

## THURSDAY, 18 OCTOBER 2012

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### ESTIMATES—TRANSPORT, HOUSING AND LOCAL GOVERNMENT COMMITTEE—TRANSPORT AND MAIN ROADS

#### Estimates Committee Members

Mr HWT Hobbs (Chair)  
Mrs DC Scott  
Mr WS Byrne  
Mr JB Grant  
Mr DJ Grimwade  
Mr TJ Ruthenberg  
Mr A Shorten  
Mrs T Smith


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#### In Attendance

Hon. SA Emerson, Minister for Transport and Main Roads  
Mr M Gorter, Chief of Staff  
**Department of Transport and Main Roads**  
Mr M Caltabiano, Director-General  
Mr N Scales, Deputy Director-General, TransLink Division  
Ms K Konings, Departmental Officer  
**Queensland Rail Limited**  
Mr J Benstead, Chief Executive Officer (Acting)

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#### Committee met at 9.00 am

 **CHAIR:** Good morning. I now declare this estimates hearing of the Transport, Housing and Local Government Committee open. I am Howard Hobbs, member for Warrego and chair of the committee. Desley Scott, member for Woodridge, is the deputy chair. Other committee members are Mr John Grant, member for Springwood; Mr Darren Grimwade, member for Morayfield; Mr Trevor Ruthenberg, member for Kallangur; Mr Anthony Shorten, member for Algester; Ms Tarnya Smith, member for Mount Ommaney; and Mr Bill Byrne, member for Rockhampton. We are here today to examine the proposed expenditure contained in the Appropriation Bill 2012 for the portfolios of Transport and Main Roads, the Minister for Housing and Public Works and the Minister for Local Government. The committee will examine the estimates in the order set out in the hearing schedule. The committee will suspend proceedings for the following breaks: 10.30 to 11, 12 to 1, 3.30 to 4 pm.

The proceedings today are lawful proceedings subject to the standing rules and orders of parliament. As such, I remind all visitors that any person admitted to this hearing may be excluded in accordance with standing order 208. In relation to media coverage of today's hearing, we have adopted the guidelines prepared by the Committee of the Legislative Assembly for committee hearings. The hearing will be broadcast live via the Parliamentary Service website. It is important that questions and answers remain relevant and succinct. I intend to guide proceedings so that relevant issues can be explored without imposing artificial limits and to ensure there is adequate opportunity to address questions from government and non-government members of the committee. Where necessary, I will

remind ministers, directors-general, CEOs and their advisers that their answers to a question should be finalised so that other issues can be examined.

As laid out in schedule 8 at the back of the standing orders, we expect all departmental officers appearing today to provide full and honest answers to our questions. Anyone who is unwilling to provide an answer should be prepared to state their reason. I also remind those present that departmental officers are not here today to give expert opinions on the merits or otherwise of policy of the government. That is the role of the minister. For the benefit of Hansard I ask departmental officers if you are called to give an answer to please state your name before speaking.

The committee has resolved that the following non-committee members be given leave to attend and ask questions during the hearing today: Michael Crandon, member for Coomera; Annastacia Palaszczuk, Leader of the Opposition; Tim Mulherin, Deputy Leader of the Opposition; Jo-Ann Miller, member for Bundamba; and Jackie Trad, the member for South Brisbane. Finally, before we begin, I ask everyone to please switch off their mobile phones or switch them to silent.

The first item for consideration is the estimates for the Minister for Transport and Main Roads. Welcome, Minister and your advisers. We will examine the estimates of your portfolio until midday. I now declare the proposed expenditure for the Minister for Transport open for examination. The question before the committee is—

That the proposed expenditure be agreed to.

Minister, would you care to give a brief outline?

**Mr EMERSON:** Good morning, committee members. Thank you for the opportunity to outline to the committee some of the important initiatives in the 2012-13 budget in the portfolio of Transport and Main Roads. Firstly, I would like to set the context in which this budget has been put together. It is important that I do this because we have made some tough decisions and some of those decisions are not popular. These are decisions that change the way we do business, but these are decisions which had to be made. We have been forced to make these decisions because of the reckless and irresponsible actions of the former Labor government. Under the previous Labor government, the state of Queensland racked up record amounts of debt. Furthermore, in the Department of Transport and Main Roads we discovered a black hole of promised projects with no funding to deliver them. They had already maxed out the credit card and could not afford to borrow any more money. So in typical Labor fashion they conned Queenslanders and promised the projects anyway.

Since the election, we have worked tirelessly to refocus the department. A key driver is to deliver better infrastructure and better planning. Just this morning I announced that the T2 lanes on the Pacific Motorway would be removed and replaced with two general purpose lanes. This will increase general traffic capacity by 50 per cent between exit 11 and exit 16. This work will cost \$5 million. Let me just restate that: \$5 million for a 50 per cent increase in capacity. That compares with an estimated cost of \$100 million to build the extra lanes if the T2 lanes were retained. I also announced that the T2 lanes on the Gold Coast Highway through Southport and Labrador will also be removed. This is a big win for motorists, who have been forced to deal with Labor's failed car-pooling experiment.

A new QTRIP has also been released. This QTRIP is a return to responsible government without Labor's unfunded projects. It is now a balanced and deliverable plan. It is an honest plan. Every Queenslanders can know with confidence that each project in QTRIP is now backed by funding in the budget. There will be no more of Labor's magic pudding economics that had us heading towards a projected \$100 billion in debt.

The Bruce Highway is a key project in this year's budget. We will deliver a \$415 million boost as part of our plan for better infrastructure and planning. As I have said in parliament, the Bruce Highway is a lifeline for Queensland. Its safe operation is essential to support the four-pillar economy centred on agriculture, tourism, resources and construction. I have also mentioned in parliament that the Bruce Highway has been cut by floodwaters 530 times over the last two years and, according to the RACQ, if nothing is done we are likely to see 300 to 400 lives lost on this stretch of road over the next decade. The Labor member for Mulgrave says that spending money on the Bruce Highway is misspending. During the election campaign the LNP committed to an additional \$1 billion over 10 years for the Bruce Highway. This is conditional on the federal government contributing additional funding above their base spending. This budget delivers the first \$200 million of that commitment.

There is also a strong focus in this budget on lowering the cost of living for families. People will get real hip pocket relief through the free travel after nine journeys initiative, which is receiving \$39 million in funding over four years. Around 80,000 public transport users are benefitting. More than 200,000 free journeys have been taken by passengers under this initiative. This budget has also funded our election commitments to halve Labor's planned 15 per cent fare hikes in 2013 and 2014. This means that public transport fares will always be cheaper under the LNP than they would be under a Labor government. If you have a family car, there is good news as well. Registration for the family car will be frozen for three years. This will save a family with a six-cylinder vehicle \$67 over three years.

For too long front-line services were left to decay under Labor. Public transport is one example. We saw record low reliability on our rail network. We saw record low affordability. We also saw declining patronage, with Labor missing their 2011-12 patronage target by eight million trips. On the back of a record \$1.6 billion in funding for public transport, we are dealing with rail reliability issues. Two significant maintenance failures earlier this year saw thousands of commuters stranded on platforms. Our rail reliability audit has set a path forward. While 14 years of Labor neglect cannot be undone overnight, I am confident rail passengers will see the improvements that we are implementing.

Bus services in Brisbane's northern suburbs have also received a boost. An amount of \$10 million has been invested in new services to make use of the new Northern Busway. This includes two routes being upgraded to high frequency services. This budget also restores accountability and transparency in government. This year's budget will be the last one to include TransLink as a separate statutory authority. We all know how the Labor Party operates: why have one Labor bureaucracy when you can have two? That is not how the Newman government works. Once legislation is passed, we will see one organisation looking after the passenger transport needs of the whole state. No longer will TransLink look after public transport services in South-East Queensland while the Department of Transport takes care of the rest of Queensland. Removing the duplication is good news for both public transport operators as well as passengers.

The Newman government is getting Queensland back on track. This budget outlines the important role that the Department of Transport and Main Roads will play to deliver real outcomes for Queenslanders.

**CHAIR:** Thank you. I call the Leader of the Opposition.

**Ms PALASZCZUK:** Welcome, Minister. My first question is to the director-general. Director-General, I refer to SDS page 1. In May of this year you discussed proposed changes to be made to the Department of Transport, TransLink and Queensland Rail. The opposition wrote to the Premier to ask for a briefing. It has now been five months and we have been denied a briefing. Will you commit today to give the opposition a briefing in relation to your changes to the department? Yes or no?

**Mr EMERSON:** I think that is a policy issue we are talking about there, is it not?

**Ms PALASZCZUK:** Mr Caltabiano, the director-general, actually talked about those changes in the media. Yes or no? I can ask you, Minister.

**Mr EMERSON:** We are always happy to give a briefing on what we are doing, but I can tell you we have a very lengthy briefing right in front of you. It is called the budget. Read what the budget says and that will give you a pretty good understanding of where we are going as a—

**Ms PALASZCZUK:** We have written to you. Will you provide us with a briefing? Yes or no?

**Mr EMERSON:** Can I say you have the state budget there. The state budget is very clear in terms of what we are doing. If you bother to read the state budget—have a look at the Transport and Main Roads portfolio—that will give you a very clear indication of where we are going and what we are doing.

**Ms PALASZCZUK:** I take that as a no. Director-General, what is the role of a DLO and what interaction do they have with the department and related agencies? I refer to SDS page 3, workplace challenges and SDS page 26, restore accountability in government.

**Mr Caltabiano:** Thank you for the question. The transport and main roads department has a departmental liaison officer employment and engagement policy, which was developed in August 2010. That policy outlines quite clearly what the role of a DLO is. That is a published policy on the departmental intranet site and is available to all members of the parliament. In brief, the DLO is the primary point of contact between the minister's office and TMR and is located within the Government Services Branch, Corporate Governance Division.

**Ms PALASZCZUK:** Are the DLOs based physically in your office or the minister's office?

**Mr Caltabiano:** I again refer to the policy. The DLOs, under the policy, are located in the department.

**Ms PALASZCZUK:** In your office?

**Mr Caltabiano:** They are located in the department.

**Ms PALASZCZUK:** On your level, Director-General?

**Mr Caltabiano:** Through you, Mr Chairman, the DLOs are responsible and located, as I just said—I will read that paragraph again. The departmental liaison officer is the primary point of contact between the minister's office and TMR and is located within the Government Services Branch, Corporate Governance Division.

**Ms PALASZCZUK:** What levels are the current DLOs paid at?

**Mr Caltabiano:** It is worthy stating that in March this year the department had two DLOs at an AO8 level and four DLOs at an AO6 level. To date, we have appointed one DLO at an AO8 level and two DLOs at AO6 level.

