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DEPUTY PREMIER OF QUEENSLAND

WORKING TOGETHER FOR QUEENSLAND

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Barton Green GAICD
Chief Executive Officer
Committee for Brisbane
Level 11, 12 Creek Street
BRISBANE QLD 4000

By email to barton@committeeforbrisbane.org.au

Dear Mr Green

Thank you for your letter of 2 September 2020 regarding our policy commitments in the 2020 Queensland election, and for your policy proposals.

The Palaszczuk Labor Government's strong health response to the COVID-19 pandemic has meant that we can now start to deliver our plan for economic recovery.

This recovery plan helps small business, boosts investment in Queensland's manufacturing industry, uses Government purchasing power to buy local and help keep Queensland in business, and brings forward new infrastructure. To date, the Palaszczuk Labor Government had invested more than \$11 billion on initiatives to support business, industry and households to rebuild the state's economy and create jobs.

A Commission for the New Economy

It is important that a strong dialogue exists between government and industry about changes impacting the Queensland economy and industry, including COVID impacts, and Queensland's future economy.

A re-elected Palaszczuk Labor Government will discuss with your organisation, and other industry stakeholders, the most appropriate forum for that dialogue.

"Brisbane as HQ" program

The Palaszczuk Labor Government's \$150 million Advance Queensland Industry Attraction Fund (AQIAF) is one tool we are using to increase private sector investment and create jobs.

AQIAF was established to support businesses to relocate or set up new projects in Queensland that deliver economic benefits to the State including the creation of new jobs. The fund supporting industry to collaborate with entrepreneurs, universities, businesses and government to turn ideas into commercial products and jobs.

In addition, the Essential Goods and Supply Chain Program (EGSCP) announced on 19 May 2020, utilises up to \$50 million of repurposed funds from AQIAF. EGSCP incentivises clients seeking to

re-shore manufacturing in Queensland and pivot their businesses to production of essential goods and services, through cash grants.

Further, our \$175 million Jobs and Regional Growth Fund (JRGF) was established to assist businesses to progress expansion projects that generate economic development and employment opportunities in regional Queensland, especially in high-need regional areas.

Both AQIAF and JRGF are designed to incentivise new ongoing job creation and leverage capital expenditure by the private sector in Queensland.

In relation to the additional incentive options for business and talent attraction you have outlined, the Palaszczuk Labor Government is generally supportive noting that:

- fast tracked approvals for new housing for relocated staff is usually the domain of local governments;
- a stamp duty holiday for interstate executive transfers is potentially available but has not been taken up;
- sliding scale pre-payments from government on commercial rents for interstate company relocations with a higher incentive to relocate to a Greenstar building could be applied through cash incentives; and
- an SEQ lifestyle rebate or tax treatment so interstate immigrants receive a “lifestyle credit” to spend on local tourism/hospitality outlets and stimulate spending in COVID-19 impacted industries may be administratively complex.

A re-elected Palaszczuk Labor Government will investigate the options you have raised, to assess the cost and benefits.

SEQ City Deal

The SEQ City Deal remains a priority for the Palaszczuk Labor Government.

To allow all three levels of government to focus on the Covid-19 pandemic, Deal Partners have publicly agreed to extend negotiations on the SEQ City Deal to 2021. Officials from the Commonwealth Department of Infrastructure, Transport, Regional Development and Communications, Queensland Treasury (through the Cities Transformation Taskforce) and the Council of Mayors (SEQ) are in discussions to prepare a revised approach and priorities for the Leadership Group’s consideration in December 2020 to facilitate the finalisation and signing of the Deal in 2021.

However, projects that were being considered as part of the SEQ City Deal have not been delayed but have instead in many cases been brought forward.

Many have been addressed as part of the Palaszczuk Labor Government’s economic recovery plan, including:

- the \$50 million SEQ Community Stimulus funding announced by the Premier and Minister Hinchcliffe,
- the Toowoomba AgTech Hub announced by Minister Jones,
- the Lockyer Valley water resilience business case announced by Minister Lynham, and
- the \$200 million Building Acceleration Fund announced by the Treasurer.

Further, we have guaranteed delivery of \$51.8 billion of infrastructure investments across Queensland, including south east Queensland.

Councils have brought forward their own City Deal projects as part of economic stimulus packages, including Brisbane’s Green Bridges.

