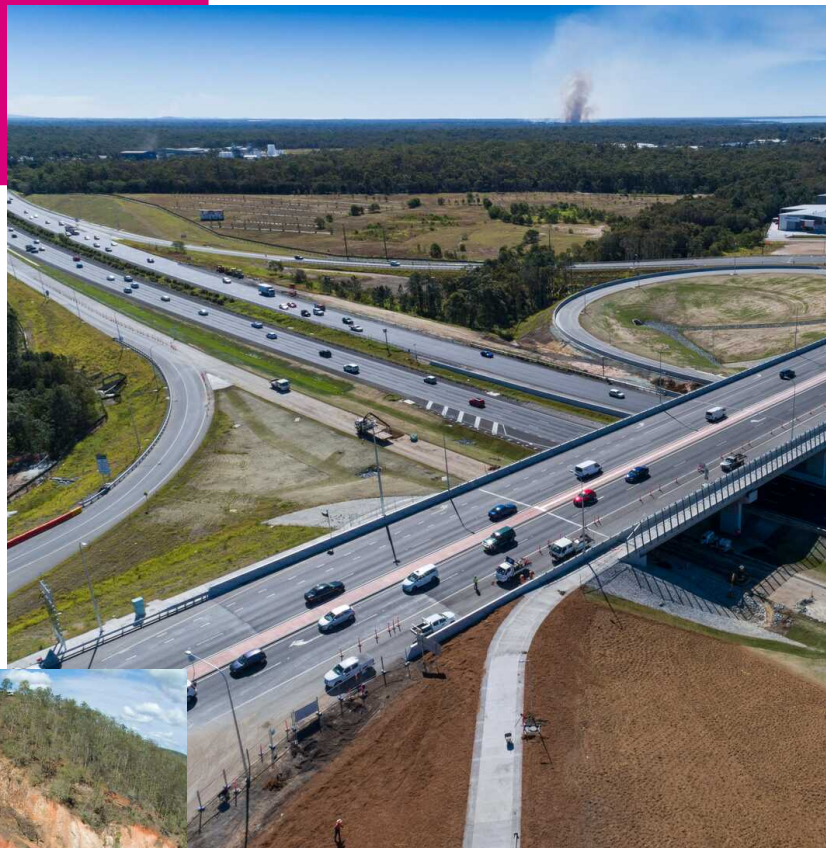
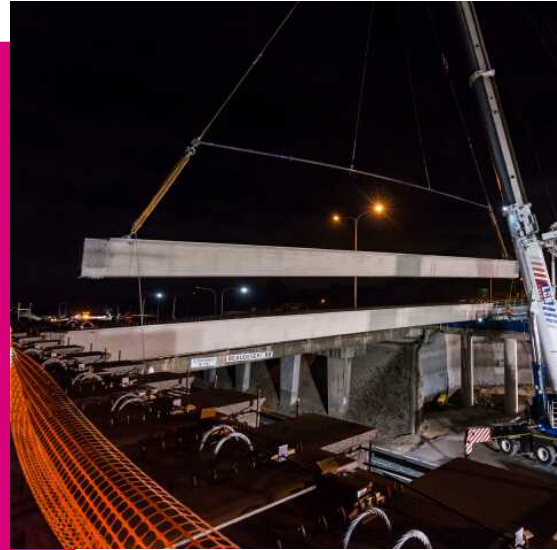




2020 Queensland State Election Update





2020 Queensland State Election

Key Priorities

A graphic for priority 1, consisting of a magenta square with a white number '1' and a dark blue chevron pointing right.

1

A sustainable industry to help lead our economic recovery, built on a transparent and funded pipeline of works and balanced policy settings.

A graphic for priority 2, consisting of a magenta square with a white number '2' and a dark blue chevron pointing right.

2

Investment in economic infrastructure projects and programs that deliver long-lasting economic outcomes and benefits to Queenslanders.

A graphic for priority 3, consisting of a magenta square with a white number '3' and a dark blue chevron pointing right.

3

Investment in urban infrastructure projects that will spur growth and economic activity in the cities, ensuring they can operate more efficiently.



Queensland State Election 2020 Update

The election campaign has now entered the final stretch with the last week. It's a poignant time to reflect on where the parties are with their commitments and policies for the next term, and to evaluate them against our election issues checklist.

Interposed within this was the release of the federal budget, which saw some welcome and further investment in economic infrastructure for Queensland; and whilst the old saying goes "Beggars can't be choosers" given the poor level of infrastructure investment in Queensland over the past 6-7 years, most of the funds were focussed on roads.

