

From: Burleigh Electorate Office [mailto:Burleigh@parliament.qld.gov.au]
Sent: Friday, 19 June 2009 12:27 PM
Subject: RE: State Assesst Selloff

Re: **to Public Interest**

The \$15 billion hole in our budget, caused by the worst global recession of our lifetime, means we must think carefully about what we spend, and make sure it represents value for Queensland taxpayers. The decision to discontinue the fuel subsidy as of July 1 was not one we took lightly, but in the current economic climate it is a luxury we cannot afford.

The rationale for the decision is clear. We were not getting the right return on the investment. The recent independent Pincus report found that Queenslanders were missing out on up to \$100 million of the subsidy. In such tough times, our focus has to be keeping our record building program going and protecting Queensland jobs.

This measure will make a big difference to the budget bottom line, saving around \$2.4 billion over the next four years and \$300 million in interest payments over the same period. It is part of our strong plan to regain our AAA rating and restore the Budget to surplus while at the same time protecting jobs and building the schools, hospitals and roads we need today and in the years to come.

The Government's Renewing Queensland Plan seeks to realign the State's asset base with the community's needs this century. It proposes the sale of a number of Government owned assets - forest plantations, the Gateway Motorway, Port of Brisbane, Abbot Point Coal Port and the non-passenger sections of Queensland Rail.

The money raised will all be used to build new publicly owned assets - public hospitals, schools, roads, public transport infrastructure. Of course, the Government would rather not have to contemplate the sale of these assets. It was not an easy decision to make and was not taken lightly.

These are hard decisions. Labor went to the last election promising to keep the State's record building program going. Not just for the 119,000 jobs its supports, but also because a state with a rapidly growing population can't afford to ease off building the infrastructure that supports our economy and community.

I do appreciate your input but suggest that tough times make tough decisions necessary. Thank you for taking the time to express your views.

warm regards, Christine

Christine Smith MP
Member for Burleigh

1/07/2009



KERRY SHINE MP
State Member for Toowoomba North

Suite 2, ABC Building,
297 Margaret Street
PO Box 1822
Toowoomba, Qld. 4350

www.kerryshinemp.com

26 June 2009.

Contrary to Public Interest

Dear Contrary to Public Interest

Thank you for your letter of 22 June, 2009, writing to me expressing your disappointment at the Government's decision to sell part of QR.

Whilst it is part of the Conservative Party's platform to privatise Government owned instrumentalities like QR, it has obviously come as a disappointment and a surprise to many Labor supporters that the Government took this action.

I appreciate your sentiments and certainly understand the feelings that you have.

The situation is that the decision to sell QR was a very difficult one for the Government to arrive at and the decision was only made a few days prior to the Budget being handed down. Other alternatives to selling public assets were thoroughly examined including the freezing of public servants wages and the cancellation of the infrastructure building program. It was felt by the Government that it would be wrong to renege on agreements made in good faith with workers and accordingly freezing wages was not considered to be an appropriate option to take.

Likewise, the cancellation of the Infrastructure program (\$18 billion this financial year) would mean a massive increase in unemployment, raising the level of unemployment by about 5% or 6% to about 11% or 12%. To this Government unemployment and the inability of working people to provide for their families would definitely be something that is unacceptable and the Government is firm in its belief that all should be done to minimise unemployment. That left no other choice than to consider the sale of public assets including assets such as QR, which have not only a great economic significance but also a greater attachment to many Queenslanders.

At the end of the day the Government considered if the choice was between the building of schools, hospitals and the provision of essential services on the one hand and the retention of QR on the other, then the sale would have to proceed.

Phone: 4638 5755 Fax: 4638 4056 E-Mail: toowoomba.north@parliament.qld.gov.au

-2-

I appreciate your views and fully understand them, but I believe that the Government had no real choice in the matter.

I hope you will accept the Premier's assurance that there were no plans in existence to sell this asset prior to the election. The Premier and Treasurer did, however, make it very clear to the electors prior to the election, that some tough decisions would have to be made, but I can assure you, on the information given to me, no decision to sell QR or other assets was finally made until a few days prior to the Budget being handed down.

Thank you for taking the time and effort to write to me which indicates your real concern in relation to the matter. I am passing on your letter to the Premier and also to the Minister for Transport for their perusal.

Yours faithfully,

KERRY SHINE MP
Member for Toowoomba North

Phone: 4638 5755 Fax: 4638 4056 E-Mail: toowoomba.north@parliament.qld.gov.au



Premier of Queensland

For reply please quote: ERP/RM - TF/09/13687 - DOC/09/64224
Your reference: MI09/0976

29 JUN 2009

The Honourable Tim Mulherin MP
Minister for Primary Industries, Fisheries
and Rural and Regional Queensland
GPO Box 46
BRISBANE QLD 4001

Executive Building
100 George Street Brisbane
PO Box 15185 City East
Queensland 4002 Australia
Telephone +61 7 3224 4500
Facsimile +61 7 3221 3631
Email ThePremier@premiers.qld.gov.au
Website www.thepremier.qld.gov.au

Thank you for your letter of 14 May 2009 outlining the views of Carter Holt Harvey on the potential for growth and development of the timber processing industry in Queensland, including recommendations from the Poyry Review.

My recent announcement to restructure Government's asset portfolio under the *Renewing Queensland Plan*, including the sale of Forestry Plantations Queensland (FPQ), will have significant implications for Queensland's timber processing industry, which I believe will be for the better.

Clearly, the recommendations from the Poyry Review, including long-term allocations, price setting and arbitration issues, will be matters to be addressed during the sale process. The Hyne-Laminex wood supply proposal will be considered in this context.

As you are aware, an independent expert team to oversee the FPQ sale process will be established in Queensland Treasury, and your agency's assistance during this process will be central to an outcome in the interests of a sustainable and prosperous plantation forest industry.