Economic stimulus has been the Palaszczuk Labor Government's priority, and there is no intention to delay mooted SEQ City Deal projects until a Deal is finalised in 2021.

We have worked closely with the Council of Mayors SEQ since 2015 to promote an SEQ City Deal and will continue to do so. The SEQ City Deal still presents an enormous opportunity for the region and key to the success of the Deal will be the ongoing contribution from industry and councils.

The 45-minute region

Discussions to date between the City Deal partners have not proposed a singular business case for a 45-minute region. Work to date has focussed around developing a shared definition of a 45-minute region and potential key transport priority commitments that would contribute to achievement of this goal.

The SEQ City Deal Statement of Intent signed on 15 March 2019 by the Australian Government, the Palaszczuk Labor Government, and the Council of Mayors (SEQ) identifies "Connecting Infrastructure" as one of six priority areas for action - which includes a focus on transforming regional connectivity to support a 45-minute region and 30-minute cities, with better mobility for people, goods and services.

It is acknowledged that achieving this goal would drive productivity, improve liveability and lift the global competitiveness of the region, and pursuing this goal would leverage existing and proposed investments in the region, including Cross River Rail, Brisbane Metro and the Commonwealth Government's Inland Rail.

Opportunities will be explored to improve connectivity to growth centres and realise the SEQ Trade and Enterprise Spine concept (as described in *TransformingSEQ*).

While "Digital" is identified as a separate priority area for action under the Statement of Intent, trilateral Deal discussions on digital connectivity have been limited to date and not directly associated with the "Connecting Infrastructure" work. However, with the COVID-19 pandemic, there is increased recognition by Deal Partners that digital may become more prominent in negotiations to finalise the Deal.

As a deal partner, the Council of Mayors (SEQ) (CoMSEQ) has been particularly active in promoting the notion of the 45-minute region. CoMSEQ had previously released the SEQ People Mass Movement Study (January 2019) which identified 47 road and rail projects totalling \$62b as its recommendations to achieve a vision of a 45-minute region. In recent times, and through the media, CoMSEQ has been strongly advocating for Faster Rail between the Brisbane CBD and the Sunshine Coast the Gold Coast and Toowoomba as the top priority for realising this vision.

There is currently an assessment being undertaken by Infrastructure Australia which will explore the benefits and viability of implementing faster rail on the East Coast of Australia. A re-elected Palaszczuk Labor Government will review this assessment and any future decisions will be in the best interests of all Queenslanders. Given the early stages of this work it would be premature to make comments on the viability or cost-effectiveness of any of these prospective projects.

Without further clarity or evidence, it is not clear how a singular business case for a 45-minute region would be of value, pragmatic or feasible given existing work being undertaken as part of the Palaszczuk Labor Government's current programs in the form of *ShapingSEQ*, the State Infrastructure Plan and various transport strategies and plans.

Better physical and digital interconnectedness between the region's existing and future residential and employment centres will unlock tens of billions of dollars of economic opportunity. We can plan

for and shape mobility and connectivity within the region to support economic productivity and sustainability, as well as improved liveability and environmental sustainability.

The Palaszczuk Labor Government will also explore the opportunity to leverage federal funding to deliver major transport upgrades as part of any future Olympic bid.

Circular economy and carbon neutrality

We are already undertaking work to integrate circular economy and carbon neutrality principles into policy through programs including:

- The Palaszczuk Labor Government's Waste Management and Resource Recovery Strategy, a strategic framework for Queensland to become a zero-waste society by 2050. This Strategy is underpinned by a waste disposal levy to support jobs in recycling and reduce landfill.
- Advance Queensland Biofutures 10-Year Roadmap and Action Plan to create pathways for using waste streams to create new bioproducts.
- Funding the Circular Economy Lab (<https://circularecolab.com/>) which brought together 27 businesses to develop commercially viable solutions to systemic waste issues, using circular economy principles. The outcomes for the Circular Economy Lab are helping to drive economic opportunity and facilitating our move to a zero waste and zero net emissions economy.
- The Queensland Procurement Policy (<https://www.hpw.qld.gov.au/about/strategy/buy-qld>) includes the 2050 zero net emission target as well as other sustainability principles.
- We also report our annual greenhouse gas emissions and this information is available through the [Open Data Portal](#).