**Ms PALASZCZUK:** Director-General, were any of these DLOs known to you personally or professionally prior to their appointments?

**Mr Caltabiano:** One was, yes.

**Ms PALASZCZUK:** What happened to the DLOs formerly employed by the transport minister's office and the main roads minister's office under the former government? What happened to those DLOs?

**Mr Caltabiano:** All DLOs are temporary employees of the department. In March-April this year we decided to go through an open process of re-advertising those positions as there had been a change in government. There were two remaining DLOs in the department, who were the AO8 senior departmental liaison officers. The past experience of one of them was working for David Jones; the other's past experience was as a professional photographer and radio announcer. We opened the pool internally and externally to seek nominations for people to fill those positions. The two existing DLOs, to answer the question explicitly, were unsuccessful in that application process.

**Ms PALASZCZUK:** In your previous answer you said that one of the DLOs was known to you either personally or professionally. How were they known to you—personally or professionally?

**Mr Caltabiano:** Personally.

**Ms PALASZCZUK:** Personally. And did you work with any of them in the past at all?

**Mr Caltabiano:** I had no previous professional working knowledge or experience of them in the past.

**Ms PALASZCZUK:** Director-General, how many AO8 positions in your department in Brisbane have been allocated car parks?

**Mr Caltabiano:** Car parking is allocated on the basis of position in the executive structure and also on the basis of the nature of the work employees undertake in the department. We have a very solid policy position that relates to car parking and those who have eligibility to car parking, but we are also very cognisant of the fact that we need to look after our employees and care for them in a workplace environment, particularly those employees who start very early and finish very late, when it is inappropriate for them to be using other forms of transport.

**Ms PALASZCZUK:** Are any of the other DLOs allocated a car park?

**Mr Caltabiano:** I believe there is at least one DLO allocated a car park.

**Ms PALASZCZUK:** And would that DLO that has been allocated the car park be the same DLO that is known to you personally?

**Mr Caltabiano:** I believe that the car park has been allocated to the position of senior DLO in the Department of Transport and Main Roads.

**Ms PALASZCZUK:** And if you could just clarify, Director-General: is that the same DLO, the AO8 position, that is known to you personally?

**Mr Caltabiano:** Yes, it is.

**Ms PALASZCZUK:** Director-General, how many temporary positions have you advertised for and filled since the election?

**Mr Caltabiano:** Temporary positions throughout the department are used to fill temporary vacancies that occur to allow us to maintain our front-line services. We have, in the process of bringing the department back under control in a fiscal sense, to refocus the department in a professional sense in our mission to deliver infrastructure for the people of Queensland and regulate those who use it. In that process we have very clearly focused our minds and our attention on the staff required to fill those roles. We have deliberately gone through a process of removing temporary staff from the department to preserve as many full-time positions as we can. We still do engage temporary staff in the department to fulfil those roles to maintain front-line services.

**Ms PALASZCZUK:** I go back to the car park again, as you have confirmed that the AO8 DLO has been given a car park. I am still trying to get to the bottom of how many other AO8s in your department have been given a car park in the CBD. I am happy for it to be taken on notice, if the director-general could get that information for us before the end of the hearing.

**CHAIR:** I think the director-general actually answered that question a while ago.

**Ms PALASZCZUK:** No, he did not actually. I want the number. At last year's estimates hearing the now minister asked a lot of questions about car parks—in fact, I think around 15 to 20. It is a very worthwhile topic to pursue. I would very much like to know the total number of car parks that AO8s are allocated in the CBD in your department, Director-General.

**Mr Caltabiano:** Mr Chairman, I am sure we can find that answer before the close of this session.

**Ms PALASZCZUK:** Thank you, Director-General.

**Ms TRAD:** My first question is to Neil Scales. Mr Scales, I refer you to page 48 of the SDS, which states a patronage figure of 178.3 million trips for 2011-12. In December 2011 TransLink introduced a revised methodology for measuring historic train patronage which led to a more accurate patronage data calculation overall. I seek leave to table that correction.

**CHAIR:** Leave is granted.

**Ms TRAD:** Can you please confirm that the revised methodology was used in calculating the 2011-12 patronage figures?

**Mr Scales:** That would have been done before I actually joined TransLink. I would have to check that, but my belief is that it probably was. I can go away and check it and get you an answer before the end of this session. I only arrived in Queensland on 8 March and I took up my position on 12 March, so that was prior to me actually joining TransLink. But I will check it out and get back to you.

**Ms TRAD:** If you could clarify that, Mr Scales, that would be appreciated. But you do understand what I am talking about in relation to the different methodology used?

**Mr Scales:** Yes.

**Ms TRAD:** Thank you very much. We will come back to that. Minister, welcome to your first estimates as a minister. It has been 3½ months since the end of quarter 4, 2011-12. On Monday you quoted patronage figures in your media release from quarter 1 of this year. Why has the Q4 tracker, the first snapshot of public transport usage in your time as minister, not yet been released?

**Mr EMERSON:** I am a bit surprised by this question, I have to say, because I know that the member for South Brisbane is the shadow minister for transport. I know that the Leader of the Opposition, the former minister for transport, has now left the room, but she has admitted in interviews that she is doing a lot more work now than she was doing when she was a minister. I would have thought that the shadow minister for transport would be interested in her portfolio and would bother to read reports that come out. If she had bothered to read the TransLink annual report she would have seen that published. The report was not only published; it was also tabled in parliament. It not only contains the figures for the year but also details the figure for the fourth quarter.

What it did show, of course, was that, in the final year of the previous government, 178 million trips were taken in 2011-12. That was eight million fewer than the former transport minister, now Leader of the Opposition, said would occur. It also showed that it was the fourth year in a row in which the number of trips being taken on our public transport system fell—year after year after year after year—under Labor's failed policies. Under the failed policies of the now Leader of the Opposition as transport minister, public transport declined.

Going back to the question, the data that the shadow minister refers to has been published and was tabled in parliament. I would urge her to look at page 65 of the TransLink annual report. If she does, she will see quarter 4. I did interviews in the media about that TransLink annual report, and I would urge her to go to that.

In the most recent quarter—I am glad that the member for South Brisbane has referred to it—after year after year after year after year of decline in public transport usage under the previous Labor government, we saw finally an encouraging start: an increase of more than one per cent, of more than 600,000, in that first quarter of July, August and September. There is a lot more work to be done but, given we saw such an appalling record by Labor on public transport—year after year of decline—it is an encouraging start to see the number of trips being taken on public transport finally starting to increase, despite the abysmal record of Labor policies that drove people away from public transport year after year.

**CHAIR:** It is time to move on to the next block of questions. Minister, I understand that under the previous government the department installed 24 electric outlets in the car park at 313 Adelaide Street for the use of electric vehicles. Could you please advise the cost of this work and the number of electric or plug-in hybrid vehicles currently in the TMR fleet?

**Mr EMERSON:** I did note the earlier comments from the Leader of the Opposition, before she left, that it was very pertinent to talk about car park spaces in Transport and Main Roads, so I am pleased to hear that question from you, Mr Chairman. One of the extraordinary things I discovered when I became Minister for Transport and Main Roads was that the previous government had installed 24 electric sockets for electric cars at a cost of \$43,000 but, unfortunately, they purchased no electric cars and had no plans for electric cars. This is the kind of mad policy and waste of taxpayers' money that we see under Labor over and over again: you put in the sockets for electric cars, at a cost of \$43,000, but you do not bother actually getting electric cars to use those sockets. This is the kind of disgraceful behaviour—waste of taxpayers' money—we see from Labor over and over again.

As the Leader of the Opposition mentioned, at the last estimates hearing we were in reverse roles: she was the transport minister and I was the shadow minister. I pointed out then that while she was minister the previous Labor government lost 16 car park spaces. They could not find them. They were paying for them and they had lost them. Now we find that they installed electric plugs for electric

cars at a cost of \$43,000 but they did not bother getting electric cars to use those. It is the kind of waste you see from Labor across my department and across government. One of the challenges we faced on coming to government was to stop that kind of wasteful behaviour—behaviour we have seen from Labor over and over again, over many years.

**CHAIR:** I note that the TravelSmart program will not be proceeding. Minister, could you please advise the program's previous expenditure and if there had been any increases in public transport use while this program was operating?

**Mr EMERSON:** Thank you for raising a very important issue. The TravelSmart plan was put in place four years ago by the previous government. It was really a campaign of self-promotion. But over the four years it existed, every year public transport usage fell—year after year after year after year. Part of that self-promoting TravelSmart plan was the purchase by the previous government of 190,000 backpacks at a cost of more than \$750,000. Three-quarters of a million dollars was spent on backpacks as part of its TravelSmart campaign—a failed campaign designed to encourage people on to public transport. But all we saw from Labor was the numbers falling year after year after year. When I came into office I found 58,000 of the backpacks they had purchased hidden away, just sitting in warehouses.

What we have tried to do, very conscious of the waste we have seen from the previous government, is to distribute those—give away those backpacks to local charities, to local government, to the community groups. I can say that, as of this week, we have now disposed of all but 1,120 of those backpacks. Those last 1,120 backpacks are being distributed to the Heart Foundation; to Youth Outreach Service, which is part of the Salvation Army; to the Brisbane Homelessness Service Centre; to Volunteering Gold Coast; to Green Cross.

This is the kind of appalling situation we see: 58,000 of these backpacks. I think we have one here. Can the director-general pass that one over to me? This was their plan to get more people back on to public transport. For four years they put this out: \$750,000 of taxpayers' money and every year public transport fell. When we came into office, 58,000 of these backpacks were hidden away in a warehouse, rotting away, going nowhere. We have distributed these to charities, to local governments and to community groups to do something with them. But it shows the kind of waste and the failure of Labor on public transport. What an appalling record of Labor on public transport.

**CHAIR:** Thank you, minister. I call the member for Morayfield.

**Mr GRIMWADE:** Can the minister advise if he has reviewed the final costs of the new Queensland driver's licence program?

**Mr EMERSON:** I thank the member for Morayfield. The history of the new Queensland driver's licence is an extraordinary history. For those who have been in parliament for more than one term—and I think the chairman and the member for Woodridge would recall this—there was a damning Auditor-General's report into the new Queensland driver's licence. The Auditor-General found that when Labor did this policy it had no business case for the new Queensland driver's licence. They claimed at the time that it would not cost the state any additional money—no additional money. But because the Auditor-General found that, in fact, the business case was never done, they could never back that up. Queenslanders are paying more and more for their driver's licences.

