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PARLIAMENTARY DEBATES



**HOUSE OF REPRESENTATIVES**

**Federation Chamber**

**GRIEVANCE DEBATE**

**Herbert Electorate: Local employment**

**SPEECH**

**Monday, 16 June 2014**

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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## SPEECH

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**Page** 6141  
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**Speaker** Jones, Ewen, MP

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**Mr EWEN JONES** (Herbert) (19:41): I will try not to sound like a broken record. I would like to raise two issues tonight and I will try to string two stories together in a coherent narrative. The first is about the tender process. There can be no real argument that infrastructure equals economic growth. That is the good part. But there is no growth unless it is shared locally. We would find it hard to swallow if a major highway was built by an overseas contractor—if they brought in all their stuff from overseas. So why do we allow for our tender process to give jobs to people from outside town in regional centres? I will give you two examples: first, Flinders Shire Council had a stretch of road that they estimated would cost \$9 million to repave and because it was over the financial level it had to go to a national tender. A contractor won the job fair and square, but the cost was \$27 million. They flew in their workers, they put them up in a camp that they trucked in, they brought in their equipment and they built the road. So you have a nice stretch of road but absolutely no local benefit from it.

The second example is the \$120 million being spent on the joint logistics hub at Lavarack Barracks, Townsville. The tender was won fair and square across all the things that they had to do and they won the job. They are a Brisbane based firm, with a little office in Townsville. Their principal subcontractor was also a Brisbane based firm. So \$120 million is being spent in my city of Townsville with very little local benefit—very few subcontractors, very few apprentices, very few local benefits. To my mind, it is pointless to build infrastructure if there is no community benefit by way of jobs or supplies. It does not help a community if the only local beneficiary is the pie van. That is what we have to watch out for here. And I am putting this parliament, my party and my Queensland colleagues on notice that I will be working to fix this.

This leads me to a project that I believe my government needs to back. The de Havilland Caribou aircraft was the quick take-off, quick landing aircraft. It was propeller driven and it looked like an old diesel truck, scooting around the skies of Townsville. It was a great bit of gear. It was retired a few years ago. When it was mooted that it was going to be retired, John Howard said that the replacement, the C27J, would be based in Townsville. It is my understanding that the RAAF would now prefer that it goes to Amberley. How do we link these two stories together? It is about how we ensure that the local economy prospers. That is the trick here. If the federal government gives the go ahead for the C27Js to be based in Townsville we can organise for private investment to build the buildings and do everything around that. From there, you will have a spine created by the federal investment which will allow small businesses to grow. If it goes to RAAF base Amberley, which is a defence base in the middle of nowhere outside Ipswich, Defence will build it, Defence will charge defence rent and it will just be a great big money churn inside government with no real benefit to anyone other than the people who want to make sure it is built at Amberley.

We should be trying to stop the money churn. If we have private contractors, private funding and private investment going into building the infrastructure that will harvest this sort of thing, then the existing aviation hub in Townsville will grow with small businesses and medium businesses playing off that space. There are lots of things happening in Townsville in relation to the development of northern Australia. You will note that the planes which fly from Townsville to Cairns to Papua New Guinea are all turboprops. Those are the sorts of things, we must be trying to play into that space. The trip out to Mount Isa is exactly the same.

Private investment would assist us in stretching the defence dollar further. We have made the commitment to redress the chronic lack of funding in defence that went on under the previous government, but we must also be very canny with the money, because we are talking about a lot of money here. Any option which would stretch the dollar must be considered. Defence should not have to own the building. If it is incredibly secret then, yes, maybe we should look at that, but if it is just a hangar for aircraft, if it is just a workshop for aircraft where private contractors or tender winners carry out work, I do not see why Defence has to own that building.

Federal government infrastructure then would provide the catalyst for small- to medium-businesses to further establish Townsville's aviation hub. We have a business in Townsville called Flying Colours. They were based in Brisbane but they decided to move to Townsville because we have space at Townsville airport and we

have Townsville Airports Limited, a subsidiary of Queensland Airports Limited, which owns the Gold Coast, Townsville and Mount Isa airports. Flying Colours have built hangars and they are now doing the entire Virgin fleet as they go from the red to the white—all being done in Townsville. They are doing that sort of work there because we have a proactive business owner who is looking to provide private investment, to make sure that we are utilising our facilities. Our airport is not landlocked. Our airport has lots of land and we can build these sorts of businesses there. We have BAE Systems in our city and we are working to build our further aviation hub. If we are to be a power in the development of northern Australia, we must ensure that aviation is a key.

The government never needs to create wealth. I think everyone in this place knows that government does not create wealth but it does provide the impetus, the seed capital, the hand-up for small businesses who do create wealth. Small businesses take the risk; small businesses take a punt and say, 'We can make this work.' They are the guys who will work 80 hours a week and rely on their investment and hard work to make sure it pays off down the track. They create the wealth. They create the business opportunities and job opportunities for people so that they can love living in Townsville and build their own homes there. Those are the sorts of things we can do. If government does not attempt to create wealth, private enterprise can prosper. If you do it the other way around, we just end up where government is the only builder, where government is the one provider of infrastructure and the only one doing the business. Then you end up with nothing except taxpayers owning more and more and we do not get anywhere.

Both of these stories have that coherent theme. We have to drive our dollar further. We have to look for where our local economy can prosper and make sure that in our city and in our region—and this applies throughout Australia—we look to where the tender process and the use of government funds becomes more and more central to what goes on in our neighbourhoods, in our cities and in our regions. If we can drive that through, it means that our local engineers, our local quarrymen and our local truck drivers can all make sure that they have people working in their businesses and that they can continue to employ. We can get apprentices to go through, and that is what leads to a city that grows and grows.

I live in the best part of Australia. I know there are a few people in here who would take exception to that, but you are not allowed to mislead the parliament. So, when I say that I live in the best part of Australia, you know it is the truth. Townsville is the hub of the universe. Everyone goes through Townsville at some stage in their life. We are an important city, but we must make sure that the taxpayer's dollar is respected every time. I am not saying that the tender process should be changed so that we go to the most expensive tender; I am saying that, when we do our tender process, we have to look at the way we spend money differently. We have to look at the way the whole thing is structured differently. If we can do that, we will end up with a great result. If we can do that, we will end up with a better result for all Australians. I thank the House.