




Speech By
Brittany Lauga

MEMBER FOR KEPPEL

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BUILDING QUEENSLAND BILL

 **Mrs LAUGA** (Keppel—ALP) (4.56 pm): I rise to speak in support of the Building Queensland Bill. Building Queensland will provide independent expert advice on infrastructure priorities based on rigorous cost-benefit analysis and community benefits. Building Queensland will bring an independent whole-of-government perspective to major infrastructure project development, ensuring the government makes better informed decisions on the projects that enhance the quality of life of all Queenslanders. The bill provides for the development of business cases including cost-benefit analyses and for the public release of information.

The establishment of Building Queensland comes after the Australian Productivity Commission's report on its inquiry into public infrastructure which was released in July 2014. One of the Productivity Commission's recommendations was that all governments should commit to subjecting public infrastructure investment proposals above \$50 million to rigorous cost-benefit analyses that are publicly released and made available for due diligence by bidders. In general, analyses should be done prior to the projects being announced.

Building Queensland has already commenced its lead role in developing business cases for a number of projects with an estimated capital cost greater than \$100 million. Key projects which Building Queensland has already started work on include Cross River Rail, train control system upgrade, Beerburrum-Nambour rail upgrade and Queensland Health legacy ICT.

Consistent with the government's view of proactive engagement, Building Queensland has consulted and continues to consult with the private sector and across government to ensure its legislation and operating environment build certainty and confidence. I also commend Building Queensland on the development of a robust and rigorous assessment framework which employs world's best practice. These frameworks will be used for assessing the costs and benefits of projects consistently across government. The early stage project development framework, the business case framework, the cost-benefit analysis framework, the social benefit analysis framework and the prioritisation framework are all critical to ensuring Building Queensland provides the best possible advice to government and the public.

The debate of this bill is timely given the release of the draft Queensland Infrastructure Plan yesterday by the Deputy Premier. Finally, Queenslanders will have a plan for infrastructure again. The Queensland Infrastructure Plan will set a strategic direction and foster innovation in Queensland's planning, investment and delivery of infrastructure. The plan will identify the anticipated service needs and infrastructure investment opportunities for a prosperous Queensland. It will develop a sustainable and credible pipeline of investment for industry, drawing on the independent advice of Building Queensland and input from government agencies, and it will provide context to enable greater coordination between public and private sectors.

The development, infrastructure and planning sectors have praised the draft plan since its release by the Deputy Premier yesterday. The Vice-President of the Urban Development Institute of Australia, Steve Harrison, said—

... through market led proposals there may be innovative ways to fund a project that might not have been available previously.

It might well be that the private sector takes more risk and assumes more of the financial burden for a particular project.

The Executive Director of the Property Council of Australia, Chris Mountford, said that the draft plan showed how the private sector would be expected to play a larger role in contributing to large projects. He stated further—

It highlights the challenges we face in delivering the types of game-changing infrastructure projects needed in the longer term.

Finally, there will be a plan and accountability with respect to infrastructure in Queensland. The infrastructure plan will provide certainty for the public and private sectors and for all Queenslanders and accountability in the preparation of business cases for major infrastructure projects.

In the past we have seen how a lack of accountability in relation to major infrastructure projects can end up as a huge waste of taxpayers' money. Campbell Newman's 'tower of power', 1 William Street, is a prime example of that. The 'tower of power' had no business case. No alternatives were investigated, such as direct public sector ownership or leasing at other locations. Government policy was not followed. There was no traditional competitive sale process and the market was not tested to determine if a higher or lower sale price would have been achieved. There was no investigation as to whether it was better to sell the properties individually rather than as a portfolio. Instead, properties were off-loaded to government owned Queensland Investment Corporation and the trust fund that it manages for \$237 million less than their value and then committed to a leaseback on fixed terms. The development had no business case or cost-benefit analysis and will cost the state more than \$2 billion in the long term. The Auditor-General said that it was not determined before the decision was made or subsequently that the development epitomises value for the state.

This deal was quickly cobbled together. This deal was really a deal for Campbell Newman, the former treasurer and the Newman government ministers around self-indulgence. Self-indulgence by way of polished timber floors and extravagant marble imported from Nepal for Campbell Newman's floor are just things that Queenslanders should not cop, as well as specially woven rugs worth \$130,000, the \$470,000 polished timber walls, \$185,000 worth of marble stone floors and second pantries for ministerial offices. Queenslanders will no longer cop the type of self-indulgence that we saw under the Newman government, because Building Queensland will oversee a cost-benefit analysis before projects commence. These rigorous cost-benefit analyses by Building Queensland will be publicly released and made available for public comment.

I also commend the Building Queensland team, including the staff under the leadership of Acting Chief Executive Officer, Mr David Quinn, and the eight-person board with a majority of private sector representation.

Mrs Frecklington: You just criticised them.

Mrs LAUGA: I take that interjection. I was not criticising the acting chief executive officer; I was criticising the former Newman government. Mr Quinn has over 20 years private sector experience across a range of industries, including infrastructure, transport and logistics, energy, manufacturing, fast-moving consumer goods and mining. It is the diversity of his experience across industries that makes him an excellent choice to be at the helm of this new government agency.

I thank all of those who made submissions to the inquiry and thank all of the witnesses from the committee's public hearing on 17 August 2015, including Mr Greg Hoffman, the Chief Executive Officer of the Local Government Association of Queensland and Mr Arron Hieatt, who is also from the Local Government Association of Queensland; Mr Andrew Barger, the Director, Economics and Infrastructure of the Queensland Resources Council; Mr Lindsay Le Compte, the Executive Director, Australian Constructors Association and Queensland Major Contractors Association; Mr Duncan Maclaine, the Director of Policy and Economic Research of the Urban Development Institute of Australia; and Mr David Quinn, Ms Catherine Harch and Ms Bronwyn Blagojev, all from Building Queensland. I thank my fellow committee members and the secretariat. As per usual, it has been a pleasure examining this bill with them. I thank them for their commitment to and passion for infrastructure planning and natural resources in Queensland. I commend the bill to the House.