Yours sincerely

ANNA BLIGH MP
PREMIER OF QUEENSLAND



Queensland
Government



Office of the Premier

For reply please quote: EP/SPTT -- TF/09/18396 -- DOC/09/78811

22 JUL 2009

The Honourable Robert Swarten MP
Minister for Public Works and
Information and Communication Technology
Member for Rockhampton
PO Box 100
ROCKHAMPTON QLD 4700

Executive Building
100 George Street Brisbane
PO Box 15185 City East
Queensland 4002 Australia
Telephone +61 7 3224 4500
Facsimile +61 7 3221 3631
Email ThePremier@premiers.qld.gov.au
Website www.thepremier.qld.gov.au

Dear Minister Swarten

Thank you for your personal representations of 30 June 2009 on behalf of
Mr [redacted] concerning the Government's recent announcement about asset sales.

The following draft response is suggested to Mr [redacted]

The Government's Renewing Queensland Plan seeks to realign the State's asset base with the community's needs. It proposes the sale of a number of government-owned assets — Forest Plantations Queensland, Queensland Motorways Limited, Port of Brisbane, Abbot Point Coal Port and the non-passenger sections of Queensland Rail.

The money raised will all be used to build new publicly owned assets — public hospitals, schools, roads, and public transport infrastructure.

Of course, the Government would rather not have to contemplate the sale of these assets. It was not an easy decision to make and was not taken lightly.

However, falls in coal royalties, stamp duty, GST and other income in this global recession has robbed \$15 billion from our budget over the next four years. That is about one-third of our entire annual State Budget.

These circumstances have brought into sharp focus the future challenges we face as a State and they are different to the challenges we have faced in the past.

In the last century, a key challenge was to provide the infrastructure to unlock our State's vast natural resources. So, for example, the Government built and owned ports and railways to haul coal at a time when private companies would not do so.



Queensland
Government

But the coal industry is now well established with many of the world's largest, multinational companies operating global businesses. Continued investment of taxpayer funds into a commercial transport business for these companies simply cannot be prioritised over investment in passenger trains and public transport.

Do we continue to haul coal for private multinational coal companies? Or do we build new passenger rail networks and more buses for urban and regional Queensland?

Do we continue to own a forest plantation and buy and sell timber? Or do we finish building and rebuilding major hospitals in Cairns, Townsville, Mackay, Rockhampton, Mount Isa, Brisbane, Sunshine Coast, and the Gold Coast?

Do we continue to own a tollway on the Gateway Bridge? Or do we build new and safer roads in our many growth areas, like the Sunshine Coast Motorway, the Townsville Port Access Road, Forgan Smith Bridge in Mackay, Flinders Highway upgrade and the Bundaberg Ring Road?

Do we continue to own a port? Or do we build the new public housing and social infrastructure our State needs?

Or do we keep running these businesses, stop investing in them and let them run down? These are the choices. Doing nothing is not a choice.

The businesses we have chosen to sell are requesting investment of \$12 billion from the Government over the next four years. That is \$12 billion that can not be spent on schools, hospitals, roads and public transport.

It is true that some of these assets earn revenue for government. We will forgo approximately \$280 million a year as a result of these sales, however the interest bill alone on the \$12 billion investment requested from government is \$750 million every year.

Some people are concerned about what this decision means for jobs. All enterprise bargaining agreements with workers will be honoured. As well, employment guarantees will be in place for at least two years beyond the date of sale. Employees transferring to the new businesses will experience no interruption to their continuity of service, or accrued entitlements.

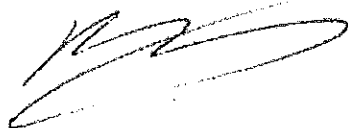
An industrial relations working party has been established to discuss the details of these arrangements with unions.

These are hard decisions. The Government went to the last election promising to maintain the State's record building program, not just for the 127 000 jobs it supports, but also because a State with a rapidly growing population can not afford to ease off building the infrastructure that supports our economy and community.

At a time when the State's income is under pressure due to the global recession, it is not possible to keep owning all we own while still borrowing to keep this building program going.

I trust this information will assist your reply to Mr [redacted] representations.

Yours sincerely



Nick Williams
Senior Policy Advisor

RTI RELEASE

24/07 2009 16:19 FAX 48384058

KERRY SHINE

001/001



24 July, 2009



KERRY SHINE MP

Suite 2, ABC Building,
297 Margaret Street
PO Box 1822
Toowoomba, Qld. 4350

www.kerryshinemp.com

Hon. Anna Bligh MP
Premier of Queensland
PO Box 16185
CITY EAST Qld 4002
FACSIMILE: 3221 3631

Dear Premier,

RE: SALE OF QR ASSETS

Today I saw a delegation of union officials of the Rail, Tram and Bus Union which had earlier organised a rally outside my office.

I undertook to convey their concerns and issues to you and the Minister for Transport.

You would be familiar with the objections of the union to the sale of QR assets generally, ie. its concern about possible job losses, probable inability of Government to fund community service obligations in the future without the income from coal freight and the lessons learnt from privatisation elsewhere.

The representatives were on their way back from visiting Charleville, Roma, Dalby, Dirranbandi, Goondiwindi and Warwick. They indicated to me that considerable disruption to the local community in those centres has arisen as a result of severe interruption to services. They fear that should privatisation proceed, these types of interruptions or even cessation may occur which would have dire consequences to the local community and employment. They also raised the issue of the state of the Warrego Highway and the consequent exacerbation of wear and tear on the Highway in the event of rail closure.

I should be pleased if you would kindly give consideration to the above.

