

Speech to Council – Hale St Bridge – additional \$60 million required by the Lord Mayor for further works for this project. 14th July 2008

Councillor FLESSER: Thank you, Madam Chair. This is absolutely a disgrace. The Liberals are asking Council to come here today to vote on a \$63 million variation to the budget that was handed down just a month ago. Councillor QUIRK is saying there is nothing new, but it is \$63 million. If we look at the document, it states that the budget for this year is changing by \$21 million. If I remember correctly, the budget surplus at the moment is less than \$700,000, so by my calculations, the Council at the moment is now in deficit by \$20.3 million. That is the only explanation I can come up with, looking at these documents.

It is a disgrace that Councillors here—not just those on this side but those opposite also—have not been given enough time to look at the documents and to understand the financial implications. What the LORD MAYOR should have done is given us all blindfolds, because this is like playing pin the tail on the donkey. That is what it is like. I tell you one thing, Madam Chair: it certainly looks like we are buying a pig in a poke. But I do not know whether the LORD MAYOR is treating the ratepayers as pigs or donkeys, because what is going on here is an absolute disgrace.

Then, over there we have Councillor NEWTON and Councillor SUTTON trying to look at the documents, and the LORD MAYOR has ordered the City Solicitor over there to make sure they do not take photos of any of the documents. That is how paranoid the LORD MAYOR is about making sure that this remains as big a secret as is humanly possible.

Either Brisbane's ratepayers have been lied to regarding the cost of this project, or it has been completely and incompetently mismanaged by the LORD MAYOR.

Councillor SUTTON gave a little bit of the history before, but I want to read the exact words that the LORD MAYOR said about the Hale Street Bridge. On 30 August 2005, he stated, 'Well, that's the beauty of this. It's a toll bridge, and the beauty of it is that, because of this cash positive, Council does not have to put any money down. It will actually generate a big, fat cheque, we believe between \$88 and \$145 million. So, isn't that

fantastic?’ he said. ‘We do not have to put one penny of the ratepayers’ funds down in terms of the overall project cost.’

Then, not that much later, on 6 June 2006, what did he say? ‘Let’s go back to the Hale Street Bridge. The pre-feasibility was done, and that said the toll would be \$2.30, and the total risk adjusted lead cost was going to be \$163.4 million.’ A total of \$163.4 million—that is when the last cost analysis benefit was done. But what we are looking at now is more than double that price, but is Councillor QUIRK saying, ‘Yes, we will have to redo the cost benefit analysis.’? No; we just moved a motion for that to happen, but no, not interested in that at all.

So, Madam Chair, let us learn a little bit more about history. I remember this one; this will make the LORD MAYOR smile, I know. It was in September 2006 when Labor Councillors could certainly see this project escalating. I remember that a journalist approached me as to what the total cost was going to be. This is when the LORD MAYOR was saying that it could cost as little as \$120 million. I said, ‘There’s great potential for the costs to blow out.’ I said, ‘If they blow out by the same percentage as the North South Bypass Tunnel, it could be more than \$300 million.’

Didn’t the LORD MAYOR get up in here the next Tuesday, ‘How dare you! \$300 million? You’ve got to be joking! This project isn’t going to cost anything like that.’ Flessernomics, he called it; \$300 million. What are we looking at now—\$370 million.

A Councillor:

You were wrong!

Councillor FLESSER;

I think I might start up a course: Flessernomics 101. Madam Chair, my prediction came true. Let us look at what happened on 11 November 2006, a fitting day for this to happen: the ‘Battle of the Bridge’ article by Michael Corkill in the *Courier Mail*. He said, ‘this is the \$200 million question—or is that \$200 million plus plus?’ Well, Madam Chair, we can answer that question today, can we not? Yes, it was plus, plus, plus, plus, plus. Up to \$370 million. What did the LORD MAYOR say about it when he was talking about the cost of it? He said, ‘Design changes aside, the concept works. The model is changing all the time. What I see as changes you see as discrepancies.’

Well, Madam Chair, I see a big discrepancy between at that time \$200 million up to \$370 million today.

So, we have seen the costs go up and up and up and up, but one thing that ratepayers have to understand is that the ratepayers of Brisbane are carrying the full risk of this project. It is not like the NSBT; Council certainly is putting a lot of money into that, and the way the Hale Street Bridge is going, we are going to end up possibly putting the same amount of money into that as what we are into NSBT. But ratepayers are carrying the full risk of this project. That is why it is doubly important that the Council does a proper cost benefit analysis of the project.

That is why I am really disappointed that we have been asked to come in here today to allocate funding of \$21 million this financial year, even though our surplus is only \$700,000, to approve that expenditure this year without a proper cost benefit analysis, a new cost benefit analysis of this project. The LORD MAYOR was right; we are certainly not going to be voting for this proposal today.

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