Unfortunately, because of that, the decisions have been made on the new Queensland driver's licences. It is something that we have inherited and, to be very frank with you, we are stuck with. We are stuck with Labor's appalling decisions. Over 1.3 million of those licences using the new technology have now been delivered out of the existing 3.2 million existing customers. The reality is that, at project completion, the costs incurred on this project to implement the new licences were \$108.15 million capital and \$31 million operating—a total of \$139.44 million; almost \$140 million. These cumulative totals span a number of financial years. To reduce the total cost of the ownership of the licence solution, TMR is currently investigating scaling back the embedded smart card technology. But it is not going to be easy, because of what the previous government did, because of their bungling on the new Queensland driver's licence—something that the Auditor-General damned in his report on the government's performance on it.

The total debt funding for this project is \$88 million over three loans. The first two loans we pay off by June 2019. The third loan has its final redemption payment on 15 June 2037—25 years from now—before Labor's failed bungling implementation of the new driver's licence system is finally paid off. It will be a quarter of a century before we pay off the final loan from Labor's failed implementation of a new Queensland driver's licence.

**Mr GRANT:** Minister, could you please provide details of the voluntary separation program undertaken under the former minister in the 2011-12 financial year?

**Mr EMERSON:** I thank the member for Springwood and I am pleased to answer that question. Under the previous government, there were 818 voluntary redundancies paid out to Transport and Main Roads, including while the current Leader of the Opposition was the then transport minister. There were 818 voluntary redundancies paid out at a cost of \$90 million. It cost taxpayers \$90 million for those voluntary redundancies. But at the end of that process of 818 voluntary redundancies, there were 100

more people in the department than when we started. So for 818 voluntary redundancies paid out at a cost to taxpayers of \$90 million there were 100 more people in the department than when we started. That was how much the previous government took their eye off the ball, how much the previous transport minister—now Leader of the Opposition—took her eye off the ball.

To have a situation where you pay out \$90 million for voluntary redundancies and at the end of that process there are 100 more people in the department than when we started indicates the appalling situation that we inherited from Labor—the appalling situation across the entire range of government but also in Transport and Main Roads. We have had to look at how we can deliver the best way we can with the fiscal mismanagement and waste and failures of Labor during its time in office while the Leader of the Opposition was transport minister and to see that situation of more people being in the department after 818 voluntary redundancies were paid out, of \$90 million of taxpayers' funds.

**CHAIR:** I will move to the member for Brisbane south.

**Ms TRAD:** South Brisbane. Mr Scales, have you got that advice yet in relation to the methodology? Great.

**Mr Scales:** The methodology was corrected to take into account duplications from a multiplier effect on periodical tickets, the duplication of reseller patronage data and special event data counts. It was reset on the basis that we probably were overcounting at that point in time.

**Ms TRAD:** So just to be clear, the figures that are represented for 2011-12 have been calculated using the new methodology.

**Mr Scales:** Yes.

**Ms TRAD:** That is right?

**Mr Scales:** Correct.

**Ms TRAD:** Okay. So you have taken out all the assumptions through periodic ticketing.

**Mr Scales:** Yes, and I think this was in our TransLink patronage correction, which would have been part of our annual report in December 2011. There is a very comprehensive correction sheet there, which I can pass to the—

**Ms TRAD:** No, I have tabled that, Mr Scales.

**Mr Scales:** Thank you.

**Ms TRAD:** I draw your attention to the SDS where patronage figures for the corrected trips are not the same as they were in the published correction fact sheet that was distributed late last year. Why is that, Mr Scales?

**Mr Scales:** I have no idea, sorry.

**Ms TRAD:** Okay. So in this correction sheet, which you refer to—

**Mr Scales:** Yes.

**Ms TRAD:** Yes? Patronage figures, particularly for train trips—that is what we are talking about—was reduced from the assumptive model.

**Mr Scales:** Yes.

**Ms TRAD:** From 55.1 million to 51 million. That is correct?

**Mr Scales:** Correct. That is the adjusted figure.

**Ms TRAD:** That is correct. So, in fact, the 2011-12 figures that are represented in the SDS have four million more trips.

**Mr Scales:** I would have to check that.

**Ms TRAD:** Could you check that, please, and get back early?

**Mr Scales:** Yes, of course.

**Ms TRAD:** Minister—

**Mr EMERSON:** Excuse me—

**Ms TRAD:** No, hold on. I am happy with that response.

**Mr EMERSON:** I just want to respond to one question that I think the Leader of the Opposition was asking to the director-general.

**Ms TRAD:** He can answer it at the end of my block, thank you very much.

**CHAIR:** Hang on. Director-general?

**Mr Caltabiano:** The member previously asked for the number of car parks in the CBD that were assigned to AO8 officers in the department and the answer to that question is 18.

**CHAIR:** Thank you, director-general. Member for South Brisbane.

**Ms TRAD:** Thank you very much, Mr Chair. Thank you for your response to my previous answer regarding quarter 4. The figures that are in the annual report for TransLink are not comprehensive figures. I put it to you, minister, that in the actual quarterly report that is published by TransLink there are a whole range of measures that are represented that the public can refer to, including customer satisfaction et cetera. This report has not been put on the website. It has not been made publicly available. Every other quarter for the last year has and the first quarter for this year has. Why are you hiding the fourth quarter? I seek leave to table a snapshot of the TransLink website which does not have the report. Minister. What are you hiding?

**CHAIR:** Leave granted.

**Ms TRAD:** You are not going to answer?

**Mr EMERSON:** The question the member for South Brisbane asked is why have we not published the quarter 4 results. That question was very clear. In fact, she claimed in her question that we had not published it. I made it very clear that, if she did her job properly, bothered to read the TransLink annual report—you would think that as the shadow minister for transport she would bother to read the TransLink annual report; I can only assume from the comments that she has made that she did not to read the TransLink annual report, or maybe she only looks at the glossy front page and the first couple of pages and does not get to page 65. But I would have thought that any hardworking transport shadow would have looked through the TransLink annual report. It is a pretty significant document. It is a pretty significant part, I would have assumed, of the member's shadow portfolio. But obviously—

**Ms TRAD:** Okay, we are not going to get a straight answer from you, minister. It is clear that you are—

**CHAIR:** Order! The minister is answering the question.

**Ms TRAD:** He is not. With all due respect, he is not. He is filibustering.

**Mr EMERSON:** I answered the question she asked. Her question was, why had not we published it. As I pointed out—and I point out again to the member for South Brisbane—if she bothered to read the TransLink annual report, which we published and which was tabled in parliament, she would have been aware that the Q 4 figure was contained in that document. If she had bothered to read the document—

**Ms TRAD:** Minister, we are talking about one page compared to 20. Minister, you have not published quarter 4 figures. What are you hiding?

**CHAIR:** Order. Let the minister finish and then you can have another go.

**Mr EMERSON:** As I said, Mr Chair, again, the member for South Brisbane is wrong. We have published those figures. Not only were they published; they were tabled in parliament. I suspect that those people who are interested in public transport, who are interested in improving public transport, who are interested in getting an increase in patronage, would have looked at those figures with interest. Can I say that when it was published and when it was tabled in parliament I did several interviews with the media, who were interested in transport, about those figures—about the figures contained in the TransLink annual report. Clearly, the member for South Brisbane was not interested in public transport, was not interested in seeing the figures. But to be honest, I am not surprised given Labor's record of declines in public transport every year for the last four years, given that in the budget estimates hearing last year, when Labor was in power, their budget claimed that there would be 186 million trips being taken in 2011-12 and there were 178 million as a reality—eight million fewer than what Labor forecast would happen. I can only assume that either the member for South Brisbane was too lazy or too embarrassed to read the TransLink annual report, which detailed Labor's failure on public transport.

**Ms TRAD:** Minister, I get back to my point about quarter 4. TransLink publishes a 20-page report at the end of every quarter detailing all of the factors contributing to public transport and consumer satisfaction. I seek leave to table that.

**CHAIR:** Leave granted.

**Ms TRAD:** What you are referring to in the annual report is one page. So, Minister, you can only be hiding something. Let us get back to your rationale or your discussion around patronage which you so eloquently ended your previous answer on. I refer you to page 48 of the SDS. On page 48 of the SDS rail patronage sits at 55.1 million trips. We know from the corrected figure, which Mr Scales has confirmed, that this is not accurate. A correction was put out late last year and that figure should be 51 million. Minister, why do the figures not add up?

**Mr EMERSON:** Can I thank the member for South Brisbane. I will get on to the second part of her question, but let me refer to the first part of her question again. She was wrong. She has been caught out claiming that the Q4 figure was not published. It was published. It was tabled in parliament. She should do her work and not be a lazy shadow transport minister.

**Ms TRAD:** It is absorbed in the annual report in a truncated form. You have not published all of the data and all of the information and that is a fact, Minister. When will it go up on the website?



**Mr EMERSON:** I guess that most people would now be asking the question: did the shadow minister for transport actually bother to read the TransLink annual report?

**Ms TRAD:** Minister, why have you fudged the figures?

**CHAIR:** Order! Let the minister finish.

**Mr EMERSON:** Because it seems to me, and I think it would be very clear, that the shadow transport minister has not and did not bother to read the TransLink annual report, a significant document in the Transport and Main Roads portfolio.

**Ms TRAD:** Minister, get on to fudging the figures at page 48 of your SDS.

**CHAIR:** Order. The minister is answering the question.

**Mr EMERSON:** Again let me make the point that if she bothered to read the TransLink annual report she would have seen the Q4 figures. Obviously she was not aware that they had been published because she could not be bothered to read the TransLink annual report.

**Ms TRAD:** Obviously you are not going to publish Q4.

**Mr EMERSON:** In terms of the second part of the question from the member for South Brisbane, and I know the member for South Brisbane has not been in parliament very long and was not here in parliament last time, she was involved in running that despicable campaign by Labor from Peel Street, but if she had bothered to be in parliament and focused on public transport in the previous parliament, she would have known that the then transport minister, now Leader of the Opposition, ordered TransLink to change the methodology that had been used every year, year after year, year after year, to give accurate reliable figures on public transport usage. A panic-stricken Labor Party, seeing the numbers continuing to fall on public transport usage, ordered a change to the methodology to try to hide—

**Ms TRAD:** I think it was you who ordered the change to the figures, Minister. You know well that the transfer to the smart cards actually means better reporting.

**Mr EMERSON:** Mr Chair, can I finish my answer, please?

**CHAIR:** Order! Let the minister finish.

**Mr EMERSON:** I know that the member for South Brisbane does not like to hear the truth, but I will explain it to her again because she was not here. Year after year a certain methodology was used to give accurate, reliable figures in terms of public transport usage. In the dying days—

**Ms TRAD:** Which methodology is used for 2012-13?

**CHAIR:** Order! The minister is coming to that. The minister is explaining it.

**Ms TRAD:** No, he is not. He is filibustering, with all due respect, Chair. So, what methodology—

**CHAIR:** Order! Minister?

**Mr EMERSON:** Thank you, Mr Chair. Year after year the methodology was used by the previous government through TransLink to accurately, reliably indicate usage on public transport.

