




Speech By
Ann Leahy

MEMBER FOR WARREGO

Record of Proceedings, 1 December 2016

CROSS RIVER RAIL DELIVERY AUTHORITY BILL

 **Ms LEAHY** (Warrego—LNP) (10.15 pm): I rise to contribute to debate on the Cross River Rail Delivery Authority Bill 2016. I would like to thank the Infrastructure Planning and Natural Resources Committee staff for their assistance with the inquiry and the professionalism with which they have produced report No. 37, especially given the time frames in which they had to do so. I would also like to thank my fellow committee members from both sides of the House for their participation in the committee examination process.

Cross River Rail is proposed to be a 10.2 kilometre rail link from Dutton Park to Bowen Hills with stations at Boggo Road, Woolloongabba, Albert Street, Roma Street and the exhibition showgrounds. Just under six kilometres of Cross River Rail is through a tunnel under the Brisbane River and the central business district. The state government has already allocated \$50 million in the 2016-17 budget for the establishment of the authority. This included \$11 million for employee expenses, \$30 million for contractors and consultants and \$9 million for other expenses.

Taxpayer funds were allocated before the legislation to establish the authority was introduced into this parliament. It is important I think that we put the quantum of this budgeted expenditure into perspective. For instance, in the Royalties for the Regions progress report round 1 under the former LNP government there were 18 successful projects across six local government areas, which had a combined value of \$49 million. These projects provided core infrastructure such as water and waste management, infrastructure to support essential community services, flood mitigation projects to better safeguard communities and critical road safety improvements and access improvements across regions that were impacted by resource development. Those projects increased safety and helped address the cost-of-living pressures on regional communities. Here we have \$50 million—

Mr POWER: I rise to a point of order, Madam Deputy Speaker. I have been listening and I cannot see the relevance of this to the Cross River Rail Delivery Authority Bill.

Madam DEPUTY SPEAKER (Ms Farmer): I am listening to the member. I feel like we might be getting there. Member for Warrego, can you assure me that you are speaking to the long title of the bill?

Ms LEAHY: Yes, Madam Deputy Speaker.

Madam DEPUTY SPEAKER: I am willing to allow you some flexibility there. Thank you, member for Logan.

Ms LEAHY: Here we have \$50 million already budgeted for the Cross River Rail Delivery Authority. That is a considerable amount of taxpayers' money. At the same time that this government made this budget allocation there are people in my electorate who are driving on roads that are very narrow and have kilometres of deep drop offs, roads that have school buses on them and roads that, because of a lack of maintenance from the state government, are becoming narrower and more dangerous every day.

These roads carry an enormous amount of produce and freight. I think we should note that the Cross River Rail project will not carry any freight whatsoever. In these areas there is wealth and exports. They pay the taxes and charges that contribute to the \$50 million allocation made by the state government for this project. Those wealth-generating areas, however, are unlikely to receive any benefit from the Cross River Rail project, and they are unlikely to see that in the short or the long term.

This Cross River Rail project could cost up to \$15 billion. There is a considerable question as to whether Queenslanders can afford such a project, so I wanted to get this \$15 billion figure in perspective. What is there in regional Queensland that costs around \$15 billion? What does \$15 billion really buy? The Queensland Transport and Roads Investment Program outlines approximately \$20 billion of investment for transport infrastructure over the coming four years. One project for inner-city Brisbane could cost a similar amount to that of the four years of the roads investment program in Queensland.

What growth and jobs do regional Queenslanders receive from the Cross River Rail? What benefit will the Cross River Rail bring to those who have to fund it? Will Cross River Rail eventuate or have we already wasted money—\$50 million—in this year alone? If there was a well-known business case, we might know whether there was any growth or jobs that benefit any other areas in Queensland. At this stage we do not have that level of transparency. There was no business case provided to committee members or to the committee. I note that the Deputy Premier mentioned a business case. I invite the Deputy Premier to table that business case in the House so that we can all be fully informed about it.

Hence, the LNP committee members have extensive concerns which I will continue to outline. There is a lack of transparency regarding the business case for the Cross River Rail project which is stifling public debate about the expenditure on this project. There is an interventionist approach to planning which is causing uncertainty and inconsistency. There is secrecy about how the government will fund the Cross River Rail project including the use of the value capture mechanisms under the delegated powers from the Minister for Economic Development Queensland. There was also a very rushed approach in pushing this bill through the committee process given that there was substantial delay in establishing the delivery authority by the government. The state Labor government's election policy for Building Queensland stated—

The policy guidelines for Building Queensland will require a cost-benefit analysis and assessment of value for money take place prior to any project approval and that this assessment be released for public consultation.

With the Cross River Rail project, Labor has broken its election promise in relation to the release of the business case for public consultation. This Labor government has ignored repeated calls to release the business case and the cost-benefit analysis for the Cross River Rail project. This is a major infrastructure project. Compare it to the merger of Ergon and Energex which is the largest merger in Queensland, an estimated total value of \$25 billion. The Cross River Rail could cost up to \$15 billion—funds that Queenslanders cannot afford to spend. Queenslanders have been kept in the dark about the true and future cost of this Cross River Rail project and who will pay for it. For a project of this size, that is simply not good enough. There is a question: is it really appropriate for that \$50 million of taxpayer funds to be spent to establish the proposed delivery authority when the public, the parliament and the stakeholders have not had the opportunity to properly scrutinise that cost-benefit analysis consistent with Labor's election promise?

