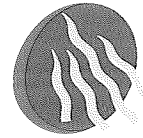




Hon Andrew Fraser MP
Member for Mount Coot-tha



**Queensland
Government**

Treasurer of Queensland

QTO-08654

16 APR 2010

Mr Neil Laurie
The Clerk of Parliament
Queensland Parliamentary Service
Parliament House
George Street
BRISBANE QLD 4000

Neil Laurie

Thank you for your letter of 9 March 2010, regarding Petition number 1360-09 received by the Legislative Assembly.

I note the opposition of the petitioners to the Government's response to the economic challenges Queensland faces

Like countries all over the world, the global recession has hit the State budget hard.

The Queensland Government's priority has to be jobs and managing growing services, like education and health. This means continuing the investment in schools, hospitals and roads, to protect our Queensland lifestyle.

The Government remains committed to our \$18.2 billion building program which is supporting around 127,000 jobs. This is a central part of our plan to create 100,000 new jobs over three years.

During the global financial crisis tough decisions needed to be made. We chose not to cut our multi-billion dollar building program and risk our economic recovery. We chose not to raise taxes, sack staff or cut services. These alternatives to the sale of assets would have placed unfair pressure on Queensland families.

In making the decision to sell assets, the Government asked itself:

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Do we choose to build more coal trains for mining companies or should we invest in better public transport, like more trains for getting to and from work?

Do we continue running a commercial timber business, or should we build new schools and kindergartens for our children?

Every billion dollars spent on coal trains or commercial ports, for instance, is a billion dollars that is not invested in schools or hospitals.

That's why the Government chose to go to the market to lease four commercial assets.

The Government will:

- lease forest land and sell the timber business that operates on it. Queenslanders will still own the Crown land
- lease the Port of Brisbane. Queenslanders will still own the land and Port infrastructure
- lease the tolling rights and maintenance responsibilities of the Logan and Gateway motorways. Queenslanders will still own the road and bridge and the toll won't be allowed to rise above inflation each year
- lease the Abbot Point Coal Terminal (north of Bowen). Queenslanders will still own the land and terminal infrastructure.

In addition we will publicly float the commercial coal and freight operations of Queensland Rail. This will see QR National formed and listed on the Australian stock exchange.

The coal industry in Queensland is rapidly growing - the amount of coal exported is set to double in the next few decades. QR National is a business that is ready to take advantage of this growth, build on the strength of its workforce and create more jobs. A publicly listed company will ensure QR National has access to the private funds it needs to grow and expand its operations.

We will not be selling the passenger trains and tracks that Queenslanders use getting to and from work every day.

Regional communities can also be assured that we will not be selling regional, non-coal rail tracks. Community Service Obligation payments will continue to deliver freight transport services for rural and regional communities.

As a whole, the assets being leased or sold represent a small slice of the Government's entire asset base, contributing 0.9 per cent of total Government income. The Queensland Government currently owns more than \$200 billion in assets. While we expect to receive around \$15 billion from these asset sales, our overall asset base will continue to grow, reaching around \$250 billion by 2013.

The success of former Government-owned companies such as Qantas and Brisbane Airport have shown us what can be achieved through private ownership. Free of Government restrictions, commercial businesses are free to grow and create even more jobs. Since privatisation, employment at Brisbane Airport has grown by 11,000 employees. Similarly, Qantas has grown by 6,700 employees.

Through the sales process you can be assured that workers' entitlements, such as leave and superannuation, will be protected. Importantly, the majority of the assets will be leased, so the Government will retain ownership of the land and infrastructure.

The Government has made a choice – to keep providing the services and infrastructure Queensland needs. This is the right choice to build a stronger Queensland for the future.

Thank you for bringing the concerns of the petitioners to my attention.

Yours sincerely

A handwritten signature in cursive script, appearing to read 'Andrew Fraser', written in dark ink on a white background.

ANDREW FRASER
Treasurer
Minister for Employment and Economic Development