




Speech By  
**Hon. Tim Nicholls**

**MEMBER FOR CLAYFIELD**

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**MINISTERIAL STATEMENT**

**Aurizon Holdings**

 **Hon. TJ NICHOLLS** (Clayfield—LNP) (Treasurer and Minister for Trade) (9.44 am): One year into the Newman government's term we are getting the state's finances back in the black and back on track. At the weekend we saw a further indication that, under the Newman government, investors view Queensland as a great state of great opportunity. Confidence is returning. On Saturday I announced that the Newman government would reduce the previous Labor government's debt by a further \$806 million. We sold 200 million shares in Aurizon Holdings, formerly QR National, to institutional and sophisticated investors—here and overseas—in a deal that delivered maximum benefit to all Queenslanders. Finance writers, economists and commentators from AAP, the *Australian* and the *Australian Financial Review* and various analyst firms have applauded the deal, describing it as perfectly timed and a vote of confidence in Queensland's coal industry.

Aurizon Holdings has signed several major contracts in recent weeks, including expanding its activities to include ports. It has also extended its coal haulage contract with Ensham to 2024, secured a long-term, performance based contract with BMA and BMC in Central Queensland and won the right to haul coal from Xstrata's expanded Rolleston mine. Aurizon also signed a non-binding deal with GVK Hancock Coal to progress rail and port infrastructure in the Galilee Basin, as mentioned by the Deputy Premier.

Selling at \$4.03 per share to gain \$300 million since the initial public offer, we have achieved the best possible price for Queenslanders for the second time. In October last year, we announced that we had sold about half the government's 821 million shares at a premium to reduce debt by \$1.5 billion. Exiting out of the shares in the way we did in a single, simple, clean trade not only delivered a massive boost to the state's bottom line; it also increased the value of the government's remaining 18.2 per cent holding and increased value for all the other shareholders in the company. By selling the shares at a premium on both occasions, we have not only paid down debt, but also reduced the state's interest bill. That means less money going to the banks and more going into delivering frontline services.

Unlike those opposite, we keep our promises. In the lead-up to the 2012 state election, we said that we would sell the government's shares to pay down Labor's debt. So, too, did Labor. Just 73 days after promising not to sell assets at the 2009 election, the Bligh government announced it would sell off \$15 billion in assets, including most of QR National. Instead of prudently using the proceeds to pay down its debt, Labor continued to spend at an unsustainable rate, jeopardising the financial position of the state. In fact, Labor borrowed a further \$2.2 billion against its remaining QR National shares—funds that we have now repaid in full. Those opposite have since claimed—have changed their mind—that we should have retained the government's remaining shares. It is another policy flip-flop from a flaky opposition. Their reasoning is laughable. Between 2010-11 and 2011-12, the state received dividends of \$61 million from its share in QR National but paid about \$180 million in

interest on the \$2.2 billion debt that Labor leveraged against the shares. That is a loss of \$119 million—more 'Labornomics'.

The Newman government has no plans to sell down its remaining 8.9 per cent stake in Aurizon Holdings in the near future. Queenslanders can rest assured that, unlike those opposite, any future decisions we make will be made in the best interests of the state and of all Queenslanders. This is a great state with a great government and with great opportunity.