anticipated a Preferred Developer will be nominated before the end of this year. These represent a mix of successful Gold Coast developers and prominent national players—a real vote of confidence in the project.

The proposed redevelopment represents a balance between public space and recreational and tourism facilities. The development consists of:

- A preservation program for Doug Jennings Park and the western arm of the Marine Stadium
- The provision of recreational facilities for public use
- A protection and enhancement program for Federation Walk and nature reserves in the Seaworld Drive area
- A cruise ship terminal
- Construction of a marina facility for super yachts, recreational and commercial vessels
- The development of 6.2ha of State land south of Seaworld.

Construction of the cruise terminal should commence in 2008 and be completed by 2010.

The Townsville Ocean Terminal

My Government has approved a development agreement with Tabcorp and Consolidated Properties as preferred developer for the project which will include the terminal as well as a residential/tourism development.

The proponents are now working on the Environmental Impact Study, & negotiating contractual and planning arrangements with us for the project.

It is anticipated the ocean terminal's construction will commence in mid-2007 and be completed by mid-2009.

The Brisbane Cruise Terminal

Following a competitive bidding process, the State has entered into contractual arrangements with Multiplex, for the development and operation of a cruise ship terminal at Hamilton.

Multiplex is responsible for delivery of the 'Portside Wharf' project, which includes up to 400 residential units, and commercial/retail facilities in a \$350 million development.

The cruise terminal will be owned by Multiplex and will be capable of operating as a base port or transit stop for cruise ships of up to 270m in length, navy vessels and super yachts.

Construction of the cruise ship terminal and the first stage of the associated residential and retail facilities is proceeding on track and is expected to be complete around the middle of this year.

The Tennyson State Tennis Centre Development

This year, construction is expected to commence on a new major sports venue, the State Tennis Centre at Tennyson. This development marks a new era for tennis in Queensland, and will provide a 7,000 seat, international-standard centre court, and 22 match and training courts. It will be home for the Queensland Academy of Sport's tennis program.

The site of the former Tennyson power station is currently being redeveloped by Mirvac, following a competitive bid process in 2005. The Tennyson Riverside Development involves the construction of the State Tennis Centre, as well as several apartment blocks adjacent to the tennis centre, providing high quality residential accommodation on the Brisbane River.

It has recently been announced that the land adjacent to the Tennyson site will be released by the State Government for development through a competitive process, following the removal of existing State Government buildings in a few years time to alternative facilities. This land will be used to provide complementary recreational facilities to the State Tennis Centre as well as providing a mix of commercial and residential opportunities.

North Bank

The Northbank project will revitalise the Northern side of the Brisbane River, parallel to the existing South East Freeway. Northbank will include a mixture of public use, commercial, retail and residential spaces, and be designed to enhance use and appreciation of the River. Northbank will be designed to complement the existing Southbank development, and will further enhance Brisbane's reputation as the 'River City'.

Numerous community consultations and workshops have been undertaken, resulting in the development of the Northbank Preferred Strategic Plan.

The plan envisages the project being delivered in a series of stages, with the initial stage extending from the Victoria Bridge east to Alice St. Stage One of the Northbank project is currently at Expression of Interest stage. Four submissions were received and these are now being evaluated by The Coordinator-General's team. A decision on the short list is expected to be made by the Government in about 4 weeks.

Detailed site investigations of the site and river bed are now underway. The tourist vessels currently located at North Bank are also being relocated during this next month. The site is being cleared to enable these investigations to be undertaken immediately. A condition survey of the SE Freeway is also to be undertaken.

However, the City Cat Ferry Terminal will remain operational and pedestrian and cycle access maintained through the site.

Wacol Westgate

As you no doubt are aware, The Government is investigating options for developing the Westgate site west of Brisbane, bounded by the Ipswich Motorway, Centenary Highway, Wolston Creek, Brisbane River, and Woogaroo Creek.

It contains about six kilometres of undeveloped riverfront and prime land for high quality residential and community use at the entrance to Brisbane's Western Corridor.

We have been consulting widely with the community and other stakeholders to prepare a strategic plan which will make the best long term use of the area and ensures transport infrastructure will be available to serve the needs of forecast population levels over the next 20 years.

The project team is evaluating feedback from the consultation and deriving an amended strategic plan to be considered further by the Government.

A draft strategic plan is expected to be released for a further 3 month stakeholder consultation program in about 3 months time.

The South East Queensland Infrastructure Plan contains a number of projects which have potential as PPPs, and the government has been carefully assessing them.

Today, I can tell you that we are considering a range of projects which the government will explore as potential PPPs over the coming year or so.