Yours faithfully,


KERRY SHINE MP
Member for Toowoomba North

Phone: 4638 5755 Fax: 4638 4056 E-Mail: toowoomba.north@parliament.qld.gov.au



Office of the Premier

Please quote: MCU

TF/09/18874

29 JUL 2009

Mr Paul Hoolihan MP
Member for Keppel
Shop 3, Evia Building
Normanby Street
YEPPOON QLD 4703

Executive Building
100 George Street Brisbane

PO Box 15185 City East
Queensland 4002 Australia

Telephone +61 7 3224 4500

Facsimile +61 7 3221 3631

Email ThePremier@premiers.qld.gov.au

Website www.thepremier.qld.gov.au

Dear Mr Hoolihan

Thank you for your letter of 3 July 2009 enclosing copies of correspondence from your constituents who have expressed their concerns regarding the Government's recent announcement about asset sales. I have been requested to reply to you on the Premier's behalf.

The contents of your letter and enclosures have been noted.

The Queensland Government's Renewing Queensland Plan seeks to realign the State's asset base with the community's needs. I have enclosed a copy of the Premier's Ministerial Statement in this regard.

The Plan proposes the sale of a number of Government owned assets – Forest Plantations Queensland, Queensland Motorways Limited, Port of Brisbane, Abbot Point Coal Port and the non-passenger sections of Queensland Rail.

The money raised will all be used to build new publicly owned assets – public hospitals, schools, roads, and public transport infrastructure.

Of course, the Government would rather not have to contemplate the sale of these assets. It was not an easy decision to make and was not taken lightly.

However, falls in coal royalties, stamp duty, GST and other income in this global recession has robbed \$15 billion from our budget over the next four years. That's about one-third of our entire annual State Budget.

These circumstances have brought into sharp focus the future challenges we face as a State and they are different to the challenges we've faced in the past.

.../2



Queensland
Government

-2-

In the last century, a key challenge was to provide the infrastructure to unlock our State's vast natural resources. So, for example, the Government built and owned ports and railways to haul coal at a time when private companies wouldn't do so.

But the coal industry is now well established with many of the world's largest, multi-national companies operating global businesses. Continued investment of tax payer funds into a commercial transport business for these companies simply cannot be prioritised over investment in passenger trains and public transport.

Do we continue to haul coal for private multinational coal companies? Or do we build new passenger rail networks and more buses for urban and regional Queensland?

Do we continue to own a forest plantation and buy and sell timber? Or do we finish building and rebuilding major hospitals in Cairns, Townsville, Mackay, Rockhampton, Mt Isa, Brisbane, Sunshine Coast, and the Gold Coast?

Do we continue to own a tollway on the Gateway Bridge? Or do we build new and safer roads in our many growth areas, like the Sunshine Coast Motorway, the Townsville Port Access Road, Forgan Smith Bridge in Mackay, Flinders Highway upgrade & the Bundaberg Ring Road?

Do we continue to own a port? Or do we build the new public housing and social infrastructure our State needs?

Or do we keep running these businesses, stop investing in them and let them run down? These are the choices. Doing nothing is not a choice.

The businesses we have chosen to sell are requesting investment of \$12 billion from the Government over the next 4 years. That's \$12 billion that can't be spent on schools, hospitals, roads and public transport.

It's true that some of these assets earn revenue for government. We will forgo about \$280 million a year as a result of these sales. But the interest bill alone on the \$12 billion investment requested from Government is \$750 million every year.

Some people are concerned about what this decision means for jobs. All enterprise bargaining agreements with workers will be honoured. As well employment guarantees will be in place for at least two years beyond the date of sale. Employees transferring to the new businesses will experience no interruption to their continuity of service, or accrued entitlements.

.../3

-3-

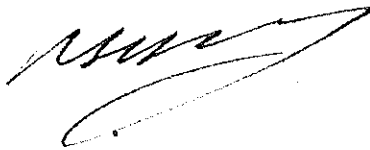
An industrial relations working party has been established to discuss the details of these arrangements with unions.

These are hard decisions. The Government went to the last election promising to maintain the State's record \$18.1 billion building program. Not just for the 127,000 jobs it supports, but also because a State with a rapidly growing population can't afford to ease off building the infrastructure that supports our economy and community.

At a time when the State's income is under pressure due to the global recession, it is not possible to keep owning all we own while still borrowing to keep this building program going.

The Premier trusts that this information will be of assistance to you in responding to your constituents.

Yours sincerely



Nick Williams
Senior Policy Advisor

Encl

RTI RELEASED



Speech by

Hon. ANNA BLIGH

MEMBER FOR SOUTH BRISBANE

Hansard Tuesday, 2 June 2009

MINISTERIAL STATEMENT

Renewing Queensland Plan

Hon. AM BLIGH (South Brisbane—ALP) (Premier and Minister for the Arts) (9.33 am): This parliament has debated and often authored much of the amazing story of the development of the state of Queensland. In the week of our 150th anniversary, history calls us again to chart the next phase of the journey. The governments of Queensland, of all political persuasions, have forged the path to today, through courageous far-sighted acts and through decisions that require the sort of leadership that was often only appreciated in hindsight. Our state is unrecognisable as the colony that was granted letters patent by Queen Victoria in 1859.

Our story is one of progress, growth, prosperity and development. The need to respond to the challenges of the day in a way which moves the state forward is rarely without controversy. Today, I will outline a plan to renew Queensland's finances and grow our future investment which will reshape the Queensland economy and propel us to the next phase of our development. Like all bold measures, this plan will invite intense debate and even opposition. But it is consistent with both the immediate imperatives of our state's budget stability and the need to secure our long-time future and prosperity.

Mr Springborg interjected.

Ms BLIGH: When you are ready. The fact is that the global recession has confronted us. It has confronted us as individuals, as citizens, as employers and as employees. The crushing tragedy of unemployment is known today to more than 114,000 Queenslanders. As each month goes by, the reality of the global recession visits more households across the state.

The global recession has also confronted us as a state and as a government as the stewards of our economy and our public finances. We are confronted with the total loss of \$14 billion in expected revenue over the next four years, a third of our annual budget robbed from Queensland by the global recession; confronted with a further \$2 billion decline in our GST receipts since the federal budget was brought down, enough to fund our entire Police Service for a year; and confronted with the need in these tough financial times to continue the infrastructure task to build for a growing population.