The Palaszczuk Labor Government has a strong record on renewable energy. Since 2015, 42 large-scale renewable energy projects have commenced operations, become financially committed or are under construction, representing more than \$8 billion in investment. We are looking to capitalise on this success, recently committing an additional \$500 million to establish a Clean Energy Fund. This fund can be utilised by our publicly-owned generators to facilitate future renewable energy development. This is in addition to the \$250 million capital injection previously given to CleanCo to build, own and operate new renewable generation on behalf of the people of Queensland.

Additionally, as you have acknowledged, the Palaszczuk Labor Government has committed \$145 million towards renewable energy zones to unlock additional renewable energy resources. These zones will help connect new renewable energy to our power network. The renewable energy zones bring together a balanced mix of generation - including storage, solar and wind - to deliver reliable electricity, at lower total system cost with fewer emissions. We will also work to attract new industries to commercial power hubs across the state to tap into these renewable resources. Staged and coordinated clean energy infrastructure investments will attract new renewable energy projects to Queensland and help deliver our 50% renewable energy target by 2030.

Review of planning frameworks

ShapingSEQ delivered on the Palaszczuk Labor Government commitment to release a considered and effective growth management framework for the state's most populous region. The regional policy aims, outlined in *ShapingSEQ*, are being advanced through a suite of implementation actions, including the Growth Monitoring Program (GMP).

It is critical for the ongoing implementation of *ShapingSEQ* to continue the GMP to ensure year on year data is collected and analysed. The GMP is now in its third year and is key to the monitoring and managing of land supply and development. It includes an annual Land Supply and Development Monitoring (LSDM) report that is based on best practice research and a robust stakeholder

framework. Its development includes peer review by the Housing Supply Expert Panel which has now been appointed for a further two-year term.

The GMP, and the annual LSDM report, will play a role in exploring and understanding the impacts of the COVID-19 pandemic as new and rapidly changing data and information becomes available. However, there is no event in recent history that is directly comparable to this pandemic, which makes forecasting the magnitude and length of the economic impacts of the crisis difficult. For example, COVID-19 has seen interstate and overseas migration decrease, which are a significant component of population growth in Queensland. The implications of this are still being assessed.

The GMP provides a rigorous framework and evidence base to continue to monitor these impacts and inform policy decisions in times of uncertainty. Within the draft 2020 LSDM Report, currently being prepared by Queensland Treasury in consultation with key stakeholders, increased consideration has been given to the impacts of the COVID-19 pandemic. This platform offers the opportunity to discuss the evolving impacts of the COVID-19 pandemic and government responses as they relate to land supply, development and the housing market in SEQ.

The dwelling supply benchmarks within *ShapingSEQ* represent a long-term commitment to realising the goals identified in *ShapingSEQ*, as well as ensuring adequate land supply and supporting housing affordability. As more data becomes available in the coming months and years, changes in population growth and development activity will be considered in the annual LSDM reports and in future reviews of *ShapingSEQ*. The next review of *ShapingSEQ* is anticipated to occur between 2022 and 2024. Given the current uncertainty and without clear evidence or firm knowledge of the impact of COVID-19 on dwelling supply it is not considered prudent to revise *ShapingSEQ* until this time.

Review of project financing and procurement

The Palaszczuk Labor Government agrees there is merit in progressing discussions around project financing and procurement. Considering alternative models for project funding and financing, that better enable private sector investment, recently became the primary focus for the Infrastructure Industry Steering Committee.

A framework for considering alternative models to activate further private investment in the delivery of infrastructure has been drafted, and a re-elected Palaszczuk Labor Government intends to convene a number of workshops which bring industry and government representatives together to consider different models and opportunities for Government/business partnerships.

With specific regard to collaborative contracting and risk sharing arrangements, the issue of Government assuming more risk in projects has been raised previously by the Infrastructure Association of Queensland, along with suggestions that large projects be broken down into smaller components to allow smaller businesses an opportunity to tender.

Under the Palaszczuk Labor Government, the Department of Housing and Public Works, the agency responsible for procurement, have been engaged in discussions around processes to make procurement more collaborative. The Queensland First Procurement Strategy applies a weighting in favour of local companies competing for government supply contracts.

Whilst we, as the client in awarding contracts for significant infrastructure projects, are entitled and obliged to negotiate terms which secure value for money and protect taxpayers from undue liability, a re-elected Palaszczuk Labor Government would discuss with the Committee and its members, and other stakeholders, as well as through established groups such as the Infrastructure Industry Steering Committee, ways to provide more opportunities and certainty to business, and better value to the community.