**Ms TRAD:** Which one is used for the target estimates?

**Mr EMERSON:** The reality is that what happened was that in the dying days of the previous government, embarrassed by the fact that public transport usage was falling year after year after year, they ordered a change to the methodology to make their figures look better. Instead of being able to compare it to what had happened the previous year, they changed the methodology to make the appalling record of the Leader of the Opposition look better when she was transport minister. In fact, at the time this was reported. If the shadow minister for transport had been interested in public transport she would recall that this was reported at the time that they had fiddled and conned the numbers to try to make it look better. That is the reality of what Labor tried to do. When we came in I asked the department to make sure that figures that I was being presented with were based on the original methodology, that I was not interested in the fiddle done by Labor on public transport usage.

**Ms TRAD:** We know who is fiddling.

**Mr EMERSON:** I was interested in making sure that we had accurate figures so that we could see the accuracy of figures over an extended period of time. I know and I can understand why the Leader of the Opposition, the former transport minister, and the shadow minister for transport are ashamed of Labor's record on public transport. It has been an appalling record. Their only policy was to drive people away from public transport.

**CHAIR:** Thank you, Minister. I call the member for Mount Ommaney.

**Mrs SMITH:** Thank you, Mr Chair. We recently saw two different park and rides open in Brisbane, one in Jindalee—my electorate—and the other one in Carindale. Could the minister please provide details on the varying costs of these facilities?

**Mr EMERSON:** Thank you, member for Mount Ommaney. I am very happy to talk about park and ride. It is interesting because park and ride was one of those issues that was raised with me repeatedly when I was the shadow minister for transport. We looked at the issue of what Labor's policy was on park and rides. As you would be aware, the previous Labor government had an ideologically driven policy of banning any new or additional park and ride spaces within 10 kilometres of the city. When I first came in in 2009 as a backbencher, I remember seeing this situation, particularly with the \$28 million that was spent on upgrading the Indooroopilly train station in my electorate where, in fact, park and ride spaces—there were just a couple—were actually taken away as part of that process because it was within 10 kilometres of the city. In fact, instead of park and ride, what we got throughout the streets around Indooroopilly station was what I call park and hide. People were parking their vehicles throughout suburban streets, parking up residential streets so that local residents could not find a space at all because of this failed policy, this ban on park and ride within 10 kilometres of the city.

One of the things we announced during the election campaign, and which we brought in, was dumping that ban on park and ride within 10 kilometres of the city. I concede that it is a challenge to retrofit stations with park and ride. It is a very costly process. Of course, it has been made much more costly by the fact that the previous government's ban meant that when new facilities were put in within 10 kilometres of the city the previous government did not put park and ride spaces in as part of that ideological ban. However, it is interesting to see that one park and ride that we have put in is the one at Carindale. As you would know, member for Mount Ommaney, because we spoke about this quite often during the election campaign, there has also been a park and ride that started and completed in your electorate at Jindalee. It is extraordinary to see the difference between the cost for us to put a park and ride in at Carindale and the cost to put a park and ride in in your electorate of Jindalee. I know you have been out to that park and ride and you have looked around, and I am sure there are people using it who are pleased to be able to use that park and ride. I have no doubt it could have been better, but you are working with what you have got and you are a strong supporter of your local community.

The cost for the park and ride at Carindale was \$680,000. This provided 256 marked and 65 unmarked car park spaces. So, more than 300 car park spaces at the Carindale park and ride that the LNP government put in for a cost of \$680,000. The contrast is that the Jindalee park and ride that the Labor Party planned and constructed caters for 63 car park spaces compared with the more than 300 at the Carindale park and ride. While the more than 300 car park spaces at the Carindale park and ride cost \$680,000, the Jindalee park and ride, with just 63, cost \$3.25 million. So, \$3.25 million for Labor's park and ride for 63 spaces, \$680,000 for the LNP's park and ride with more than 300 car park spaces.

It is extraordinary and just another example of the waste we see from Labor over and over again. As they try to do infrastructure they have no interest in ensuring they are getting the best value for taxpayers' dollars. I know that those using the member's park and ride will welcome it. You have been out there. But I think any sensible Queenslander will look at those contrasting figures: more than \$3 million for 63 car park spaces under Labor and just \$680,000 for more than 300 car park spaces at a park and ride under the LNP. The contrast is stark and it just underlines the failure of Labor to deliver projects and infrastructure in a cost effective way to make sure that we are using taxpayers' dollars efficiently and effectively to get the best results for Queenslanders and local communities.

**CHAIR:** Thank you, Minister. I call the member for Algester.

**Mr SHORTEN:** Minister, it has been revealed that under the former government, Queensland Rail employees charged their credit cards for items such as coats, a scarf and Trent Nathan travel goods. Can the minister please advise what action the government has taken to reduce consumable expenses in Queensland Rail?

**Mr EMERSON:** Thank you, member for Algester. Queensland Rail has been of concern to me. I know there are many people in Queensland Rail doing a very good job and working hard. What concerns me is the leadership we saw from the Leader of the Opposition when she was transport minister and had control of Queensland Rail. It was a situation where we saw a massive blow-out in corporate expenses, in finance and in marketing areas over two years. I appreciate the Leader of the Opposition was only transport minister for one of those years. In parliament when we raised this she well and truly put the blame on her predecessor Rachel Nolan, the former member for Ipswich. I think the Leader of the Opposition should have the courage to accept that part of this would have been under her term as transport minister.

I have given very clear instructions to Queensland Rail that those kinds of massive expenses, an increase of between 60 and 120 per cent in those areas of corporate, marketing and finance over just two years, is unacceptable and they need to focus on making sure there are savings in those areas. We also saw, as you have just indicated, situations where items were purchased using Queensland Rail credit cards which I think were unacceptable.

[Mr Emerson continuing](#)

There are sensible things that need to be done, but I think most people in the community would think that Queensland Rail credit cards being used to purchase coats, a scarf and Trent Nathan travel goods is not acceptable, it is not sensible and it is not appropriate. Therefore, we have given very clear instructions to Queensland Rail that, during the 2012-13 financial year, it will reduce consumable costs by more than \$42 million. We have asked them, directed them, told them and urged them to make sure they understand very clearly that purchasing Trent Nathan travel goods, coats and scarves is not acceptable to the Queensland public. We have asked them and told them to reduce their consumable costs by more than \$40 million in the current financial year.

**Mr RUTHENBERG:** Minister, will you please advise on Queensland Rail's head office staff increases that occurred under the previous government and outline the actions being taken to reform the organisation on front-line services?

**Mr EMERSON:** I appreciate that question. I know the member is interested particularly in public transport. During the election campaign we campaigned at train stations in your electorate to make sure we got a better result for public transport in the south-east corner. We are working together to try to get a better result.

As I indicated in my previous answer, one of the things that concerned me when I came into this job as transport minister was to see the extraordinary growth in certain areas of Queensland Rail expenditure, particularly in the areas of communications and marketing, strategy, and corporate and head office. There were remarkable increases. I have mentioned a few figures, but I would like to give you some specific numbers because your question relates to that specifically.

In the communication, stakeholder and marketing section, over the two years from July 2010 to June 2012, we saw an extraordinary increase of 68 per cent—over just two years. In strategy, in corporate services, for Queensland Rail there was a 66 per cent increase in just two years. In the finance section of Queensland Rail, there was an increase of 122 per cent over just two years in those areas. Those are extraordinary increases. One of the things I said to Queensland Rail was that those kinds of massive increases are unacceptable. I have directed them to find savings in those areas, those corporate and head office areas.

I am pleased to say that since I have come into the office of the Minister for Transport, Queensland Rail has introduced several measures to drive down those costs and the numbers in those areas. They have reduced staff across non-front-line services through a recruitment freeze, natural attrition and decreasing executive and general manager positions. In fact, they have decreased executive and general manager numbers from 77 to 27, that is, 77 to 27. I make the point that, while Queensland Rail in fact is a smaller organisation than Transport and Main Roads, when I came in they had about three times as many general manager levels and CEO levels than did Transport and Main Roads. They had three times as many, even though they were a smaller organisation. I am pleased to say that Queensland Rail has been working hard to try to reduce those numbers. To go from 77 to 27 executive and general manager positions I think indicates what we have done.

**Ms TRAD:** Minister, I refer you to page 78 of Budget Paper No. 4 regarding the so-called reform of the taxi subsidy scheme. I also refer to your answer to non-government question on notice No. 11. Minister, regarding one of your government's approaches to governing, which is restoring accountability in government, you said in your media release at the time that you back flipped on the taxi subsidy scheme cap that you had a 2011 report that outlined a 98 per cent increase in the scheme's membership. Will you table that report for the benefit of the estimates committee?

**Mr EMERSON:** I would have to get advice on that to be honest, because the report was done under the previous minister. I am not sure. It was a March report. I can tell you that it was finalised in March 2011. It was a taxi subsidy scheme evaluation report. If I recall correctly, the Leader of the Opposition became transport minister in February 2011. That report was finalised in March 2011, so the month after she became the transport minister. I would encourage the member for South Brisbane to ask her leader. She should have the report as she was the transport minister.

**Ms TRAD:** Minister, that is hardly being accountable and transparent. You are referring to this report when you are messing around with people's lives. As the minister responsible and as the person making this decision, it is incumbent upon you to furnish this committee and the people of Queensland, particularly those using the taxi subsidy scheme, with the report to which you are referring, which is the basis for you to abolish the cap. Will you provide it, Minister?

**Mr EMERSON:** It is an extraordinary situation we see here, where we have now a member of the opposition demanding that I release a report done by the previous government, done by her leader in March, when we have gone through this struggle to get the Leader of the Opposition to produce the health payroll report. She has refused over and over again to produce that report. Here we have the member for South Brisbane demanding we release a report done while her leader was the minister for transport, which I assume—assume—that the Leader of the Opposition when transport minister did—

**Ms TRAD:** I take that as a no, you will not release the report, the same way you will not release quarter 4. I put it to you that it had nothing to do with an internal report; it had everything to do with this

petition from 5,000 Queenslanders who want the scheme to be maintained. Minister, isn't this the real reason you backflipped on the cap, not a secret report that you will not reveal to the people of Queensland? I seek leave to table the petition.