Confronted with these challenges we held our nerve and, along with most governments in the world, we chose to stimulate our economy in the short term. We made what was in many ways a simple choice—to above all else keep our record building program going to protect the 119,000 jobs that it supports and to continue building Queensland's future. We have always said that it required tough decisions in the future; tough decisions to restore the state's finances to enable, not disable, future growth, to come through the global recession stronger and not weaker.

The measures I announce today are consistent with this approach. They are consistent with the platform that I and my team took to the most recent election. Prior to and during that election campaign—indeed at all times—I have been frank with Queenslanders about the financial circumstances that confront

Speech by Hon. ANNA BLIGH extracted from Hansard of Tuesday, 2 June 2009

structure but also the need to time transactions with capacity in the market. This staged program of asset sales will deliver proceeds of an estimated \$15 billion and, just as importantly, it will avoid a further \$12 billion in required capital investment in those businesses over the next five years. This represents a total benefit to taxpayers of almost \$30 billion. The government will forgo annual estimated returns of approximately \$280 million a year as a result of the sale program. However, the \$12 billion in avoided capital alone will save Queenslanders around \$750 million every year in interest. In total, these measures have the potential to reduce state debt by \$15 billion by 2013-14.

I acknowledge that many in the community, including many in the union movement, will instinctively oppose the sale of these assets. To those with concerns, I would encourage them to look at the success of Qantas since it was privatised in 1995. It is not a dissimilar asset—a transport company—to Queensland Rail. As with Qantas, each of the assets being announced today requires substantial capital if they are to grow. The privatisation of Qantas provided the organisation with the ability to secure the investment it needed to compete and, more importantly, to grow and to expand without a further drain on taxpayers. Qantas flourished after privatisation to become what it is today—one of the world's largest, most profitable and successful airlines. Full-time employment in Qantas has risen by 16 per cent from 29,000 to 33,700. So that decision by a Labor government in the 1990s secured the jobs of those workers and secured the long-term prosperity of that company.

To the employees of the enterprises included in today's decision, I commit to a fair process which will involve them and their representatives. As has been the case in the past with asset sales, all employees in affected government owned corporations will have the terms and conditions of their current enterprise bargaining agreement honoured for the life of that agreement. As well, employment guarantees will be put in place for two years beyond the date of the sale. Employees transferring to the new businesses will experience no interruption to their continuity of service or accrued entitlements. The government will establish an industrial relations working party to discuss the detail of transition arrangements with unions and corporations. In terms of employment, the objective of the government is to protect jobs and create viable growing private enterprises with the prospect of growth and increasing jobs, as was the case with Qantas.

Let me now address the issues in relation to each asset in more detail. When the National Party went into debt to build the original Gateway Bridge, new ground was broken in the delivery of infrastructure in this state. The debt was incurred—rightly—to deliver the Gateway Bridge for the benefit of Queenslanders in 1986 and for the generations to come. Those generations—the people who would utilise this important infrastructure—would be called upon to contribute to its cost. It was a far-sighted decision. Today, two-thirds of the second Gateway Bridge stretches across the river—the debt financed, again, on the sound economic basis that the bridge will benefit not only the current population but also Queenslanders of future generations.

The government will this year spend \$6.5 billion on its state-wide road and transport infrastructure program and, in so doing, support some 39,000 Queensland jobs. Our road network today has an estimated replacement value of \$72.2 billion. It is big enough to travel around the entire coastline of Australia 1.5 times, or the equivalent of Brisbane to Melbourne 20 times. Our first tolled motorway—the Gateway Bridge—was important because it broke the mould. As was always intended, the loan undertaken in the 1980s for the first Gateway Bridge is to be paid off by the tolls collected daily over the life of the bridge, just as it is intended that the tolls to be applied on the second Gateway Bridge will service the finance raised for its construction cost. The Gateway serves as part of our National Highway and it services the port of Brisbane—an export gateway to the world.

To enhance productive capacity, to lift our export effort, there is a need to bring on construction of the planned Port of Brisbane Motorway. As part of our Renewing Queensland Plan, the government will invite offers to purchase the tolling franchise of the Gateway and the other roadways of Queensland Motorways Ltd. The bridges and roads themselves will remain in the ownership of the state. The government will look to put this opportunity to the market in 2011 after the completion of the current bridge. It is the government's intention to legislate a toll level at the point of sale and then to allow that toll to rise only with inflation post the sale. This is consistent with the approach taken in the North-South Bypass Tunnel project and Airport Link and protects road users from unreasonable toll increases.

While the investment market for greenfield tollways has been massively impacted by recent market experiences and the broader global financial crisis, there is an appetite for the established, long-run opportunities that Queensland Motorways Ltd represents. The future growth of the south-east, of our economy, of our export capacity, of Brisbane port and of Brisbane Airport make this a very attractive investment opportunity.

Further, under the Renewing Queensland Plan, the government will invite private sector investment in the Port of Brisbane. As well, a mandate to upgrade the Port of Brisbane Motorway will be offered to private investors. The Port of Brisbane has expanded as our economy has expanded. Its growth and its evolution has seen it secure private sector investment in its property holdings along Hamilton. A move to

Speech by Hon. ANNA BLIGH extracted from Hansard of Tuesday, 2 June 2009

Queensland. For example, an integrated sale could offer the Goonyella through Newlands to Abbot Point system along with the sale of Abbot Point Coal Terminal. The private sector will build the northern missing link infrastructure that is currently being proposed, saving the taxpayer \$3.5 billion in future capital expenditure. In the long term, a privately owned Queensland Rail commercial business, like Qantas, will be a stronger, more sustainable business that will continue to grow and create jobs in Queensland.