The bill is also an appalling impost on local government planning responsibilities—that is, the planning responsibilities of the largest local government in Queensland, the Brisbane City Council. Brisbane City Council's Chief Executive Officer, Colin Jensen, expressed concerns in a submission to the committee about the impact that the Palaszczuk government's approach was having on planning outcomes. Brisbane City Council stated in their submission—

Council is seriously concerned about the proposal to expand the authority of the Queensland Government in the city's planning. The city is currently experiencing an unprecedented level of Queensland Government planning intervention via the combination of mechanisms including Priority Development Areas (PDAs), State planning regulatory provisions, ministerial call ins and the ministerial directions. The city is at risk of becoming a two speed development environment. This approach is not sustainable.

I urge the Palaszczuk government to curb its interventionist approach to the Brisbane City Council and, for that matter, to all councils across Queensland. It is critical that the Palaszczuk government work with key local councils like the Brisbane City Council for the benefit of all Queenslanders, not just for the Palaszczuk government's own political interests or pet projects or for particular members of parliament in inner-city Brisbane.

I wish to turn to the value sharing which is outlined in the explanatory notes. The explanatory notes for the bill state that a statutory body, established under special purpose legislation, was determined to be the preferred model for the Cross River Rail Delivery Authority because, among other

things, it had the ability to specify land acquisition powers and any value-sharing mechanisms. Value sharing is described in the explanatory notes as 'a form of funding that recovers some or all of the private sector value created by public investment in infrastructure'. Little detail has been provided through the committee process about the quantum of secret taxes that will be imposed under value-sharing mechanisms, which Queenslanders will have to pay through these secret taxes and what safeguards or opportunities for public consultation will be available regarding the imposition of these secret taxes under value-sharing mechanisms.

Key stakeholders also share the LNP committee members' concerns. The Property Council of Australia in their submission to the committee stated—

... the Property Council remains cautious of the prospect of utilising 'value sharing' or some form of 'value capture' levy to contribute towards financing Cross River Rail. The Property Council has cautioned the Government on the need to ensure any potential funding model does not become simply another tax.

...

Poorly designed 'value capture' levies, based on perceived increases in property values, pose a significant economic risk.

...

The Government should seek innovative uses of existing revenue streams prior to developing new bespoke taxing models to finance the Cross River Rail project.

True to form, the Palaszczuk Labor government has been talking about establishing the delivery authority for Cross River Rail since April 2016. However, it took the government over six months to prepare the enabling legislation and introduce it to the parliament. To make things worse, this enabling legislation was only introduced after media scrutiny about the Palaszczuk government meeting the project schedule outlined in the Cross River Rail business case. This schedule required the Cross River Rail Delivery Authority to be in place by October. This is now 1 December. It has become another rail failure of the Palaszczuk Labor government to miss their self-imposed delivery dates.

After doing nothing, the Palaszczuk government missed its own deadline. The parliamentary committee was then forced to fast track consultation on the bill. Committee members were only able to provide eight business days for stakeholders and interested parties to review the bill and provide feedback. Brisbane City Council noted this rushed consultation in its submission, which states—

It is important to note, that this is Council's initial response to the Bill. Given submitters were only allowed eight days to review, consider and respond to the Bill, Council's response may include further detailed information.

No wonder the committee only received four submissions. Given the size and the cost of this project, there should be many more than four submissions. There should be hundreds of submissions for a project of this size. I just get the feeling that there is an attempt to sneak this legislation through without scrutiny by the public, without scrutiny by stakeholders and without scrutiny by the parliament. Given the time of the night that we are debating this legislation and the time of the year, one would have to draw that conclusion.

This is a large infrastructure project that comes at a massive cost to Queenslanders. Some Queenslanders might be lucky enough to use the project in the future if it is ever built; others will not, and some will have to pay for the project through the value capture mechanisms. All Queenslanders should have the opportunity, however, to scrutinise this legislation—the costs, the benefits—and the business case for this project. The LNP committee members are disappointed that the Palaszczuk government has failed to properly consult on the proposed delivery authority to deliver Labor's pet priority infrastructure project. Again, it is already looking like another rail fail.

This bill is true to form for the Palaszczuk Labor government. It lacks transparency, transparency about the business case—the costs, the benefits—for the Cross River Rail project, and this is stifling public debate about the expenditure of what could be up to \$15 billion worth of taxpayers' money. There is an interventionist approach to planning which is causing uncertainty and inconsistency. There is secrecy about how the Cross River Rail project will be funded, including those value capture mechanisms under the delegated powers from the Minister for Economic Development Queensland. The bill has been rushed through the committee processes because of the substantial delay by the government in establishing the delivery authority.

As a regional Queensland, though, it is disappointing to see this project in inner-city Brisbane, when comparable projects are not being invested in across regional Queensland. From regional Queensland's perspective, I encourage the government to seek infrastructure projects in regional Queensland as there is a need in regional Queensland. We do not need to have a situation where we have a two-speed infrastructure economy across Queensland.