

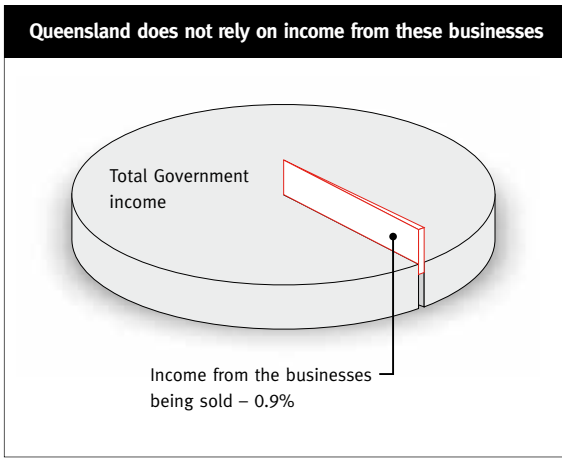
Queensland assets sale

THE MYTHS vs THE FACTS

MYTH The five commercial businesses the Government plans to sell generate a lot of income for the State.

FACT The total return from all five businesses in 2008–09 was approximately \$320 million. This is less than 0.9% of the Government's income. For every \$100 of Government income that's less than 90 cents.

When the sale process is completed, it is anticipated the Government will save \$1.8 billion every year in interest payments.



MORE MYTHS AND FACTS

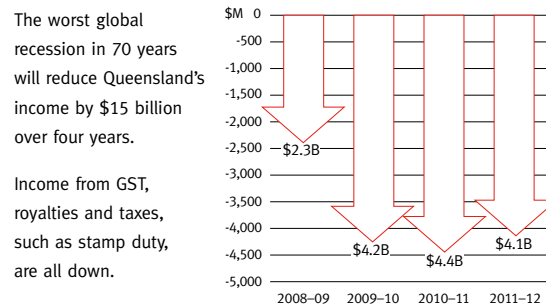
Why the assets are being sold

With the global recession costing Queensland \$15 billion in future income the Government had a choice – stop building or find money from somewhere else.

We chose to sell five commercial businesses to reduce State debt and continue the building program, which is protecting 127,000 jobs across the State and delivering the infrastructure and services we need, including:

- ✓ new hospitals and upgrading existing ones
- ✓ more roads, bridges and busways
- ✓ new schools and kindergartens
- ✓ more police, ambulance and fire stations.

Impacts of the global recession on Queensland's income



The assets being sold

Five commercial assets will be sold. These are:

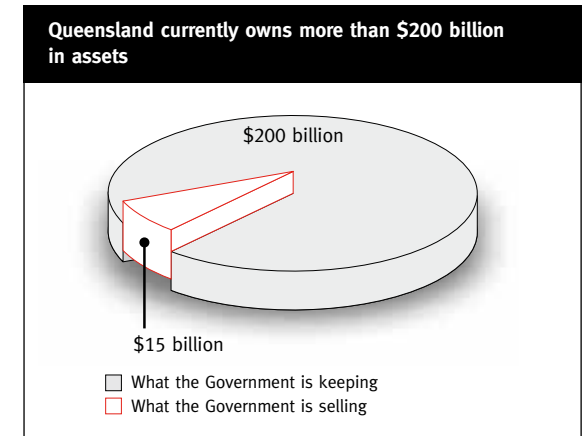
- Forestry Plantations Queensland (the trees not the land)
- Port of Brisbane
- Queensland Motorways Limited (the tolling rights on the Gateway and Logan Motorways, not the road and bridge infrastructure)
- Abbot Point Coal Terminal (north of Bowen)
- Queensland Rail's (QR) coal transport business and assets.

The Government is also examining the potential sale of other commercial parts of QR.

FACT The Government is NOT selling QR's public passenger services or the State's rail network (other than coal lines).

MYTH After this sale the Government will have no assets left.

FACT These five businesses represent a small percentage of Queensland's assets. Queensland currently owns more than \$200 billion in assets. Queensland's asset base is growing and will be around \$250 billion by 2013.



MYTH These businesses are cheap to run.

FACT Keeping these businesses would cost the Government \$12 billion over the next five years.

That's \$12 billion spent on new coal trains and new wharves that can't be spent on roads, schools or hospitals.

MYTH This is a fire sale.

FACT These businesses are only for sale at the right price. The Government intends to get \$15 billion in proceeds from the sale. They will be sold when there is investor appetite and true market value can be achieved. The Government is determined to get the best possible return for Queenslanders.

MYTH Selling assets was the only option considered.

FACT The Government chose not to cut the building program, as this would have risked 127,000 jobs and our economic recovery.

Other options considered included raising State taxes or cutting services. These options would have placed unfair pressure on Queensland families.

MYTH Privatisation leads to job losses.

FACT The Government cannot grow these businesses, without cutting back public infrastructure building. The private sector can and will grow them. 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.

 Queensland Australia	
Brisbane Airport since privatisation (1997)	Qantas since privatisation (1995)
<ul style="list-style-type: none">• 5,000 to 16,000 employees• Predicted to be 42,000 employees by 2029• 10 million to 19 million passengers per year• New \$350 million International Terminal built• \$4.2 billion in new infrastructure delivered over the next 20 years.	<ul style="list-style-type: none">• One of world's most successful airlines• 6,700 additional employees• 89 to 224 aircraft• 1,900 to 6,700 flights per week• 86 to 95 destinations• 24 to 38 countries.

FACT Under the terms of any asset sale, the Government will ensure a two-year job guarantee to award employees.

MYTH QR's coal business pays for passenger and freight services.

FACT The Government pays QR to provide these services. In 2007–08, the Government paid QR \$1.1 billion to provide key services such as Citytrain, Traveltrain and some freight services for regional and rural communities.

MYTH Queensland won't get money from coal mining anymore.

FACT Queensland will always own the rights to our coal. We get paid for every tonne of coal that comes out of our State. We are only selling the business (trains and tracks) that hauls coal for private mining companies.

Queensland will receive an estimated \$1.4 billion in coal royalties for the 2009–10 financial year. Queensland receives these royalties from mining companies regardless of which company carries the coal from mine to port.

MYTH A private company will charge excessively for the Gateway/Logan tolls.

FACT The Government will legislate a toll level at the point of sale and then allow that toll to rise only with inflation post the sale.

MYTH The sale of Port of Brisbane will relinquish the control of our waterways and safety at the Port.

FACT The Government will retain responsibility for maritime control of our waterways. Regardless of who owns the Port, security will remain with Commonwealth and State policing and quarantine authorities.

MYTH The Government should stop building during a downturn.

FACT Governments around the world are spending money to stimulate economies and keep people in jobs. Over the last 10 years, Queensland has hired an additional 3,300 police, 6,300 teachers, 2,100 doctors and 7,200 nurses. Queensland also has the largest per capita infrastructure building program of any state. The building program is protecting 127,000 Queensland jobs. That's why Queensland is using a budget deficit to continue the \$18 billion building program.

MYTH The recession is over, we should stop spending.

FACT Economists around the world are warning governments not to withdraw stimulus spending. Economic conditions have started to improve, but the outlook remains uncertain. There is still work to do to protect Queensland jobs.

For more facts about the assets sale visit www.qld.gov.au

If you have more questions email thefacts@treasury.qld.gov.au

To find out more about the Government's jobs-generating projects visit www.qld.gov.au/buildingqld

For information on jobs with the Queensland Government visit www.jobs.qld.gov.au

For information on apprenticeships and traineeships visit www.trainandemploy.qld.gov.au or call **1800 210 210**