Today in this Renewing Queensland Plan, I have outlined a carefully considered program of strategic asset sales. This plan will reduce Queensland's debt, encourage investment in export infrastructure, give us the tools we need to fight the global recession in the short term and begin the process of restoring our AAA credit rating in the medium term. These are long-term structural changes to our asset base which will permanently improve the state's balance sheet and better align to current priorities. In terms of our recurrent budget we, along with most governments around the world, have taken the decision to run deficits in the short term as a response to the global recession. However, we all understand that this situation is unsustainable in the long term and tough structural changes need to be made to restore the recurrent budget to surplus over time. We must rethink our spending, invest what we do have wisely and make sure it represents value for Queensland taxpayers.

We currently spend in Queensland more than \$500 million a year in a fuel subsidy program. But Queensland taxpayers and the motoring public are not getting value for money. The recent independent Pincus inquiry identified that Queenslanders are not receiving the full benefit of what taxpayers are spending on the scheme. We also know that New South Wales motorists are crossing the border to take advantage of this subsidy. The proposal by the New South Wales government to abolish its tiered fuel subsidy scheme from 1 July will only make it more attractive for New South Wales motorists to cross the border to fill up their tanks. Queensland taxpayers should not have to subsidise interstate motorists. That does not represent value for taxpayers' money. So as part of this year's budget the government has taken the decision to end our fuel subsidy program as of 1 July this year.

Opposition members interjected.

Ms Simpson: It's a fuel tax. Tell it the way it is. You lied to the people.

Mr SPEAKER: Member for Maroochydore, you will withdraw that comment. It is unparliamentary.

Ms SIMPSON: I will withdraw, Mr Speaker.

Ms BLIGH: This will bring us into line with every state in the country. I do not want to diminish in any way the burden that this will place on motorists. But it will also save taxpayers more than \$2.4 billion over four years and is part of our strong plan to regain our AAA credit rating and restore the budget surplus without jeopardising vital infrastructure like hospitals, schools and roads. It is a sacrifice that we are asking of Queenslanders to play their part in keeping the building program going and protecting the 119,000 jobs it supports.

The fact is that at the moment and for the next several years Queensland would need to borrow the funds necessary to keep the fuel subsidy program going. In times of difficult choices, that is simply a luxury that Queensland cannot afford. Paying off our debt faster is like paying off a home faster. This measure alone means we will save almost \$300 million in interest payments over the next four years. The money saved will go into the things that are most important: running our hospitals, schools, police and other vital services.

Our Renewing Queensland Plan and the abolition of the fuel subsidy are measures undertaken with two goals in mind: firstly, keeping our building program going to support jobs now to soften the blow of the global recession; and, secondly, dealing with the long-term reforms that will restore the budget to surplus over time and realign our finances for the challenges of the future. This is what responsible governments across the world are doing because the alternatives are too awful to contemplate. Letting our building program collapse would destroy jobs and see us lag many years behind the infrastructure demands of a growing state. This is something that I am not going to let happen.

But it is not just the necessity of the times that drives these announcements. Crises often provide the impetus for fundamental rethinks. This global financial crisis has caused us to examine our asset base in light of current challenges and modern priorities. As has occurred often in our 150-year history, the circumstances we find ourselves in give us cause to rethink the role of government to ensure that our priorities and our agenda in this century align with the challenges we face in this century. The challenges of this century demand that we subsidise public transport, not the freight transport requirements of coal companies; that we invest in schools, not in forestry plantations; and that we build and run hospitals, not coal ports.

The announcements made today are made in the interests of Queensland and its working families. My responsibility as Premier, like the responsibility of every leader, is to develop new strategies when the circumstances around us change and to find ways to turn problems into opportunities. With these decisions we strategically reposition Queensland for the future and we profoundly shift the financial structure of our budget from the challenges of the past to the opportunities and demands of the future. Most importantly, we give ourselves and our state the best chance of coming through the furnace of the global financial crisis stronger, not weaker.



Premier of Queensland

For reply please quote: EP/SPTT – TF/09/18694 – DOC/09/86039

18 AUG 2009

Ms Christine Smith MP
Member for Burleigh
PO Box 172
MIAMI QLD 4220

Thank you for your personal representations of 29 June 2009 on behalf of
Mr [redacted] concerning the Government's recent announcement about asset sales.

The entire basis of the State election was about the difficult circumstances faced by the Queensland State Budget and the fact that whoever was elected would have to make decisions to take Queensland forward in the toughest of economic circumstances. The Government's priority was to protect the building program, and that is what we have done. That building program is employing more than 100 000 Queenslanders right now and it will create new jobs this month, next month and every month this year.

During the State election campaign, the Government took a plan to create 100 000 jobs in this term of government. This is without a doubt a very tough target but one that we will work to achieve job by job, industry by industry, region by region. We will do that through our four-point jobs plan and other initiatives.

Firstly, we have a commitment to move forward our Capital Works Program — a record \$18.2 billion this year — to support some 127 000 jobs and to build the infrastructure needed for a growing population.

Secondly, we will prepare for the recovery by expanding our skills base and providing skills and training to position people during these tough times.

Thirdly, we are committed to supporting new industries of the future, such as liquefied natural gas and solar and geothermal renewable energy sources, industries that we believe will power jobs and power the future. We will also do this by supporting our traditional strengths with new initiatives in areas such as tourism and mining. We will also remain committed, as we have been over a number of years, to investing in arts and culture and events to generate jobs in those sectors.

Executive Building
100 George Street Brisbane
PO Box 15185 City East
Queensland 4002 Australia
Telephone +61 7 3224 4500
Facsimile +61 7 3221 3631
Email ThePremier@premiers.qld.gov.au
Website www.thepremier.qld.gov.au



Queensland
Government

Fourthly, we are committed to maintaining our current job creation programs and developing new ones like the Green Army and putting unemployed people to work and improving our waterways, beaches, national parks and green spaces. We will also maintain service levels to meet the needs of a growing population, and this will deliver jobs in front-line public sector areas.