There were three key themes that we called for a focus on from the parties:

- Sustainability of the industry:
 - A credible and funded pipeline of projects that industry can rely on (beyond 2 years)
 - A balanced industrial relations policy framework that enables industry to deliver
- Economic Infrastructure
- Urban Infrastructure

Some key things that have developed throughout the campaign so far from the two major parties is that both have shown a renewed interest in economic infrastructure, whilst there have been diverging ideas on where that investment will be outside of SEQ; it is a welcome change. The LNP have focussed on water security infrastructure for the future, and the ALP have made previous announcements about Renewable Energy Zones. The LNP have proposed to four lane the Bruce Highway between Brisbane and Cairns and the ALP have proposed to instead build a second all-weather route from the Queensland border to Charters Towers.

Both major parties have listed various urban infrastructure projects that they would deliver, however, these are mainly in the roads space, and both have committed to similar projects such as the Centenary Bridge duplication, Coomera Connector, etc.

What is challenging is how the parties intend to deliver and fund the works. There has been no mention about different funding models including asset recycling, private sector co-investment or investment by super funds. At this point the ALP have released their election costings and even signature programs, that were announced as "fully funded" are only one-third funded. This raises some serious questions about the viability of programs. We, therefore, call on all parties to be bold in their approach to not only engaging meaningfully with the private sector to help deliver and fund the works required but also looking to secure "good debt" into key infrastructure programs.



Sustainability of the Industry

Pipeline of Works

Ensuring that there is a pipeline of viable and funded works for the industry to plan and rely on for business decisions is important. The ALP whilst in government indicated that they would maintain a 4 year infrastructure investment of \$50b. This is a significant lift from previous years, however only \$26b of that can be identified at the present time, \$20b of that is funded. For industry to be able to plan properly it is crucial that there is transparency about the proposed works from a requirements and resourcing perspective as well as timing and critically firm commitments to delivery.

How projects are funded and delivered are important. At the present time interest rates are low and are certainly likely to remain that way for some time. Debt investment in infrastructure should be viewed as a necessity and as good debt. However getting value for money in infrastructure investment is important and there are other sources of funds available including co-investment by the private sector, direct infrastructure investment through superannuation funds etc and of course procurement models such as PPP's and BOOT's that enable private sector investment coupled with a franchise for the construction and operation.

To date we have heard nothing from any of the major parties in this respect. No budget was delivered for this year and the QTRIP program, a mainstay of the government's infrastructure delivery agenda was not released either. Without a clear picture beyond the current 2 year window, industry will struggle to be able to invest in the right resources, skills, capabilities, and technology. We call on all parties to immediately recognise this and the next government needs to address these funding and pipeline questions within a month of taking office.

The ALP have announced the intention to move Building QLD into Treasury. The Infrastructure Australia model of an independent infrastructure advisor is important to be maintained. This independence assists in ensuring that "shovel worthy" are recommended to government for funding (and removing the politicisation of project assessment as much as possible). What is required is a streamlining of the current Project Assurance Framework.

The industry believes that the current process is too time consuming and resource heavy through the 3-stage business case process. Given the need for ongoing investment in economic infrastructure, it's important to be able to evaluate the merits of projects in a timely manner, enabling projects to be able to funded and brought to market. The QMCA however calls on both parties to consider refinement of the current Project Assurance Framework and would welcome the opportunity to work constructively with bodies like Building Queensland and Infrastructure Australia to maximise the efficiency in these processes.



Industrial Relations

IR policy is an area where there is a significant divergence between the major parties and the minor parties as well, who may yet hold the balance of power. The construction sector has been identified as one of the critical industries to help the economy recover from the current recession; however to ensure that industry can deliver safely and productively, ensuring that public investment is achieving value for money there needs to be a balanced industrial environment for all parties in the construction sector.

There have been a range of changes to the industrial relations and safety framework under which the industry operates over the past 3 years. Some of it has been quite good, but some elements have left the industry scratching its head.

In the current term of the parliament the ALP Government introduced “Minimum Conditions”. The minimum conditions enshrine higher wages and conditions for certain professions in the construction sector- with no productivity trade-offs. The wage rates that the policy enshrine amounts to a 70% increase in wages over the general civil EBA's and leads to approximately a 30% increase in project costs with further annual 5% rises locked in. These wage rates are unsustainable and impractical in the current economic climate when many people have actually lost their livelihoods. The increase in wage rates will also starve other meaningful investments of cash and indeed those funds could also help with more teachers, police, health workers etc.

The ALP has indicated that if returned that they would be looking to roll this policy out across the entire construction sector on projects above \$100m. The LNP have said that they will abolish the requirement for “minimum conditions”. The construction sector will work with whoever forms government; however we simply call on the parties to recognise that dictating to the private sector on how and what they pay employees is counter productive and does not allow the industry the ability to openly negotiate and work with their own employees, unions and other stakeholders to achieve similar outcomes.



Industrial Relations Rating

Notes



Minimum conditions is a major issue for the industry.