**CHAIR:** Is leave granted? Leave is granted.

**Mr EMERSON:** As I said, the report is hardly secret since—

**Ms TRAD:** Then reveal it. Make it public, Minister. It is easy.

**Mr EMERSON:** As I said, the report is hardly secret. It was a report commissioned, produced and, hopefully, read by the now Leader of the Opposition when she was the transport minister. It was produced while the Leader of the Opposition was the transport minister. It concerns me that the Leader of the Opposition has refused to provide the report to the member for South Brisbane, or maybe she did not read the report. Today we heard clear evidence that the now shadow minister for transport does not bother to read reports. She does not bother to read the TransLink annual report. One hopes that while the Leader of the Opposition was transport minister, she bothered to read reports. I know she said in an interview in the *Brisbane Times* that she is working a lot harder now than she did when she was transport minister.

**Ms TRAD:** Chair, I go to the issue of relevance. It is a very simple question: will he make the report public or not, Mr Chair?

**CHAIR:** The minister is answering the question.

**Ms TRAD:** So the answer is no and I will go on to my next question.

**Mr EMERSON:** Can I finish answering the question please, Mr Chair?

**CHAIR:** Order! Let the minister wind up.

**Ms TRAD:** Please.

**Mr EMERSON:** As I said, I would have thought that the member for South Brisbane would have turned to her colleague and asked for the report and confirmed that the report exists. The reality is that the report was commissioned by the previous government and it was finalised in March 2011. The report indicated there had been a 98 per cent increase in membership in the travel subsidy scheme. After discussions with the Premier and with my colleague the Minister for Community Safety, I decided we needed to have a review of that scheme. As part of that review process, we discovered the report done by the previous government, done by the previous transport minister and now the Leader of the Opposition, was wrong. In fact, rather than just hiding from that, I went out there publicly. I went on ABC Radio, on Steve Austin's program, and said, 'I went on your program previously and mentioned this figure of 98 per cent. That figure is wrong.' I corrected the record. Rather than hiding from it, I went out and corrected the—

**Ms TRAD:** Minister, you are the one who is hiding the report now. You are hiding the report. Make public the correction. Make public the report that you issued.

**Mr EMERSON:** As I just said, I have corrected the report.

**Ms TRAD:** You have corrected it, but release the report, Minister.

**Mr EMERSON:** Thank you, member for South Brisbane, that is right: I have corrected the record. Why doesn't the member for South Brisbane just ask her colleague, the Leader of the Opposition for the report.

**Ms TRAD:** You are the minister and you are making the decision. Release the information on which you are making this decision. It is easy, minister.

**CHAIR:** Order! Does the member want to ask another question?

**Ms TRAD:** Yes, I do. I will refer this question to the director-general. Mr Caltabiano, in relation to maritime safety, and I refer to SDS page 18, can you confirm that the reason for scrapping the measuring of compliance actions taken for maritime breaches is because there is an intention to scrap the whole division?

**Mr Caltabiano:** There is no intention to scrap Maritime Safety Queensland.

**Ms TRAD:** So it will remain a division within the department?

**Mr Caltabiano:** No, there is no division called Maritime Safety Queensland in the Department of Transport. The Department of Transport has a division called the Customer Services, Safety and Regulation Division and Maritime Safety Queensland fits as a branch within that division.

**Ms TRAD:** So the branch will be maintained?

**Mr Caltabiano:** Maritime Safety Queensland will be a permanent fixture of the Department of Transport and Main Roads. They fulfil an incredibly important role in the delivery of maritime services across the state.

**Ms TRAD:** Minister, in relation to the Gladstone Harbour and particularly in relation to the dredging of the second channel, can you confirm your intention to keep the Gladstone Port Authority under public ownership or will it be privatised under the stewardship of LNP mate Chairman Mark Brodie?

**Mr EMERSON:** We have made it very clear that we have no plans to privatise or sell off assets. If we do get plans to sell off assets, we will take it to an election. We will seek a mandate from Queenslanders and do exactly what Labor did not do. We will not hide behind cabinet confidentiality in terms of reports—

**Ms TRAD:** Unless they are government buildings.

**Mr EMERSON:**—because everyone knows that they discussed it in cabinet before the election, but they have ever been willing to reveal those documents. Everyone knows that they discussed it before the 2009 election and months after the election they announced massive asset sales. They misled; they conned voters. Voters recognised that they had been misled by Labor. Labor would not tell them the truth. Labor never tells the truth. Deceit is part of its DNA. The fact is that Labor had plans to sell off assets before the 2009 election, but kept them secret and refused to let them be known before the election. After the election, it revealed the plans. The LNP said before the election in 2012 and the LNP has said since the election in 2012 that we have no plans for asset sales, but if we did we would take it to an election and seek a mandate from the people of Queensland.

**Ms TRAD:** Unless they are government buildings.

**Mrs SMITH:** Minister, firstly, I commend the government on delivering infrastructure to drive economic growth and deliver services for the great state of Queensland. Minister, I have a two-part question. I refer to page 102 of the capital statement regarding \$4.915 billion for investment to infrastructure. Firstly, can you inform the committee of the amount of road funding that is provided to South-East Queensland in the 2012-13 budget? Secondly, locally and in and around the western corridor, how much money is invested in our roads and traffic network in this budget?

**Mr EMERSON:** Thank you member for Mount Ommaney. In terms of our roads spending we worked very hard to make sure we have a strong commitment to Queensland's roads even given the very challenging and very difficult financial situation we inherited from the previous government. The reality is that in terms of our spending contained in our budget for this year there will be \$4.4 billion of spending on roads. That is up from what the previous government allocated for this year.

We should look at what the previous government was going to do and what we will be doing in the three overlapping years. We see that QTRIP will deliver more than \$1 billion of projects, and that is more than what was going to be delivered under the previous government. That shows a significant commitment, particularly in terms of roads.

One of the issues, and I know it does not run through the member's area but it is of concern to all members of parliament, at least on the LNP side, is the Bruce Highway. I was very fortunate the other week to have the opportunity to travel up the Bruce Highway in Warren Woods's B-double from Brisbane to Rockhampton to get a perspective of the issues that truck drivers are facing and also to look at the Bruce Highway.

I understand that I am the first transport minister to take that trip in a truck for many, many years. To the best of my knowledge, I understand that the Leader of the Opposition never took that journey up the Bruce with the industry. Her predecessor never did it. The advice I received was that the minister before that did not do it either. In fact, the last minister to take that trip up the Bruce Highway in a truck was the Paul Lucas when he was transport and main roads minister. The strange thing about that journey was that he did it during the night. He did not bother doing it during the day when people could actually see him on the road and he could talk to locals and talk to the media about the issues on the Bruce Highway. Apparently it started late afternoon and he got up to Rocky sometime in the evening. Under the cover of darkness he did the journey. I do not know why he would have done it at night and why he was hiding.

The LNP has very much put the Bruce Highway front and centre. We have our election promise as well that there will be a billion dollars in additional funding over the next decade as long as the federal government puts money forward.

Specifically with regard to the member's question regarding funding in the south-east corner, I might pass to the director-general to give you that exact figure.

**Mr Caltabiano:** Funding for South-East Queensland in 2012-13, excluding the TNRP, which is the national disaster program, is \$2.492 billion.

**Mrs SMITH:** Minister, the government is committed to school and student road safety. I refer to page 103 of the capital statement and the program highlights capital grants section regarding the installation of school zone safety signs. Can you detail the \$1.5 million investment as part of the \$7.5 million capital grant commitment over four years for the installation of school zone safety signs to improve the visibility of the speed limit signs in school zones?

**Mr EMERSON:** Thank you member for Mount Ommaney. I know that this is a policy that you were very enthusiastic about when you were campaigning for the seat of Mount Ommaney. I know that this is a policy that was warmly welcomed across Queensland by all those parents with school children who travel to and from school every day.

Our policy was very clear. Over four years we will be introducing 300 flashing school lights at school zones across Queensland. I was very pleased to announce the first 15 last month. They are the first 15 of 75 to be rolled out in this financial year. The first 15 will be in place by the beginning of the next school term. But there will be 300 installed across Queensland as part of our election promise.

What is extraordinary for me is to hear the nay-saying from the Labor Party about that policy and the decision to start rolling out school flashing lights. Labor had 14 years to do it and only belatedly, towards the death knell of their government and after we announced our policy, came out with a policy that basically said that they would bring out some lights. They had 14 years to do it. Apart from some trial sites, did they put any out? No, they put none out.

I saw some comments from Labor members about how the lights that they were going to put out will not be put in. Again, they got it wrong. They could not be bothered to read the budget. They could not be bothered to read the second paragraph of a press release. The ones that Labor promised will be installed, but we are going to do ours as well. We are going to do more and more. We are going to do what Labor failed to do for 14 years. We are going to implement our policy but we will do what they promised to do but never delivered.

The Newman government will deliver on this policy and I know that it is warmly welcomed by all LNP members. I would have thought and I would have hoped—and I think most sensible Queenslanders out there would have hoped—that the ALP members would have welcomed and supported this policy.

**Ms TRAD:** Mr Scales, can I ask if you have an explanation for why the figures do not match?

**Mr Scales:** The SDS at page 48 has the 2011-12 target and estimate figures at 55.1 million for rail patronage. The actual was 52.8. Then it shows a forward target for 2012-13 of 52.5 million passenger journeys. That is using the new methodology. The TransLink website does have a copy of our annual report. At page 105 of that annual report that is where the figures are. Going back to the train patronage correction that was tabled earlier, it actually ends the year before the SDS so that is why there is a difference.

**Ms TRAD:** But Mr Scales, with all due respect, the 55.1 is using the old methodology. We have established that the old methodology had a number of assumptions in its calculation which meant that there was an inflated patronage figure at the end of the day. The figure of 52.5 which is the target estimate is actually using the new methodology which is far more accurate, is that right, Mr Scales?

**Mr Scales:** It uses go card—

**Ms TRAD:** Actual data.

**Mr Scales:** Yes.

**Ms TRAD:** As paper ticketing finalises—as all of the periodic ticketing, paper ticketing et cetera expires—and we move to the smart card option we will actually have accurate data.

**Mr Scales:** That is true.

**Ms TRAD:** But we have used the inaccurate methodology—

**CHAIR:** Please let Mr Scales finish his answer.

**Mr Scales:** The correction was made the year before. What we have in the SDS performance statement is the actual target. It is not the actuals. The actuals were 52.8. The target was 55.1 using the new methodology. So we did not actually meet those targets. In 2011-12 the actual was 52.8. That is actually reported in the TransLink annual report. The reason we did not produce lots of copies was that it was too expensive so we put it on our website.

