CABINET MINUTE

BRISBANE, 22/4/1985

DECISION NO. 45851

SUBJECT: Consideration of Amended Proposals Submitted for Construction of a Road Bridge to North Stradbroke and Russell Islands.

(Submission No. 41263)

30 Copies Received at 10.00 a.m. p.m. 18/4/1985 Sir Joh Bjelke-Petersen (Premiers)

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CIRCULATION DETAILS

1	GOVERNOR		21	Decision File	
2	SIR JOH BJELKE-PETERSEN	a/c	22	Premiers	
3	MR. GUNN	a/c	23	Treasury 30	Copy of relevant Submission attached
4	MR. HINZE	a/c	24	L. Govt 29	Copy of relevant Submission attached
5	MR. WHARTON		25	Main Rds. 28	Copy of relevant Submission attached
6	MR. GIBBS		26	DCID 27	Copy of relevant Submission attached
7	MR. AHERN	a/c	27	Lands 26	Copy of relevant Submission attached
8	MR. LANE		28	H & M 20	Copy of relevant Submission attached
9	MR. GLASSON	a/c	29	Water Res. 13	Copy of relevant Submission attached
10	MR. AUSTIN		30	Mapping & Survey 2	Copy of relevant Submission attached
11	MR. POWELL		31	PSB	
12	MR. GOLEBY	a/c	32		
13	MR. TURNER		33		
14	MR. LESTER		34		
15	MR. TENNI	a/c	35		
16	MR. HARPER		36		
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19	MR. KATTER		39		
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Brisbane, 22nd April, 1985

Decision No. 45851

Submission No. 41263

TITLE: Consideration of Amended Proposals Submitted for Construction of a Road Bridge to North Stradbroke and Russell Islands.

CABINET decided:-

That the contents of the Submission be noted.

CIRCULATION: Premier's Department and copy to Premier and Treasurer.
Treasury Department and copy to Deputy Premier and Minister Assisting the Treasurer.
Department of Local Government and copy to Minister.
Department of Main Roads.
Department of Commercial and Industrial Development and copy to Minister.
Department of Lands and copy to Minister.
Department of Harbours and Marine and copy to Minister.
Queensland Water Resources Commission.
Department of Mapping and Surveying and copy to Minister.
All other Ministers for perusal and return.

Certified ~~True Copy~~ Correct

Secretary to Cabinet.

41263

SECURITY CLASSIFICATION "C"

Submission No. 21

Copy No. .....

FOR CABINET

CONSIDERATION OF AMENDED PROPOSALS SUBMITTED FOR CONSTRUCTION OF A ROAD BRIDGE TO NORTH STRADBROKE AND RUSSELL ISLANDS

1. Cabinet, by Decision No. 45227 of 29 January 1985 decided that, provided substantial Government funding is not required, the preferred location for the proposed road bridge to North Stradbroke Island be the Pannikin Island route via Russell Island.

2. The Co-ordinator-General has advised the short-listed proponents of the preferred route and invited them to submit amended proposals accordingly. Design parameters for the location of bridge abutments, bridge and road standards, etc. were provided to assist the proponents in preparation of their proposals.

3. Amended proposals have now been submitted by all five proponents and a brief summary of each submission is provided in Attachment A. The Inter-Departmental Committee is currently examining the proposals in some detail and is planning to re-interview each proponent in the near future as part of this evaluation. Detailed examination is required because, amongst other matters, there appears to be a greater degree of requested Government financial involvement in the amended proposals. The Co-ordinator-General has advised me that the Committee should be in a position to recommend on a preferred developer prior to the end of May.

4. Submitted for the information of Cabinet.

J. BJELKE-PETERSEN,
PREMIER AND TREASURER.

Brisbane.

Date: 19th April, 1985.

ATTACHMENT A

C O N F I D E N T I A L

PROPOSED ROAD BRIDGE TO NORTH STRADBROKE ISLAND

BRIEF SUMMARY OF AMENDED PROPOSALS

CONTENTS PAGE

THE CO-ORDINATOR-GENERAL
PREMIER'S DEPARTMENT

APRIL 1985

1.0 HORNIBROOK GROUP

Presented as essentially an amended proposal.