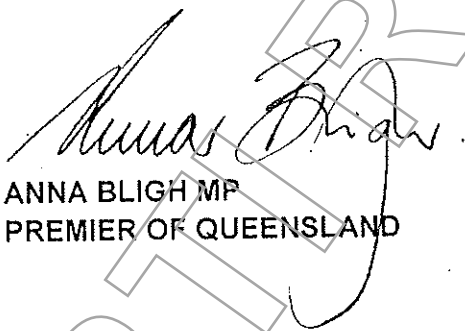
The Government has a plan to protect as many Queensland jobs as possible and to create more jobs to keep the wheels of our economy turning and to emerge from the recession, stronger. During that time it was clear that some tough decisions would have to be made to quarantine our jobs program, particularly our Capital Works Program.

When the Treasurer and I were questioned about these issues during the election campaign, we made it very clear that these were the sort of things that might have to be contemplated. We actually expressly said that we could not rule them out and that was reported publicly. So, any suggestion that they were hidden is erroneous.

The asset sales are a very significant plank in the Government's determination to reduce our level of debt, going forward. This requires people to think differently about what government owns and what government does not own and what our priorities should be. Reducing those debt levels gives Queensland the best chance of recovering its AAA credit rating and puts us in a much stronger position for future governments to invest, whether it is through direct investment or future borrowings, in further infrastructure that this State will continue to need now and long into the future.

I trust this information will assist your reply to my to Public representations.

Yours sincerely



ANNA BLIGH MP
PREMIER OF QUEENSLAND



Premier of Queensland

For reply please quote: EP/SPTT - TF/09/20867 - DOC/09/87319

8 SEP 2009

Mr Kerry Shine MP
Member for Toowoomba North
PO Box 1822
TOOWOOMBA QLD 4350

Executive Building
100 George Street Brisbane
PO Box 15185 City East
Queensland 4002 Australia
Telephone +61 7 3224 4500
Facsimile +61 7 3221 3631
Email ThePremier@premiers.qld.gov.au
Website www.thepremier.qld.gov.au

Thank you for your letter of 24 July 2009 concerning the sale of Queensland Rail (QR) assets.

As you are no doubt aware, we are currently confronted with the worst global economic conditions for 70 years.

The global recession has created a \$15 billion hole in the State's income over the next four years. This is a result of falling income from the GST, mining royalties and other taxes such as stamp duty. To put that in context, \$15 billion is more than one-third of the State Government's entire annual Budget.

Faced with this loss of income, the Government had to prioritise its spending. These are tough times which require tough decisions to keep Queenslanders in jobs, and to continue to build the vital infrastructure our growing population needs.

As part of the State Government's response to these unprecedented global economic conditions, the Renewing Queensland Plan was announced on 2 June 2009.

Renewing Queensland is a plan to guide Queensland through the global recession. It is a plan that will help the Government maintain its \$18 billion building program, which protects 127 000 jobs and stimulates the economy. Most importantly, it is a plan that prioritises government spending on essential public infrastructure such as schools, hospitals and roads. This is the infrastructure spending that best supports Queensland families.

The plan includes the sale of QR's above and below rail coal business. The Government will retain ownership and control of all QR passenger rail assets in Queensland, because we strongly believe it is government that is best placed to deliver a world-class public transport system.



Queensland
Government

The Government will also retain ownership of all non-coal rail lines in Queensland. QR is a competitive, national business with a proud history of serving Queenslanders. It is also a company with an exciting future and unlimited potential.

QR has outgrown Queensland to become a competitor on the national stage. QR's expansions into coal haulage in the Hunter Valley in New South Wales and into other markets in Victoria and Western Australia demonstrate the potential of the company.

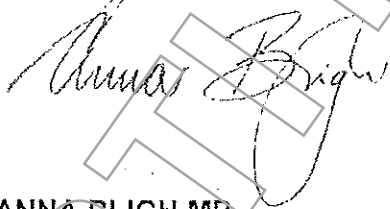
But these expansions cost money. It means buying more locomotives, more wagons and building more tracks. QR's coal businesses alone will require the Government to spend \$7 billion over the next five years in rail infrastructure. In these tough economic times government has a responsibility to focus spending on schools, hospitals and roads, right here in Queensland.

The success of Qantas has shown us what can be achieved through private ownership. Since privatisation, Qantas' workforce has grown by 3500 employees. Qantas is now one of the world's largest, most profitable airlines. Allowing the commercial assets of QR to be sold will allow the new owners to continue to make the massive future investment required to see business grow and prosper for the decades ahead.

QR employees are the best in their field, but the Government understands there are concerns about the sale and jobs. That is why the Government has moved quickly to guarantee employment. I am committed to ensuring that all enterprise bargaining agreements current at the time of sale will be honoured, or a two-year employment guarantee will be put in place, whichever is longer.

The Government believes that QR and its workforce have a great future and through this process QR will become a national leader, capable of competing with the best in the world.

Yours sincerely



ANNA BLIGH MP
PREMIER OF QUEENSLAND



Hon Andrew Fraser MP
Member for Mount Coot-tha

TRX-10018

22 SEP 2009



Queensland
Government

Treasurer of Queensland

The Honourable Anna Bligh MP
Premier and Minister for the Arts
PO Box 15185
CITY EAST QLD 4002

Dear Premier

The purpose of this letter is to draw the attention of members of the cabinet to several important issues associated with the divestment of certain Government assets.

As you know the announced scope of the transaction includes:

- the sale of Forestry Plantations Queensland's softwood business and possibly its hardwood plantations;
- the sale of Queensland Motorways Limited's business, incorporating a major upgrade of the Port of Brisbane Motorway;
- the sale of the Port of Brisbane Corporation Limited's business and assets;
- the sale of QR Limited's above and below rail coal businesses and assets, along with Ports Corporation of Queensland Limited's Abbot Point Coal Terminal; and
- the investigation of options involving the potential sale of Queensland Rail's bulk freight, intermodal, retail and regional freight services.