The list of impending South East Queensland Infrastructure Plan Transport Projects to be assessed under the Value for Money framework include:

- Airport Link (\$1.5 billion). This business case is scheduled for completion mid-2006.
- Toowoomba Range Bypass (\$680 million). The business case will commence once timing and conditions of federal funding of \$10 million are finalised.
- Springfield to Darra road and rail corridor (\$760 million). This is being investigated as a package project.
- A decision in relation to a possible early start to the business case for the Gold Coast Mass Transit project (\$490 million) project will be made shortly.
- Eastern Busway (\$530 million). The business case will commence during 2006 once route options become clearer from public consultation.

In a range of key social infrastructure projects, business case assessments will commence during 2006 on:

- The Sunshine Coast package of schools (\$791 million).
- Western Corridor package of schools (\$315 million); and,
- Gold Coast Hospital (\$500 million). The business case will commence after health service requirements have been identified.

I'm sure you will be pleased my government has moved to improve the operation of the Integrated Planning Act (IPA).

Planning Minister Desley Boyle will hold a summit meeting of interested parties on March 14—organisations including the Property Council have been invited to attend.

In addition, written submissions will be accepted up to the 31st of March.

The Act has been in operation for nearly eight years and it was intended to streamline the approvals process for new developments. Previously, a development could require up to 60 different approvals from local authorities and government agencies.

The act requires local authorities to put in place a blueprint setting out the rules for development in their region, but we've still been hearing complaints about bureaucratic delays and complex processes.

Now, faced with the State's unprecedented growth, we clearly can't move forward in that sort of environment.

We must fix the IPA, make it more efficient and simpler. At the same time, we want to clarify planners' and councillors' roles and responsibilities.

Industry organisations, conservation groups, Queensland Law Society representatives and representatives from local government and state agencies will be invited to attend and put their views forward.

You will be aware that, on February 1 this year, I relinquished the portfolios of Treasury and Sport in order to more fully concentrate on dealing with the fundamental issues facing the people of Queensland.

Demand for water grows with the population and when that's combined with the worst drought on record the situation becomes extremely serious.

So I've established a special taskforce to deal with water infrastructure, which primarily includes staff from the Office of the Coordinator-General and the Department of Natural Resources, Mines and Water.

Staff from other government departments and agencies will be seconded as required and this agency will work with a team of project managers from the private sector with expertise in the efficient delivery of major projects.

This new body's immediate priority is the accelerated delivery of essential water infrastructure in south east Queensland.

Its task will be made easier as a result of amendments to Queensland's Water Act, passed last November, which give the state government increased powers to deal with any future water crisis, ranging from the imposition of water restrictions to implementing long term projects like dams and major maintenance programs.

We have already announced two major projects in the south east that could provide an additional 110 million litres of water a day, about 10 per cent of the combined daily average consumption of water from the Wivenhoe, Somerset and North Pine Dams.

These projects are the Cedar Grove Weir on the Logan River near Jimboomba and a water recycling system that would supply the Swanbank Power Station and, at a later stage, perhaps Tarong.

They're expected to be in place by 2008 and they may be complemented by other possible projects outlined in the Stage Two Interim Report of the South East Queensland Regional Water Supply Strategy, including:

Regional desalination on the Gold Coast,

Recommissioning both Enoggera Dam and Lake Manchester,
Investigating the possible use of minor aquifers for emergency supplies around Brisbane,
Regional pressure reduction and leakage management, and
Possibly mandating rainwater tanks in new homes for toilet and external use.

The Coordinator-General has also declared the \$250 million Southern Regional Water Pipeline proposal a "significant project" and he will coordinate all approvals necessary to ensure its progress.

This project would enable efficient water transfers between Wivenhoe Dam, the proposed Wyaralong Dam, Cedar Creek Weir and possible future desalination facilities and existing supplies on the Gold Coast.

The project would take 10 years to complete and it would create a network of pipelines supported by three pumping stations and connection points between the Hinze and Wivenhoe Dams.

That would allow south east Queensland to respond efficiently to drought shortages and supply the booming growth corridors linking Brisbane, the Gold Coast, Logan and Beaudesert.

So far I have not mentioned the state of the Queensland health system.

It's one of those issues that affects all sectors of the population, while at the same time involving each sector of government—local, state and federal—and underpinned by some very serious philosophical considerations.

There are a number of ongoing issues, not the least of which is the Australia-wide shortage of health professionals.

We have undertaken several measures to address this problem, including advertising for health professionals internationally and putting pressure on the Federal Government to increase the numbers of places available at universities for Australians wanting to work in health.

Our health action plan sets a clear direction for Queensland.

We've committed \$6.4 billion over five years to renew services, systems and structures.

In the next 18 months, we'll be recruiting an additional 1,200 staff for the public health system, including 300 doctors, 500 nurses and 400 allied health professionals.

These measures should alleviate current shortages, but we're also planning for the long term future, including funding some medical school places with a bonding arrangement to ensure they spend some time working in regional Queensland.

We face significant challenges ahead in providing the levels of infrastructure and services needed by a rapidly growing State.

But I'm confident that we will meet those challenges because the government is providing good leadership and planning, the private sector is providing world class expertise and we have a strong economy.