

I'm here with you today from the fastest growing State in Australia. A State that is experiencing a profound transformation, and feeling all the growing pains that you would expect in these circumstances.

In the space of two short decades, Queensland is emerging from its frontier status as the low skilled backwater of Australia to a smart, modern, exciting economy at the forefront of the arts, a research leader and a place that more and more Australians want to call home.

Its hard to understand the rapid nature of the transformation or the pressures it places on both locals and governments unless you're living in it, but I'd like to try and give you a sense of the size and pace of the transformation.

For starters – people. Every week Queensland grows by 2000 people, that's an extra 104,000 every year. That's the equivalent of a new regional centre the size of Mackay or Bendigo every year.

And these people are spread right across the State, making Queensland the most decentralised State in Australia.

This presents huge challenges in providing services and in providing infrastructure. Also presents democratic challenges with 5 State electorates bigger than Tasmania, 3 of which are bigger than Victoria and one – the seat of Mt Isa -is bigger than France.

That challenge is driving a building program unparalleled anywhere in the country and without precedent in our history. An \$18.2bn program that is modernising and transforming the face of our capital city and our regional centres, and also providing a quantum leap in quality of life.

A massive road and transport program is breaking down growing congestion, revolutionising our public transport system and providing regional Queenslanders with national standard roads.

To give you some sense of the magnitude – its a \$7bn investment this year which will build the equivalent of 38 Melbourne Eastlinks and or 37 of Sydney's M1.

A new 3 car train set is being delivered onto the CityTrain network every month.

A new light rail system for the Gold Coast will go to tender this year– the first of its kind in Australia and the only one outside a Capital city.

Our export capacity is set to grow by 40% over the next five years.

Current projects will expand Queensland's coal capacity from 4 to 60 million tonnes per annum with massive investments in port and rail capacity.

Our industrial base is on the cusp of including a Liquefied Natural Gas industry that was simply not considered possible even 5 years ago.

Understandably, much of the recent national attention on this industry has been on the Gorgon project – but the contracts already signed for LNG out of the Surat Basin in Queensland's south-west are 2½ times the value of Gorgon.

The Surat basin resource is comparable to the WA resource which has identified potential LNG production of 49mtpa with current Queensland projects having capacity for 50mtpa. We are developing this industry with access to State Development Area land and a common user pipeline corridor into Gladstone.

Critically, in areas where Queensland has lagged behind for too long the building program is delivering major shifts in service provision. In Health, we are delivering the largest roll out of new and redeveloped hospitals ever undertaken in the Nation's history.

10 new or upgraded hospitals are currently under construction – including 2 new tertiary hospitals, with a new Children's Hospital in Brisbane and the Gold Coast University Hospital.

Why? – because we believe in universal health care and you can't deliver it without staying ahead of population growth.

These new hospitals will change people's lives. For example they will deliver services like oncology for the first time into major regional centres like Cairns and Rockhampton and the Gold coast, removing the need for these patients to travel thousands of kilometres from family and loved ones during these difficult treatments.

In Education we're delivering 240 new kindergartens across the State – again the single largest roll out of new kindergartens ever contemplated in Queensland – and a 70% increase on current provision.

Why? – because 30% of Queensland 4 year olds have access to a kindergarten program compared to 97% in Victoria and 65% in NSW.

With this program we drag Queensland out of the last century when there was little or no investment in early childhood and only those children in well off suburbs could access these services.

The commitment is the next building block in modernising our education system after we introduced a full prep year in 2007, giving Queensland children access to 13 years of schooling, the same as every other State, for the first time in 50 years.

And there's no better example of how infrastructure investment is driving transformation in Queensland than in the arts.

With the opening of our new Gallery of Modern Art, Queensland became home to the second largest Gallery in Australia. This Gallery had 12 exhibitions in the top 200 most visited exhibitions in the world in 2008 – while the NGV, NSW Art Gallery and Sydney's Museum of Contemporary Art had just one each.

At \$18.2bn, the building program is also a massive economic stimulus – protecting 127,000 jobs this year and without it our unemployment rate would be over 10%.

Our building program is driving profound shifts in our economy, in our export capacity and in our social and cultural well being – and Yes we've had to make some very tough budget decisions to protect it and quarantine it from the devastating revenue effects of the Global Financial Crisis.

I've spent some time describing this program for you today so that you understand the context in which I've resolved to move ahead with some public asset sales to underpin the program.

This has been a conscious decision by Government in tough times to effectively swap commercial assets serving commercial customers for social assets...

... social Assets that will provide for a growing population to improve opportunity and access to services.

When you're running the fastest growing State, when you are intent on modernising it, when you are determined to keep moving it forward you can't slow down for the GFC.

So when some of you are reporting on the union protests I'm encountering - know that I'm highly motivated by what our building program is delivering...

... not just the bricks and mortar but by the profound shifts it's delivering in people's lives.

Transformation is not confined to our economy and building program.

There's a complete rethink happening on another front too. And that's the debate I have consciously started on integrity and accountability in public office.

In the past month or so I have proposed a number of radical reforms which will change the landscape of politics in Queensland.

I have banned my Ministers and all Labor MPs from attending fundraising events with the business community.

I have released more information than any other politician in the country about my own attendance at ALP fundraising events and more than the electoral commission requires.