In recognition of the complexity of the process and the need to undertake detailed planning in relation to appropriate sale structures, it is envisaged that the sales will be progressed in the market over the next three to five years.

As part of its decision to undertake the sale program, Cabinet approved that I be the responsible Minister for the divestment processes, including the processes involved in readying the assets for sale, and that the process be managed within Treasury Department. The Commercial Transactions Team was subsequently established within Treasury to manage the divestment process.

The Government recently appointed a Rothschild, Merrill Lynch and Royal Bank of Scotland consortium to provide lead and commercial advisory services in relation to the asset sale program. The consortium has commenced work with the Commercial Transactions Team on scoping studies for all of the assets available for sale, and I expect that this initial work will be completed in the coming months.

Level 9 Executive Building
100 George Street Brisbane 4000
GPO Box 611 Brisbane
Queensland 4001 Australia
Telephone +61 7 3224 6900
Facsimile +61 7 3229 0642
Email treasurer@ministerial.qld.gov.au
ABN 65 959 415 158

The Government has also appointed accounting and taxation and legal advisors to each of the sale parcels to assist with the transactions. The appointments are listed in the table below.

| Parcel | Legal Advisor | Accounting & Taxation Advisor |
|--------------------------------|------------------------|-------------------------------|
| Forestry Plantations Qld | Freehills | KPMG |
| Queensland Motorways Limited | Clayton Utz | Ernst & Young |
| Port of Brisbane | Minter Ellison | Deloitte Touche Tohmastu |
| QR / Abbot Point Coal Terminal | Allens Arthur Robinson | KPMG |

As you would appreciate, it will be some time before sale processes are completed, with the businesses operating on a 'business as usual' basis during the intervening period. Clearly, the asset sales process will create additional complexities for Government policy development and decision-making which will need to be managed carefully on a whole-of-Government basis.

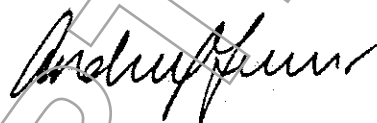
In this regard, I encourage you to identify any issues arising as part of your ministerial portfolio responsibilities which may have a material impact on the asset sale process and bring these issues to my attention at an early stage.

Your assistance would also be appreciated in ensuring appropriate handling of interactions with stakeholders and other external parties who may have an interest in the sale process, including referrals of these parties to my Office where appropriate. In this regard, the Government recently appointed O'Connor Marsden and Associates as the Probity Advisor to the asset sales program. O'Connor Marsden has developed a suite of probity protocols to govern the conduct of the asset sale processes. A copy of the relevant protocols for Ministers and Ministerial Office staff are attached.

The Under Treasurer has written to Directors-General in similar terms.

Your continued support will be critical to the overall success of the asset sale program and I thank you for your assistance during these early stages of the project.

Yours sincerely



ANDREW FRASER
Treasurer
Minister for Employment and Economic Development

Encl.

Probity Protocols

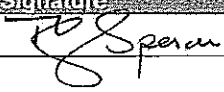
Treasury Department

Renewing Queensland Plan

PROBITY PROTOCOLS

Ministers and Ministerial Staff

Document Approval

| Position | Name | Signature | Date |
|------------------|-------------|--------------------------------------------------------------------------------------|---------|
| Project Director | Tim Spencer |  | 18/7/09 |
| | | | |

Revision Record

| Version | Date | Author | Branch | Status | Revision Notes |
|---------|---------|-----------------|--------|--------|----------------|
| 0.1 | Sept 09 | Probity Adviser | CTT | - | - |
| | | | | | |

Probity Protocols

1 Document Purpose

The Premier recently announced the *Renewing Queensland Plan (the Plan)*, following approval by Cabinet on 1 June 2009.

The purpose of this document is to set out the probity protocols to be followed during the execution of the Plan by Ministers of relevant portfolios affected by the assets sales program and their ministerial staff.

The program involves:

- the sale of Forestry Plantations Queensland's softwood business and possibly its hardwood plantations;
- the sale of Queensland Motorways Limited's business, incorporating a major upgrade of the Port of Brisbane Motorway;
- the sale of the Port of Brisbane Corporation Limited's business and assets;
- the sale of QR Limited's above and below rail coal businesses and assets, along with Ports Corporation of Queensland Limited's Abbot Point Coal Terminal; and
- the investigation of options involving the potential sale of Queensland Rail's bulk freight, intermodal, retail and regional freight services.

Cabinet has approved that the Treasurer is the responsible Minister for the divestment processes, including the processes involved in readying the assets for sale, and has also approved that the process be managed within Treasury Department. The Commercial Transactions Team (CTT) has subsequently been established within Treasury to manage the divestment process.

The team is lead by **Tim Spencer, Project Director**.

Lead and commercial adviser teams (Rothschild, RBS and Merrill Lynch) have been appointed to support the CTT during the assets sale program.

The Government has also appointed accounting and taxation and legal advisors to each of the sale parcels to assist with the transactions. The appointments are listed in the table below.

| Parcel | Legal Advisor | Accounting & Taxation Advisor |
|--------------------------------|------------------------|-------------------------------|
| Forestry Plantations Qld | Freehills | KPMG |
| Queensland Motorways Limited | Clayton Utz | Ernst & Young |
| Port of Brisbane | Minter Ellison | Deloitte Touche Tohmastu |
| QR / Abbot Point Coal Terminal | Allens Arthur Robinson | KPMG |

O'Connor Marsden and Associates have been appointed probity advisers to the process.

Probity Protocols

The Program is currently in the **pre-commencement stage of the sale process**. During this stage key activities include engagement of advisers (refer above), a market sounding process, and meetings by representatives of the CTT and their advisers with various stakeholder groups including representatives of the management teams of those businesses identified for sale.

It will be some time before the Program is completed. Businesses are currently being advised to operate on a "business as usual" basis, subject to Project Directions issued.

