



Hon Andrew Fraser MP
Member for Mount Coot-tha



**Queensland
Government**

**Treasurer of Queensland
Minister for State Development
and Trade**

QTO-12096

28 JUN 2011

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

Rea Neil

Thank you for your letter of 1 June 2011 regarding Petition No. 1654-11 received by the Queensland Legislative Assembly about the proposed development of the Cairns Cultural Precinct.

I acknowledge the concerns that the signatories to this petition have with regard to the proposed development and particularly its cost.

The Queensland Government has recently shown its support of the proposal by providing \$2.5 million in funding (\$1.25 million in the 2011-12 Budget) to the Cairns Regional Council to continue with detailed planning for the project, as well as contributing \$40 million for the council's long term use of a site for the proposed development at the Port of Cairns.

The Government understands the importance of seeking the best value for money from the proposed development. The council is seeking to demonstrate that the cost of such a development can be sustained, ultimately to ensure that it continues to provide its ratepayers with the quality of service that they expect. For this reason, the council is undertaking a detailed business case under the Queensland Government's Project Assurance Framework guidelines prior to any further funding commitments being made.

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The Council is working closely with a Queensland Government inter-departmental committee, with representatives from the Department of the Premier and Cabinet, Treasury Department and the Departments of Public Works and Employment, Economic Development and Innovation to finalise a business case within the next six months to allow the Queensland Government to consider any further investments in the project.

The Australian Government has also qualified its initial \$40 million funding commitment on the results of the business case.

The amount of \$240 million for the development was a preliminary cost estimate for the project (excluding the land) and is subject to change as part of the business case process. It would be pre-emptive to make a commitment towards a certain level of funding at this stage of the process, before the results of the business case are considered.

Nevertheless, both the Queensland and Australian Governments have indicated that any level of funding provided will be based on a one third share each and would require commitment by all three levels of government.

I would like to thank the people who signed the petition for taking the time to share their concerns with the Government.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Andrew Fraser', with a long, sweeping horizontal stroke at the end.

ANDREW FRASER