Social and affordable housing

We are investing \$1.8 billion in social and affordable housing under the Queensland Housing Strategy 2017-2027. This includes \$1.6 billion for the successful Housing Construction Jobs Program which will deliver over 5,500 social housing and affordable homes by 2027. This program has already exceeded its first three-year target with over 1,949 projects commenced, of which more than a thousand have already been completed.

The Palaszczuk Labor Government under its economic recovery plan, Unite and Recover for Queensland Jobs includes a further boost to social housing through the Works for Tradies Program. This program is all about supporting Queensland's building and construction industry by providing a pipeline of work to support economic activity, support jobs and to provide homes for Queenslanders in need. The \$100 million investment into this program will see 215 new social housing homes built across Queensland, with construction on projects to commence by the end of 2020-21. The Works for Tradies program in addition to the Housing Construction Jobs Program will see another 685 new homes delivered next financial year.

Advanced manufacturing

The Palaszczuk Labor Government is delivering our Advance Manufacturing 10 Year Action Plan and Roadmap. Through this plan we are already delivering on our commitment to build manufacturing capability in Brisbane. In addition, our Made in Queensland program is supporting local manufacturing.

At the Palaszczuk Labor Government's Campaign Launch on Sunday 18 October, Premier Palaszczuk spoke about the changes caused by the COVID-19 global pandemic, and the opportunities presented. The Premier stressed that we can't keep presuming we can import what we need from the other side of the world, that we need to build resilience by increasing self-reliance, and manufacture more in Queensland.

A re-elected Palaszczuk Labor Government's *Making it in Queensland* Strategy will support:

- boosting the existing \$46 million Made in Queensland Grants program to focus on onshoring and reshoring key industries (a further \$15.5 million),
- driving development of advanced manufacturing skills through Manufacturing Skills Queensland, an independent not-for-profit industry body to support workers, employers, apprentices and trainees (\$16.5 million),
- Two new manufacturing hubs on the Gold Coast and in Mackay (\$8.5 million).

This strategy will secure advanced manufacturing jobs and the skills needed for existing and future industries.

Our record and our new *Making it in Queensland* Strategy is in stark contrast with the LNP's record. When Deb Frecklington was Campbell Newman's Assistant Minister more than 12,500 manufacturing jobs were lost in Queensland, and they purposely cut more than \$30 million in industry support and grant programs and defunded training and skilling programs. They slashed 145 jobs from Queensland Government assistance to local manufacturers and developed no manufacturing or procurement policies to assist Queensland businesses.

A re-elected Palaszczuk Labor Government will also continue helping Queensland manufacturers to adopt *Industry 4.0* and support business to adopt new technology such as automation and robotics. This is already leading to the onshoring of manufacturing jobs.

Arts and culture

The Palaszczuk Labor Government has committed to more than \$42.5 million worth of the initiatives to support the arts and cultural sector through the impacts of COVID-19, including a \$22.5 million Arts and Cultural Sector Recovery Package (the Recovery Package) announced as part of our plan for economic recovery.

The Recovery Package is a \$22.5 million down payment on of the first two-year action plan of *Creative Together – a 10-year Roadmap for arts, culture and creativity in Queensland*, which was release on 1 October 2020. The action plan supports a range of initiatives to assist live music venues, notably the Live Music Venue Support Program and Play Local programs, which have supported the ongoing viability of live music venues.

I am pleased to advise that as at 2 October 2020 twenty-one venues, many in the Brisbane area, have shared in \$413, 862 under the Live Music Venue Support program, to assist venues to offset the cost of re-opening in the wake of COVID-19. Additionally, live music venues were amongst fifty-two organisations to share in \$812,635 under the Play Local program, to support the programming of Queensland artists while necessary social distancing measures are in place.

Thank you for your thoughtful and positive proposals. Now is not the time to risk the LNP's cuts. Queensland's ongoing economic and health recovery requires leadership and stability, and Deb Frecklington and the LNP are a risk to our recovery.

I urge you to communicate this response to your members and supporters.

Should the Palaszczuk Labor Government be re-elected, we look forward to working with you for the benefit of all Queenslanders.

Yours sincerely



STEVEN MILES MP
Deputy Premier
Minister for Health
Minister for Ambulance Services