I have resolved to ban the payment of success fees to lobbyists on government contracts.

I have required lobbyists who serve on Government boards to choose between lobbying and public service, on the principle that those who lobby government cannot be a part of it.

I have proposed a national ban or very low limit on donations to political parties and have set a deadline on that.

I understand the benefits of national action on this front to prevent the cross border flow of donations and I understand the federal Government

has the challenge of dealing with the reluctant conservative parties on this question.

But if there is not national legislation in place by 1 July next year Queensland will take steps to go it alone on this issue, despite the pitfalls.

I have published a green paper on Integrity and Accountability and have engaged in extensive community consultation with a view to further reform.

And I have done all of this unilaterally, without support from my political opponents and without being matched by them.

But this isn't just the start of a revolution in Queensland.

It's the start of a revolution across the nation.

These are reforms which will inevitably flow across the country.

Like reforms in this area which came before – such as donation disclosure laws – they will flow from jurisdiction to jurisdiction.

The genie is out of the bottle.

And I can understand the reluctance by some of my own colleagues and from Opposition parties to immediately embrace these changes.

As the Labor Party State Secretary in Queensland, Anthony Chisholm has said, political parties are driven to raise funds from business because of a veritable arms race in campaign expenditure.

My own political experience is instructive in this regard. Elected in 1995, my first few campaigns were totally funded by local fundraising by local members, family, friends and supporters – very local, grassroots events such as raffles, sausage sizzles and the like.

As time has gone by, this is simply not enough to fund the cost of even a modest campaign in a State electorate.

In the absence of expenditure caps, Anthony tells me that in Queensland, campaign costs have more than quadrupled since the 2001 State Election.

I have no doubt that similar escalations have occurred in other jurisdictions. This is primarily because campaigns are increasingly fought through electronic advertising, particularly TV – the cost of which has risen faster than inflation.

And when it comes to winning an election, those charged with running campaigns are never satisfied with the amount of advertising they can afford. Every available additional dollar can and will be spent. No candidate or Party can afford not to keep up with or to be outspent by their opponents.

There is an inevitable political force that drives all political contestants in the same direction.

In those circumstances it is little wonder that political parties have sought ever more inventive ways of wrangling money out of those who have it – the business community.

And as the fundraising functions have become higher priced - and the various business dialogue and conference observer programs have become more and more exclusive - the more the perception is created that something quite illegitimate is happening.

When ordinary citizens start to believe that influence can be bought for a price that is beyond their means, public confidence in the integrity of our democracy is seriously eroded.

Well – it's time to end the arms race. And I'm determined to lead the charge from Queensland.

I predict that these reforms will have a profound effect on politics and political parties and the way they conduct themselves.

That's because political parties, like Darwinian species, have a remarkable ability to adapt to their circumstances.

Just as the rising costs of campaigns have led to an arms race in business fundraising, a ban or a cap will lead to it's own adaptations.

My prediction is it will drive politics, political parties and politicians back closer to their own members and closer to the broader community.

Limited in how much can be raised through the business community – and with increased public funding only partially filling the gap - parties will seek to raise funds from their supporters in necessarily smaller individual amounts.

After all what incentive is there for an individual citizen to contribute to a candidate or political party unless they feel like they have some involvement in the processes of that party.

That imperative in turn may lead to initiatives like primaries to choose candidates.

There is already some activity occurring on this front although I note that to date in Australia it has only been contemplated in electorates that are not held by the Party that is proposing it.

Real buy-in will only come from the public when they believe that their participation will actually put someone in Parliament.

Reform may also drive politicians closer to their own political parties.

If we are to become dependent again on our members and branches to fund our campaigns, we may need to find ways of more genuinely engaging with them...

... and even giving them a real say in important outcomes.

For example in Britain, the Labour Party's leader is chosen by a ballot consisting of 1/3 MPs, 1/3 Party Conference and 1/3 a ballot of all of the Party's membership.

Also in Britain, unions are required to ballot within their membership to choose delegates to Party conferences, rather than a union secretary simply hand picking all of the union's delegates.

I acknowledge that the reform process I have begun in Queensland was borne out of a coincidence of events that were experienced as a crisis.

There was the jailing of a former Minister – a rotten apple whose audacious corruption was uncovered and prosecuted by a vigilant Criminal Misconduct Commission.

In the same week came a speech by former corruption commissioner Tony Fitzgerald which served as a wakeup call that we must be ever vigilant when it comes to integrity in office.

And there were legitimate questions raised about success fees paid to certain high profile lobbyists.

Each of these events raised legitimate issues.

After nearly two months of intense scrutiny on my Government's interaction with lobbyists and its relationship with business there has yet to be a demonstrated case of a process or outcome having been corrupted.

Notwithstanding that, I can't deny that coming together as they did these events created an opportunity to refocus our efforts on integrity in public office.

I take heart though from the fact that the Chinese word for crisis is made up of two characters.

The first "wei" means danger or peril, while the second "ji" means opportunity or crucial point.

In dealing with the potential for future danger that these issues present, I'm unashamedly seizing the opportunity for reform.

That reform has the capacity to forever change the conduct of politics in Queensland and Australia. A change I look forward to with anticipation.