**Ms TRAD:** Using the accurate data collection—what did we say it was; it was 51.5, was it?

**Mr Scales:** Yes.

**Ms TRAD:** In the correction.

**Mr Scales:** It was 51, but that was for 2010-11 which is the previous year. That is in the document.

**Ms TRAD:** What was the accurate figure for 2011-12?

**Mr Scales:** For 2011-12 the accurate figure was 52.8 as reported in—

**Ms TRAD:** So 51 to 52 tells me that there is an increase in patronage not a decrease.

**Mr Scales:** 52.8 is the actual.

**Ms TRAD:** So the year before it was 51 and last year it was 52. That is actually an increase in patronage, is it not?

**Mr Scales:** It is if those figures are right.

**Ms TRAD:** So what we have is accurate train patronage figures depicting an increase in patronage using accurate data collection methods?

**Mr Scales:** I can see where you are going with it. But we did not actually meet the target by about four million. It actually went down.

**Ms TRAD:** I understand. But the target was based on the old methodology?

**Mr Scales:** I think that target was based on what we expected the new methodology to reveal.

**Ms TRAD:** Right, but then there was a subsequent correction.

**CHAIR:** Let Mr Scales finish his answer.

**Mr Scales:** We corrected it to take all the paper ticketing out. We used much more accurate data. But the correction document that you tabled was for the previous financial year.

**Ms TRAD:** So rather than this being an elaborate con, which has been suggested by others, it has actually been the way that most smart cards have been going in terms of data collection. I seek leave to table the BTS information sheet published by the New South Wales government, which I understand is a conservative government. They too have moved to make corrections to patronage figures based on a more accurate data collection methodology.

**CHAIR:** Is leave granted for the tabling? There being no objection, it is so ordered.

**Ms TRAD:** So given that we now have a more accurate ability to assess and measure patronage on public transport using the smart card?

**Mr Scales:** Yes.

**Ms TRAD:** And there has been an increase?

**Mr Scales:** No, the patronage is going down year on year.

**Ms TRAD:** We just had a chat before about—

**CHAIR:** Let Mr Scales finish his answer. You are talking over the top of him. Let Mr Scales finish his answer and then you can ask the next question.

**Mr Scales:** At the moment we have 90 per cent of all transactions on the trains being by smart cards. You are right, we have really accurate data. Despite everything we are doing, we are still losing overall patronage on the rail network.

**Ms TRAD:** But that is against a target. I am talking about the actuals.

**Mr Scales:** The actuals are going down.

**Ms TRAD:** We just had a conversation about 51 million going up to 52 million which is an increase. So the correction had 51 million and the actual had 52.

**Mr Scales:** That was for the previous financial year.

**Ms TRAD:** Yes, and the actual for the subsequent year was 52.8, as it is in the SDS?

**Mr Scales:** From a target of 55—

**Ms TRAD:** That is a target, Mr Scales. So the actual trend is up?

**Mr Scales:** I would beg to differ. I think the trend is down. The reason that we did not print lots of annual reports is that it is too expensive so we put it on our website.

**Ms TRAD:** I understand and that is where I did get it. It does actually have for 2010-11 51 million trips and for 2011-12 almost 53 million trips. The target estimate for the next year is 52.5. So we are actually aiming lower than the estimated actual for the previous year in terms of rail patronage?

**Mr Scales:** I have page 105 of our annual report in front of me. The target for 2011-12 was 55.1 and the actual was 52.8.

**CHAIR:** I call the minister.

**Mr EMERSON:** I am just following up some of the issues that the member for South Brisbane raised before we get to the break. I now accept that obviously the member for South Brisbane has been unable to get the report from the Leader of the Opposition into the taxi subsidy scheme. Had she asked for it she could have got it. She did not. I am quite happy to table parts of that report. For the benefit of the member for South Brisbane, I will give her the executive summary. It will not be overly taxing for her to read that. I refer to the fourth paragraph where it says—and the report was done on 8 March 2011; about a month after the Leader of the Opposition became transport minister—

TSS—

the taxi subsidy scheme—

membership has grown significantly, with a 98% increase in membership from 2006/07 to 2009/10.

For the sake of committee, I ask for this to be tabled.

**CHAIR:** Is leave granted for the tabling of the document? There being no objection, it is so ordered. The committee will now take a break.

**Proceedings suspended from 10.30 am to 11.00 am**

**CHAIR:** Thank you, ladies and gentlemen. The estimates hearing for the Transport, Local Government and Infrastructure Committee is now resumed. I welcome back to the hearing the minister and his advisers. I call the member for Coomera.

**Mr CRANDON:** My questions are directed to Mr Jim Benstead, Acting Chief Executive Officer of Queensland Rail. They relate to some matters that have been brought to my attention in recent times and I would just like to flesh out some aspects of them. The question is really in three parts. The first aspect is: how many complaints of bullying have been made to QR each financial year for the last three financial years? The second aspect is: how many of those complaints have been settled by way of a monetary payment to the complainant? The third aspect is: what is the total quantum of such payments each financial year for the past three years?

**Mr Benstead:** I have the details of those three individual questions but I do not have the detail in front of me in relation to the answers. I will get that back to you before the end of this hearing.

**Mr CRANDON:** I seek leave to table the questions so that we have clarity on the actual terminology.

**CHAIR:** Yes. We will table that. Is leave granted? Leave is granted. I call the member for Morayfield.

**Mr GRIMWADE:** My question is to the minister. Can the minister please advise the committee how many people have benefited from freezing registration in Queensland?

**Mr EMERSON:** Thank you, member for Morayfield. As you would be aware, one of our key election promises as part of a raft of election promises to improve the cost of living for Queenslanders was to freeze family car registration for the first term of an LNP government. You have to put this into the context of where we came from under the previous government, because in the period from 2008 to 2012 we saw under Labor a 30 per cent increase in car registration fees—a 30 per cent increase. That was on top of that very clearly broken election promise not to scrap the fuel subsidy.

I can remember in the lead-up to the 2009 election the then Treasurer, Andrew Fraser, flatly denied that if Labor won the election in 2009 it would scrap the fuel subsidy. In fact the then Premier, Anna Bligh, claimed that she would not kick Queenslanders when they were down and get rid of that fuel subsidy. But of course as we saw in so many other areas when Labor won the election in 2009 in the weeks after that they scrapped the fuel subsidy, broke that election promise, along with, as we have already discussed, the remarkable increase in the cost of Queensland driver's licences, along with the increase in rego. That is why the RACQ concluded that Queensland was the most expensive place to own and run a motor vehicle in Australia.

So our election promise was very clear—that we would freeze the registration fee on family cars, and we have implemented that. So you will see 2.5 million family vehicles that are getting a benefit from that freeze in contrast to the situation they faced under Labor, member for Morayfield, where they saw a 30 per cent increase over the last four years before we came to office—a 30 per cent increase. This government keeps its election promises. We made a clear election promise to freeze the registration on family vehicles, and we have met that promise and implemented that promise.

**CHAIR:** I understand that your director-general has a statement to make.

**Mr Caltabiano:** Thank you, Mr Chairman. Earlier in answer to a question I said that the previous government had in the DLO positions two AO8s and four AO6s. In fact it was two AO8, two AO6 and two AO3 positions—same total but different categorisation at the bottom end.

**CHAIR:** Thank you, Director-General. I call the member for Algester.

**Mr SHORTEN:** Minister, can you provide an update on the plans to improve safety at the Beaudesert Road onramp to the Logan Motorway and provide an approximate time line for this most important safety upgrade?

**Mr EMERSON:** Thank you, member for Algester. I do appreciate that question because we are working across our network to try to improve safety. We focus on trying to improve safety across the board. In fact it is interesting because, while I know the Bruce Highway does not run through your area, I know you are very conscious of how important that road is for Queensland. That is why we made that massive commitment to the Bruce Highway of the extra \$1 billion in additional funds over the next decade as long as the federal government also provides additional funding for the Bruce Highway,



because the reality is that the RACQ says there will be 300 to 400 additional deaths if that highway is not fixed.

It is actually one of the most dangerous highways in Australia. So it is extraordinary when you think that the Labor Party and the shadow minister for main roads, who I note is not here today, has said in the *Cairns Post* on 20 April I recall that the state spending money on the Bruce Highway was 'misspending' of money on the Bruce Highway. I would think that was extraordinary. I would think that the member for Rockhampton would think that was extraordinary too—that the state should not be spending any money on the Bruce Highway because it is a national road.

I do not agree with that policy. I know that you do not and I know that every member of the LNP in parliament does not agree with that policy of not spending state money on the Bruce Highway. It is a national road and we have made our commitment to additional spending on the Bruce Highway as long as the federal government puts additional money into the Bruce Highway on top of what would be expected to be their base spending on that national road. It is no good for them to come out and say that this is part of their additional spending. They need to make sure they spend their base funding first and then put additional money in and then we will put our additional money in too.

In terms of your request for information on that specific road, we will get that information to you. We have not got it here at the moment but I am very happy to provide that for you.

**CHAIR:** Minister, I have a multiple question here. I refer to page 102 of Budget Paper No. 3 and the \$1.978 billion in capital recovery and reconstruction works on the road network in relation to the Warrego Highway. Can the department advise the total amount of funding spent so far to rehabilitate the highway and what funds are still to be expended? Also, while on that subject, in relation to the business case for the Toowoomba second range crossing, is the corridor of sufficient width to enable a second rail link crossing in the future?

**Mr EMERSON:** Thank you, Mr Chair. I might actually pass that question over to the director-general.

**Mr Caltabiano:** As you would be aware, the Warrego Highway, as an important link not only for the community but for the transport infrastructure servicing the south-west of the state, is having some major programs of upgrade in this QTRIP program. There is a \$56 million five-year program to upgrade the Warrego Highway between Roma and Mitchell to allow those type 2 roadtrains access to a breakdown pad six kilometres west of Roma. That is due for completion in 2014. The Warrego Highway west project is another \$5.042 million to complete the second stage of the Mitchell township rehabilitation—that is the bypass behind the Mitchell township following the Maranoa bridge reconstruction project, which is in the pipeline. So they are the projects on the Warrego Highway.

In relation to the Toowoomba second range crossing, you would be aware that there has been extensive work done by the department on that second range crossing to bring it from a business case of \$2.1 billion for delivery, which it was in March this year, back down to what we believe is a business case of between \$1.3 billion and \$1.6 billion for delivery. That project is currently with Projects Queensland for financial assessment on possible methods of funding to deliver the second range crossing. In relation explicitly to whether the corridor is wide enough to have a train line in it, no, it has not been designed to have a second range crossing rail link in it. It is a separate corridor alignment for the rail. The reason there is a separate corridor alignment is that the grade issues associated with rail and road are different. Therefore, we need a separate corridor for rail.

**CHAIR:** Thank you, Director-General. Minister, I refer to page 10 of the SDS in relation to transport safety and compliance activity. I have recently received information from a constituent that the use of a clip-on fabric road train sign resulted in a \$600 on-the-spot fine for the user and that only metal road train signs comply with regulations. Minister, why would it be inappropriate to use fabric signage if it is attached securely and follows the Australian New Zealand colour code standards and size?

