




Speech By
Hon. Curtis Pitt

MEMBER FOR MULGRAVE

Record of Proceedings, 1 September 2016

MINISTERIAL STATEMENT

Further Answer to Question; Port of Townsville, Pilot Vessels

 **Hon. CW PITT** (Mulgrave—ALP) (Treasurer, Minister for Aboriginal and Torres Strait Islander Partnerships and Minister for Sport) (5.03 pm), by leave: In question time today I was asked about the Port of Townsville pilot boat tender. I gave a commitment to come back to the House with a comprehensive response. As a government owned corporation, the Port of Townsville Ltd has, as I have mentioned, an independent board and management. As a GOC, specific procurement decisions are a matter for the business. As I said in question time today, they operate under a commercial mandate.

I am advised that, in 2013-14, the Port of Townsville Ltd undertook an expression of interest for the provision of a new pilot boat vessel. In March 2016, the Port of Townsville issued a closed tender to five boatbuilders, which had been selected from the 2013-14 expression of interest process undertaken by the previous government. Two of these builders were from Queensland: Townsville based O'Brien Boats Pty Ltd and Brisbane based Norman R Wright & Sons. The remaining boatbuilders were from New South Wales, New Zealand and Malaysia.

Three of the five firms, including Townsville based O'Brien Boats Pty Ltd, did not submit a tender. The two tenders received were from Brisbane based Norman R Wright & Sons and one from New South Wales based Hart Marine. I am advised that a key factor in assessing tenders was the need for the new pilot boat vessel to be delivered by October 2017 to avoid potential financial risks from extended maintenance of the existing vessel, *Petrel II*, in the event of any delay in delivery of the new boat.

Hart Marine's tender included a vessel of proven design and build, having previously supplied other clients with more than 10 vessels of the required size and type. Hart Marine's bid also included the training of a Townsville based apprentice at no additional cost as part of its local participation plan, which was considered favourably by the Port of Townsville.

I am advised that the Port of Townsville believed that the Norman R Wright & Sons submission potentially offered a quality pilot vessel. However, it was noted that Norman R Wright & Sons planned to relocate its workshop from its existing premises during the planned boat build time frame. I understand that the firm believes that this would not have affected its ability to meet the port's delivery deadline. That may be in contention.

I visited the Norman R Wright & Sons shipyard last year with the member for Bulimba, who is a strong advocate for that business and for all the other businesses in her electorate. It was clear to me from that visit that Norman R Wright & Sons, as a firm of 100 years of experience, complete world-class work and support the local economy.

Whilst in this instance the tender was not awarded to a Queensland company, there have been many instances in the past 18 months where significant tenders were won by Townsville and Queensland companies. Of 19 tenders awarded by the Port of Townsville Ltd since January 2015,

almost 90 per cent have gone to Queensland suppliers, with the majority of this work being delivered out of Townsville, including the berth 4 upgrade. The primary works contract was awarded to local contractor CivilPlus Constructions in February 2016. In dollar terms, that equates to \$32 million out of a total of \$36 million.

Under the previous government's policy settings, which would have seen the sale of the Port of Townsville, such work would have been at the whim of a private operator without any regard to the Townsville community. The Palaszczuk government has also strengthened the Queensland government local content policy to increase the opportunities for local businesses for government procurement. This policy is also required to be taken into account, as I said this morning, by government owned corporations in their procurement activities.