Proposal is for bridge construction, land development and associated works. The total estimated cost of $153.7 M includes bridges, roads (both mainland and Island) and marine and infrastructure on North Stradbroke Island. Russell Island infrastructure is to be funded by Redland Shire Council using normal loan raising and rating methods. However, the developer may provide loans (via a Trust) to the Council for the initial capital works.

Bridge construction is in accordance with the Government's requirements and a detailed process of land development and marketing is to be undertaken.

The project is to be funded by a Royalty Trust by which individuals and organizations would invest and receive a proportion ("Royalty") of toll revenue in return for (say) 25 years. Income would be predominantly toll revenue and land sale profit. No direct Government financial involvement is required.

Bridge construction is to entail 2 to 3 years, land development 24 years.

2.0 ISLAND BRIDGE GROUP

Presented as a supplement to the previous proposal.

Four proposals are offered; one conforming to the Government's requirements, another offering an initial two-lane only bridge, a third using extensive causeways and a final proposal being the Group's original route (south of the Logan River). The range of costs is $63 M to $81 M. Russell Island infrastructure is to be funded by Redland Shire Council using normal loan raising and rating methods. Mainland roadworks are included.

In the conforming offer only, bridge construction is in accordance with the Government's requirements. 4 percent of North Stradbroke Island is to be developed into a co-ordinated tourism/residential/retirement area.

The developer is to finance the project by way of both equity and loans, with income being toll revenue and land sale profit. The Government is required to agree to a "put option"; to guarantee to buy developed land from the developer if sales fall below a previously agreed level.

Bridge construction is to entail 2 years, land development 21 years.

3.0 JOHN HOLLAND GROUP

Presented as essentially a supplement to the previous proposal.

The developer is to totally fund the bridge, with all other works (including mainland roadworks, North Stradbroke Island roadworks, Russell Island and North Stradbroke Island infrastructure) to be jointly funded by the Government, Redland Shire Council, Russell Island landowners and, in some instances, the developer. In addition, the developer requires a "supplementary income" of $5 M per annum for 10 years either by having a preferred position for Government works or development rights over vacant Crown land in another part of the State.

Bridge construction is in accordance with the Government's requirements. Land development is to be directed towards specific sites and types (including resorts, canal estates and high quality villages) rather than general urban development.

The project is to be financed by loans raised by the developer, with income being toll revenue for (say) 10 years, land sales profit on North Stradbroke Island and the above-mentioned "supplementary income". The Government is required to provide an indemnity to lenders for the project and may be offered (say) 10 percent of the developer's net income.

Bridge construction is to entail 3 years, land development 22 years.

4.0 THIESS CONTRACTORS

Presented as supplement to the previous proposals.

Proposal is for bridge contruction, roadworks on both the mainland and North Stradbroke Island, marine facilities and a $10 M contribution towards Russell Island infrastructure. Total project cost is therefore $121.6 M. An alternative bridge route (south of the Logan River) is also offered.

Bridge construction along the preferred route is essentially in accordance with the Government's requirements. Land development is to be contained within 200 hectares in the Yarraman Valley area (south-west of Point Lookout).

The developer is to finance the project by way of loan, with income being toll revenue and land development profit. The Government is required to provide financial assistance and loans to the developer.

Bridge construction is to entail 4 years, land development 15 years.

5.0 TRANSFIELD CONSORTIUM

Presented as an amended proposal.

The developer is to fund the bridge and associated North Stradbroke Island development, with the Government and Redland Shire Council meeting the costs of mainland roadworks, most mainland resumption costs and Russell Island infrastructure. Total project cost is therefore $47.3 M. Development of Pannikin Island as urban/canal estates at an initial phase in the project is proposed.

Bridge construction is generally in accordance with the Government's requirements. A land development strategy (for 13 percent) of North Stradbroke Island is proposed, similar to that adopted by the Government. Detailed work in the proposal relates to the definition of development influences and the strategy formulation.

The project is to be financed by loans raised by the developer, with the sole income being land development profit in the form of 17.5 percent of the sale of in-globo parcels. Two funding options are considered viable in the proposal; one with no direct Government financial assistance and a second which includes an initial $20 M Government grant to the developer. Both are offered as suitable proposals.

Bridge construction is to entail 4 years, land development 25 years.