**Mr EMERSON:** Thank you, Mr Chair. I do appreciate that question. I know you are a very strong advocate for the trucking industry in your area and across Queensland. It is a vital industry for this state. As I mentioned earlier, I was very privileged to jump in the B-double with Warren Woods from the QTA just the other week up and travel from Brisbane to Rockhampton—a very enjoyable trip. We were hauling beer from Banyo up to Rocky—kegs in the front of the A-trailer and cartons in the back. I renewed my love affair with ELO music. We had it cranked up high. I could not recall that they had quite that many hits, but Warren assured me and made sure I heard every one of them on that trip. We had a great trip and I got a great perspective of the trucking industry and how important that industry is but also some of the challenges they are facing. In fact this is one of the issues that came up in terms of that signage.

At the moment it is not legal, as you quite rightly say. But it is something we are looking at because as a government we are very keen always to listen to the industry and make sensible decisions. That was why it was important for me to take that journey up the Bruce Highway to get that perspective of the trucking industry. I met quite a few people in the industry on the way as we went up. Then we jumped in a car at Rocky the next day and drove out to Longreach and I saw a number of the

issues that were happening out there as well. I am aware of that issue that you raise. We are looking at that issue. We will make sure that we get back to you and the industry about that issue of concern to them.

**CHAIR:** I call the member for South Brisbane.

**Ms TRAD:** Can I also ask Jim Benstead a number of questions? I refer to page 40 of the annual report in the section 'Corporate Governance' and the reference to senior management appointments. I ask: how many appointments have been made at management level since 24 March? What positions have been appointed? Can you please provide a list or take it on notice, as I am asking for all the manager level positions, not just the executive leadership team?

**Mr Benstead:** For clarity, we are looking for general manager positions, executive general manager positions—

**Ms TRAD:** Yes.

**Mr Benstead:** Any other management positions? What are we looking for? I do not have the answers in front of me. I will have to take it on notice and get an answer to you by the end of today.

**Ms TRAD:** Any position in which management is a requisite part of their position description in Queensland Rail.

**Mr Benstead:** You are seeking additional positions or through natural attrition or through—

**Ms TRAD:** I am asking how many appointments have been made.

**Mr Benstead:** Additional appointments?

**Ms TRAD:** No. That would cover both attrition and addition since 24 March and what those positions are.

**Mr Benstead:** Mr Chairman, I do not have the details in front of me.

**Ms TRAD:** Obviously not and I am very happy for it to be taken on notice.

**Mr Benstead:** I will have to get that information and table it by the end of the hearing today.

**Ms TRAD:** The annual report also states that Queensland Rail is committed to ensuring that its systems, procedures and practices reflect the highest standard of corporate governance. Can you confirm to the committee that an open, competitive selection process has been used for the appointment of senior management positions within Queensland Rail?

**Mr Benstead:** We do ensure that for each of the senior management positions in Queensland Rail we have the right people. I think the minister mentioned that we are going through a change-out in our management team. A recent example is that a number of general management positions became redundant, and we opened those positions up to an expression of interest within the organisation to ensure that everybody had a chance to apply for those positions and we chose the best people for those positions.

**Ms TRAD:** So in that instance it was contained to internal applicants?

**Mr Benstead:** That is correct.

**Ms TRAD:** So my question is: are you running a competitive selection process for all appointments made to senior management positions in Queensland Rail?

**Mr Benstead:** We do go through a competitive process to ensure that we get the right people for those positions in Queensland Rail.

**Ms TRAD:** So that has been undertaken for all the positions that have been appointed since 24 March?

**Mr Benstead:** That is the standard that we use within Queensland Rail to ensure that is the case. We often have extraordinary applicants for positions, which makes the job a lot easier.

**Ms TRAD:** Okay. That does not really answer my question, Mr Benstead.

**Mr Benstead:** I am trying to answer the question as best I can, and that is we go through a process of ensuring that we assess each of the positions and ensure that we have the right person in those particular positions.

**Ms TRAD:** I understand that. So has there been an open selection process for all the positions?

**Mr Benstead:** I cannot recall where we have not had a fair process for ensuring that we get the right person in those positions.

**Ms TRAD:** Can I ask that you take on notice and detail for the benefit of the committee all of those positions that have been appointed in senior management roles since 24 March that have not had an open selection process?

**Mr Benstead:** I can take that on notice. As I said, I cannot recall any position where there was not a fair process.

**Ms TRAD:** Thank you. What process was run for appointing the new chairman of Queensland Rail?

**Mr Benstead:** Mr Chair, that is outside of my control. That is outside of my responsibility. That is a question that should be answered through the government of the day.

**Ms TRAD:** Thank you. Minister, what was the process used for appointing the new chair of Queensland Rail?

**Mr EMERSON:** I thank the member for South Brisbane for the question. The shareholding ministers made a consideration of a number of potential people for that position. As part of that process, the other shareholding minister—the Treasurer—and I reached the conclusion of the person that we recommended that went through cabinet and was approved by cabinet.

**Ms TRAD:** So there was not an open selection process, Minister?

**Mr EMERSON:** We do not advertise for chairmen; we appoint chairmen, but we looked at a number of people who had applied for board positions within the government. We went through the same process that occurred in previous governments including under the previous Labor government.

**Ms TRAD:** Minister, you went through the appointments. What was the skill set that you were looking for for the chair?

**Mr EMERSON:** What we are looking for, member for South Brisbane, was someone who could help us improve the results of Queensland Rail. Unfortunately, under the previous transport minister and now Leader of the Opposition in the last three months when she was transport minister we saw a three-year low in rail reliability. We saw a poor performance in terms of passenger numbers. One of the first things I did as minister was to order a report into rail reliability because of that appalling situation under the previous transport minister and now Leader of the Opposition where we saw a three-year low in terms of rail reliability.

What we are looking for, and what we continue to look for, is to ensure that we can do much better than under the previous Labor government, because the reality is that under the previous government rail reliability fell and patronage fell. The view amongst the public was that Queensland Rail was not performing as well as it should have been. We have already detailed at length—but I am happy to go through the figures again—that under Queensland Rail over the last two years we were seeing massive increases in corporate head office finance and marketing. What I wanted and what my fellow shareholding minister wanted was to make sure we could see Queensland Rail improving both financially and in terms of the service it provided for Queensland's public transport users. We have done that. In terms of applicants and potential candidates, we looked for a candidate that had hands-on experience in rail. We selected the chairman on that basis.

**Ms TRAD:** Was the chair known to you personally, Minister, before his appointment?

**Mr EMERSON:** No.

**Ms TRAD:** Minister, I refer to your independent audit of the reliability into Queensland Rail. Minister, who conducted this independent audit?

**Mr EMERSON:** The audit was done by Transport and Main Roads. We made very clear at the time that we were going to have Queensland Rail be separate from it. It was independent from Queensland Rail. But I am glad you have mentioned that audit, because I will go back again and detail why the audit was necessary. The audit was necessary because under the previous government and the previous transport minister—the now Leader of the Opposition—we saw a three-year low in terms of reliability. We saw two major faults occur in the system in February and March this year. So the audit conducted by Transport and Main Roads looked at what was happening, what caused those faults, a broader sense of how reliability had been going in Queensland Rail and what was needed to try to improve the reliability of Queensland Rail. Because the real challenge we face is trying to build confidence into the public transport system. We want to get confidence back amongst public transport users. The reality is those massive failures in February and March very much undermined the confidence the travelling public had in Queensland Rail.

So I ordered that audit of Queensland Rail to look at how we can improve that situation. That audit looked at a few things. As you know, on 28 February 2012 there was an incorrectly installed wedge clamp at the Roma Street Station precinct which failed, causing widespread disruption to morning peak services and services throughout the day. The clamp had been installed five years earlier. In reaction to that severe disruption of tens of thousands of passengers, the former Premier announced a fare-free day. This was during the election campaign, if you recall, when the government was in caretaker mode—when no major financial decisions should be made by a government without the agreement of the opposition. However, that failure occurred during the caretaker period and the government announced the day after a fare-free day without consulting the opposition. Neither the Leader of the Opposition nor I, as the shadow minister for transport, was consulted.

That fare-free day to pay for the failures of the previous government cost us \$2 million in lost fares. It was a decision made by the previous government in caretaker mode without any consultation with the opposition. It was a move, I would suggest, that was completely at odds with the traditions and the expectations that most sensible people would have about how a government should conduct itself in a caretaker mode. Instead, a panic stricken government that had failed year after year on public transport had a major failure and decided it would give \$2 million worth of free travel to public transport users during an election campaign.

**Mr RUTHENBERG:** Minister, can you please outline the government's plan to deliver for the Bruce Highway over the next four years? This is particularly pertinent given that my entire eastern border for my electorate is the Bruce Highway.

**Mr EMERSON:** I thank the member for the question. I know it is pertinent for you. I think we have seen that every member of the LNP is very enthusiastic about making sure we get the Bruce Highway fixed. I concede that it goes through your electorate and it is important for you, but I think any sensible Queenslander travelling on that highway or those just aware of that highway would want to make sure it is fixed.

The budget contains and details \$415 million worth of spending on the Bruce Highway. That covers both federal and state spending, but we have been very clear in terms of our commitment. It was an election commitment of an extra \$1 billion over the next decade to improve the Bruce Highway in additional funding on top of the base funding from the state government as long as the federal government puts in additional money for the Bruce Highway on top of its base funding. That has been very clear. I am urging the federal government and Minister Anthony Albanese, the Minister for Infrastructure and Transport, to recognise the importance of the Bruce Highway to Queensland and to come forward with that additional money on top of their base funding for the Bruce Highway.

As I have already mentioned—and they are disturbing figures, but I think they are worth mentioning again—the RACQ says that if we do not fix the Bruce Highway we will see between 300 and 400 people die on that highway over the next decade. One of the first things we announced when we came into office was a Bruce Highway Crisis Action Management Group. When I announced that in Townsville with the Premier on the Bruce Highway we said it was unashamedly a lobbying group to make sure the federal government does give us that money. As part of that process, we also set up a technical advisory group within my department to start prioritising and looking at what work needs to be done on the Bruce Highway. That has been looking at safety issues, capacity issues and flood mitigation issues. That work has been completed and we are now finalising that report for the Bruce Highway Crisis Action Management Group.

Again, I stress that we do need all Queenslanders to be out there pushing for the federal government to provide more money. It does concern me, as I have already mentioned, that the state Labor Party or at least its shadow minister for main roads has said in the media he thinks that the state spending money on the Bruce Highway is misspending of state money because it is a national road. I think it is extraordinary given that so many of his constituents use that road. I think it is extraordinary that I have not seen the member for Rockhampton condemn those comments, because I know so many of his members use the Bruce Highway and know how important it is to his electorate.