Scrapping of “minimum conditions” and reform of the QBCC



Want to remove all outsourcing for delivery.





Economic Infrastructure

Investment in Economic infrastructure is vital for the future of Queensland. This infrastructure is intergenerational and will enable greater economic investment and activity that the private sector can then create further jobs and economic activity. Our non-exhaustive list included the following:

- State Building:
 - Long term water security and baseload hydro energy
 - Enabling infrastructure for renewable energy projects
 - Fast rail connecting the major centres in SEQ with Brisbane including Toowoomba, Gold Coast and Sunshine Coast
- Rail:
 - Inland Rail including completing the missing link between Acacia Ridge and the Port of Brisbane
 - Mt Isa Rail line including resolution of efficient rail to and through the Port of Townsville (including the Eastern Access Rail Line)
 - Intermodal facilities and other rail upgrades on the back of Inland Rail, expanding the area of influence of the investment
- Road:
 - Bruce Highway- a continuation of the upgrade and safety program
 - North-South Arterial linking outer growth and industrial areas with the Gateway Motorway and relieving pressure off the Bruce Highway
 - Western bypass of Brisbane- enabling freight to bypass the urban areas and linking major industrial areas
- Energy, Water & Resources:
 - Transmission lines to enable renewable energy precincts to develop industry and to grow
 - Water storage - completion of the dam safety upgrade program before 2028 and consideration of linking of existing water assets by pipelines

The different parties have some differing views on elements of this, but generally, it is pleasing to see renewed interest in investing in economic infrastructure. The major parties have some differences with respect to investment in the main north-south road linkages along Queensland with the ALP announcing investment in an all-weather inland route from the Queensland border to Charters Towers, whereas the LNP has announced a plan to upgrade the Bruce Highway over a decade to a four-lane facility between Brisbane and Cairns.















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Water infrastructure has been a large focus for the LNP with the plans for a “Bradfield” scheme of new dams, pipelines and open channel water infrastructure to deliver water security to industry and agriculture.

The ALP has announced funding for the creation of three renewable energy zones within the state that will help stimulate the further development of renewable energy solutions and energy generation. Whilst the main parties have indicated a willingness to focus on some economic infrastructure, a lot on our (not so exhaustive) list has not been addressed (rail infrastructure, energy transmission); leaving a lot of room for improvement and further opportunities for the next government.

Economic Infrastructure Ratings

Notes

		
		North Coast Rail Line upgrade
		Only focus is on renewable infrastructure. Want to create government-owned manufacturer of wind turbines and solar panels
		Mt Isa- Townsville Rail Line, CopperString
		Backing for Fast Rail
		



Urban Infrastructure

South East Queensland (SEQ) is the most populous part of the state and has unique infrastructure needs and challenges. Ongoing investment in urban infrastructure can help spur growth and economic activity, ensuring they can operate more efficiently and attract further investment. Our list of key urban infrastructure projects included:

- Region Building:
 - SEQ City Deal- creating the investment focus for the future
 - SEQ Olympics infrastructure- delivering legacy infrastructure for the region
- Rail:
 - Level crossing removal program to unlock urban opportunities and higher frequency rail services
 - Extension of the Gold Coast Light Rail to Gold Coast Airport and inland to link with the existing Citytrain network
 - Extension of the Brisbane Metro infrastructure and services to centres such as Chermside and Carindale
 - Cross River Rail- Stage 2. The next stages to what the CRR investment unlocks (i.e. North West Transport corridor, Springfield- Ipswich, commuter rail to Sunshine Coast, etc.)
- Road:
 - Coomera Connector
 - North West Transport corridor and linking with the inner ring road system
 - Western road network resolution (Moggill Pocket Arterial, Goodna Bypass, Western Ipswich bypass etc.)

The parties recognise the need for urban infrastructure (cynically you could say that's because there are more seats to be won in the SE corner too!). Regardless this focus on urban infrastructure is important. The ALP has announced their intention for continuing major upgrades to the M1 including an extension of the South East Busway beyond Springwood to Logan. The LNP has proposed to further investigate the Eastern Busway extension beyond Coorparoo. Both projects are needed and are not binary.



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Both parties have committed to key projects such as the Coomera Connector and the duplication of the Centenary Highway bridge. It would be great to see a commitment to investing in other projects that have the long lasting benefit too, such as a level crossing removal program. It should be noted that the minor parties of One Nation and KAP would prefer to see little to no investment in SEQ and One Nation is wholly against the SEQ Olympics - which would be a catalyst for long term infrastructure that would support growth.

Urban Infrastructure Ratings

Notes



M1 and South East Busway, Coomera Connector



Metro extensions, Eastern busway, Coomera Connector



Public transport infrastructure investment only



Investment focussed only on North Queensland.
Need a balanced investment portfolio



Lack of any support for infrastructure in SEQ







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