It is anticipated that the approach and measures used to manage probity risks associated with the Program may alter throughout its lifecycle. Consequently, this document should be maintained as a 'living document', changing as the needs of the stakeholders change.

It is critical that there is appropriate handling of interactions with stakeholders and other external parties which may have an interest in the sale process.

These protocols will assist in ensuring that as part of your ministerial portfolio responsibilities that you and your staff continue to perform your duties in a way that is, and is seen to be, fair and unbiased.

In addition the protocols will serve to:

- Ensure clear and consistent information is provided to stakeholders and other external parties who may have an interest in the sale process on a regular basis;
- Provide appropriate access to relevant information regarding the sale process on a timely basis.

2 Application

These guidelines apply to Ministers and their staff with portfolio responsibilities affected by the sale process.

The guidelines (as amended) will apply until the conclusion of the Program.

Probity Protocols

3 Roles and Responsibilities

As a general rule, each individual involved is responsible for ensuring that the Program is conducted in a fair and unbiased manner.

To ensure confidence in the integrity of processes followed in delivering the Program each individual directly or indirectly associated with the Program should adhere to the following principles of ethical conduct and protocols:

Ethical Conduct

- individuals shall act impartially and not give preferential treatment to any private organisation or individual
- should an individual become aware of an actual, perceived or potential conflict of interest they must immediately bring this to the attention of the Project Director or the Probity Adviser.
- individuals must not disclose proprietary or selection information to any potential participant or to any other person who is not authorised to receive such information.
- individuals shall endeavour to avoid any actions creating the appearance that they are violating the law or these ethical principles
- individuals are required to act lawfully, fairly, honestly and in the best interests of the Queensland Government
- individuals should not accept gifts or gratuities from potential participants.

Protocols

The Program is complex. To mitigate key probity risks such as:

- A perception that potential participants have contact with key individuals such as portfolio ministers during the Program and in so doing have an inappropriate influence over the decision making process
- The potential for allegations to be made that the release of unauthorised information in relation to the sales program resulted in providing certain potential participants with an unfair advantage
- The potential for allegations to be made that potential participants were not afforded an opportunity for an equivalent face to face meeting as others and have therefore been disadvantaged in the sales process

the following protocols have been established:

Enquiries

- All media enquiries relating to the Program are to be directed to the Treasurer's Office.
- All phone enquiries from the 'general public' relating to the Program should be forwarded to the Director, Community Relations, based within the CTT;
- All correspondence from the general public in relation to the Program is to be referred to the CTT for processing (unless covered by agreed proforma responses)

Probity Protocols

Day to-Day Activities

- It is recognised that you or/and your staff will have previous or on-going personal or business relationships with members of potential participants or/and key stakeholders outside of the Program process. You and your staff should attempt to avoid situations likely to engender a conflict of interest.
- If a conflict of interest does arise or could be seen to be occurring, this should be declared to the Project Director who will document the matter in a register of interests and inform the Probity Adviser. It is the individual's responsibility to immediately bring such matters to the attention of the Project Director and/or Probity Adviser.
- Any individual who becomes aware of or believes that there has occurred or is likely to occur any action or circumstance which may be in breach of the above, has responsibility to communicate their concern to the Project Director and/or the Probity Adviser.
- Discussions with key stakeholders such as media representatives, potential participants, key suppliers, community interest groups, industry associations that may be required in the course of your day to-day activities should be limited to current operations and should not be on the Project.
- Queries received regarding the Project should be directed to the Project Director. Similarly key stakeholders requests for information/documents pertaining to the Program should be directed the enquiry to the Project Director.
- No meetings should be held with potential participants to discuss issues pertaining to the Program without the prior approval of the Treasurer or his nominee.

Lobbyists

- Lobbyists can enhance the strength of the democratic process by assisting individuals and organisations to communicate their views on matters of public interest to the Government, and so improve outcomes for the individual and the community as a whole.
- The public, however, has a clear expectation that lobbying activities will be carried out ethically and transparently, and that Government Representatives who are approached by lobbyists are able to establish whose interests the lobbyists represent so that informed judgements can be made about the outcome they are seeking to achieve.
- Should you or staff from your office be approached by a lobbyist in relation to the sale process direct the individual to the Project Director.
- Any interaction with lobbyists must be conducted in accordance with the Queensland Contact with Lobbyists Code. www.premiers.qld.gov.au/lobbyistsregister.

Probity Protocols

Post Separation Employment

- In accordance with the Queensland Contact and Lobbyist code, persons who have been employed at CEO and SES equivalent levels within a public sector entity for a period of 18 months after ceasing their public sector employment, are not to have business meetings with Queensland Government representatives or undertake lobbying activities in relation to their official dealings within their last eighteen months in public sector employment.

Business meetings

In accordance with the Queensland Contact with Lobbyists Code and Government policy on post separation employment, business meetings are not to be held with the following former public officials which relate to the former official dealings of those former public officials:

- Persons who have ceased to hold office as a Minister (within the last two years) on matters that they had official dealings with in their last two years in office;
- Persons who have ceased to hold office as a Parliamentary Secretary (within the last 18 months) on matters they had official dealings with in their last two years in office;
- Persons who have ceased employment as Senior Departmental Staff or Ministerial Staff (within the last 18 months) on matters they had official dealings with in their last 18 months of public sector employment.

4 Key Contacts

Project Director: Tim Spencer
Tel: 07 32251249
Mobile: 0407 740 040
Email: Tim.Spencer@treasury.qld.gov.au

Director of Community
Relations: Richard Collyer
Tel: 3237 9704
Mobile: 0429 047 690
Email: Richard.Collyer@treasury.qld.gov.au

Probity Adviser: Rory O'Connor (O'Connor Marsden & Associates)
Tel: (02) 92522565
Mobile: 0416 10 7627
Email: roconnor@ocm.net.au