We feel the state does have a role to play in the Bruce Highway. It is a national road. The federal government should be expected to be doing the heavy lifting on the Bruce Highway, but unlike state Labor we think the state does have a role to play in the Bruce Highway. We have been working to make sure we have a plan in place. In this budget we had \$200 million set aside over the next four years for the Bruce Highway as part of that \$1 billion pledge. We have put the Bruce Highway front and centre as part of our budget and our commitment. Moving forward in terms of our election promises, we have put it front and centre. I urge Mr Albanese to get behind the Bruce Highway and I urge the Labor Party to condemn the comments by the member for Mulgrave, the shadow Minister for Main Roads, and get behind the Bruce Highway as well.

**Mr RUTHENBERG:** Minister, I have a follow-up question in relation to the technical advisory group. Could you give us a couple more comments on that in regard to the final outcome you are hoping for there? Also, are you aware of any brochures that were released by the previous government?

**Mr EMERSON:** The reality is that we saw endless brochures from the previous government. It was an extraordinary government for brochures, member for Kallangur. One of the most extraordinary ones I ever saw was their Connecting SEQ 2031 report—a report they put out that detailed an endless wish list of projects. I heard it described at the time as 'Conning SEQ 2031', and that was by someone who had obviously read through it. I have a copy of that report here, and it is quite a lengthy report. It is a very glossy, 146-page report with a very nice photo of the now Leader of the Opposition, then transport minister. She proudly put forth this report, Connecting SEQ 2031, or, as I said, 'Conning SEQ 2031'.

I use those words very specifically because the report detailed endlessly projects that Queensland deserved—and many of them were worthy projects—and it made you think that the government was going to deliver a certain project on a certain day and that it would cost X amount of

dollars. That was until you got to about page 138. Until then, you thought, 'Yes, we have a chance. The communities out there have a chance to see some of these projects delivered.' Finally, on page 138, the report started to detail what the accumulative cost of all these projects might be. It said—

The estimated capital component for new and enhanced infrastructure could be in the order of \$125 billion.

The next paragraph said—

In addition to this, it is important to recognise the non-capital component (operation, maintenance and administration) which is based on historical trends and could be in the order of \$102 billion.

So \$125 billion for capital and \$102 billion for non-capital, making a total of \$227 billion. That is the total cost for all of the projects the Labor Party detailed in this document that the Leader of the Opposition put out. But, member for Kallangur, it is a paragraph on the next page that is probably the most telling of all those things. They put out all these projects and they detailed projects worth more than \$220 billion, but then you got to the top of page 139 of this 146-page document—way past that lovely photo of the Leader of the Opposition when she was transport minister—and it said—

*Connecting SEQ 2031* does not in any way represent an infrastructure commitment by government, and in no way binds the government to deliver any particular piece of infrastructure.

There is the rub, member for Kallangur. It does not in any way represent a commitment by the government and it does not in any way bind the government to deliver any of these projects. So it was a 146-page glossy document that claimed there were all these projects that the then government wanted to do, but it did not say that it would pay for them or even deliver or commit to them. That is how appalling the previous government was. They were red hot on putting out brochures about what they were going to do, wanted to do and could do but never delivered. They put out documents like this to con the public about what they wanted to do.

Our document, as I come back to the Bruce Highway, will be a 10-year plan for the Bruce Highway detailing the work that is required to be done in the areas of safety, capacity and flood mitigation. It will be a 10-year plan, a plan unlike any other plan because the previous government, while it was happy to put out documents like this, gave no firm commitments and admitted it did not bind them to doing anything. We have put the Bruce Highway front and centre, unlike the current Labor opposition who feels that state money being spent on the Bruce Highway is a waste of state money.

**CHAIR:** Thank you, Minister. I call the member for South Brisbane.

**Ms TRAD:** Thank you, Chair. Can I congratulate the minister on his Logie-winning performance today. It is fantastic. I actually think you should apply for the super star fund being championed by your government. That was an outstanding performance.

**Mr EMERSON:** I will take that as a question, Mr Chair, and—

**Ms TRAD:** No. I refer to the capital statement on page 7 of the 2012-13 to 2015-16 QTRIP. Can you please explain why, on the state network, funding for maintenance in the 2012-13 year has fallen to approximately \$520.8 million, down from last year's \$622.4 million, which represents a 16 per cent decrease in the maintenance budget? Did the state's transport network get 16 per cent smaller, Minister?

**Mr EMERSON:** I thank the member for South Brisbane for her question. The reality is that across our government and across Transport and Main Roads we are always working to deliver more for less. We are trying to always deliver in a smarter way for Queenslanders and that is why we are doing that. In terms of the capital funding for roads in 2012-13, we have \$4.47 billion, compared to \$3.3 billion under Labor's plan. So that is \$4.4 billion in our plan of what we are delivering compared to what would have been delivered under Labor. I will let the shadow minister do some maths on that, but that is more than a billion dollars more than what would have been delivered under the previous government.

In terms of QTRIP, it focuses on maintaining existing networks at a safe and efficient level, continuing to repair infrastructure damaged in recent natural disasters and building new infrastructure in the areas of greatest need. So we have been focusing on those areas. As I said, in terms of QTRIP, in terms of roads, we are delivering \$4.4 billion compared to \$3.3 billion. But one of the challenges we do face, even with that, is trying to repay some of the debt we see from Labor.

It is interesting to hear that question being asked, because the reality is that we have already discovered since we have been sitting here today that the shadow minister for transport does not bother to read the TransLink annual report and does not bother to ask the Leader of the Opposition for reports that she had when she was the minister. Now we have discovered in the time we have been here this morning that, while this is the best resourced opposition in Australia, they are also the laziest opposition in Australia. What we have discovered is in fact that many of the questions they have been asking today have not come from their own research or their hard work or from actually reading reports, like you would expect shadow ministers to do. But this is a Twitter-driven estimates process. We saw a question to the director-general about Maritime Safety Queensland, and then what did I find? A Twitter message from a former adviser to the Labor Party earlier this year saying, 'What about Maritime Safety Queensland? Is this the new structure of TMR Maritime Safety? It doesn't even rate a mention in its own

branch.’ This was almost word for word the question that the shadow minister for transport asked. She does not do her own research; she goes to the social networking sites to try to find questions.

**Ms TRAD:** I can assure you, Minister, that I did not ask that question because it was out in Twitterverse. It is a very relevant question for people in the maritime safety industry. They feel like your government is not committed to the safety branch, and that is something you need to address. There is a lack of confidence because of your administration.

**Mr EMERSON:** Mr Chair, I am always happy to give the member for South Brisbane the benefit of the doubt—always happy. She asked that question earlier about the Q4 figures and she claimed we had not published it, but there it was tabled in parliament and she obviously had not read the report. I thought that was interesting. Then I saw this question here and it has been pointed out to me that she asked a question to the director-general from the Twitterverse—which was doing her research for her. Then I saw another question on Twitter from two days ago. Here is a tweet about Q4. ‘Have they buried Q4?’

**Ms TRAD:** Yes, Minister, there is a lot of public interest in why you have not published it. Why haven’t you published it, Minister?

**Mr EMERSON:** What we see again, Mr Chair, is that they cannot bother to do their own research. They do not even look in the TransLink report; they just go on to the social networking sites like Facebook and Twitter to do their research. This is extraordinary. This is the best resourced opposition in Australia—

**Ms TRAD:** Minister, if your response had any credibility, people would not still be asking. Your answer has no credibility. People keep asking this question: when is Q4 to become available?

**Mr EMERSON:** Mr Chair, again let us go back to the beginning of the day. She asked, ‘When will we release the Q4 figures?’ I am sorry, but it is page 65 of the TransLink annual report. As I have already told you, we tabled it in parliament, if you could be bothered to actually read it. If you go past the first page, go past the front cover, go past the Facebook and the Twitterverse, and if you could be bothered to read it—

**Ms TRAD:** I know, Minister. We have prosecuted this line of questioning. I would like to go back to—

**Mr EMERSON:** Mr Chair, can I ask her to do some research and her own opposition research, rather than just go on the social networks?

**CHAIR:** The minister is wrapping up. Thank you, Minister.

**Ms TRAD:** Minister, I refer to page 3 of your SDS regarding restoring accountability in government. I also refer to the foreword of the director-general in QTRIP where he said—

You will note in this year’s QTRIP, there are some changes, consistent with narrowing our focus; for example, the addendum (a detailed program of works on local government roads) is no longer included in this publication.

Minister, did you read the D-G’s foreword before it was published? Who was responsible for approving the change in QTRIP reporting to exclude the detailed list of local government road projects?

**Mr EMERSON:** Thank you, member for South Brisbane. Yes, I did approve it. QTRIP has caused us real dilemmas as a government because, as I have indicated to parliament already, the extraordinary situation we saw and we discovered shortly after coming to government was—

**Ms TRAD:** Oh, the melodrama, Minister, is fantastic.

**Mr EMERSON:** It may be melodrama for you, member for South Brisbane, but it is not for those communities who saw this government con them over projects they claimed that the state government had money for. The reality is that we saw almost \$400 million of overprogramming in that QTRIP document—an extraordinary situation by the previous government.

The shadow minister for main roads is not here and I know this is not necessarily an area that the member for South Brisbane would have a great interest in—and she has already demonstrated over and over again today her lack of willingness to read documents in her area of responsibility—so I will explain it for her. When you do projects, there is always some element of overprogramming in the first years. The reason is that some projects cannot be delivered because of weather or soil that was not anticipated, so what you do is you have underprogramming in the out-years as you go forward. But that did not happen under Labor. This is the extraordinary situation, because Labor overprogrammed every year. There was a situation where they made promises but they could deliver the projects when they had no money for them at all—not one brass razoo. They could not put them on the credit card, they could not put them on lay-by, they could not put them on the debt. They just did not have the money for them. This was an extraordinary situation.

What they did is they named many worthy projects they claimed they had the money for, and we have had to deal with that now. These were projects that communities did deserve, but a responsible, sensible and fiscally aware government would not have put them up because they knew that they had no money for them. They would not have conned the people, because this is a government—

**Ms TRAD:** Isn't that what Campbell Newman did when he was Lord Mayor?

**CHAIR:** Order! The minister is wrapping up.

**Mr EMERSON:** This was a government that was desperate to win an election. This was a government that was willing to con voters on its QTRIP program—almost \$400 million of overprogramming from a government that knew it did not have the money for them. In terms of our QTRIP program, we have put up an honest document that we know we have funds for and that we can deliver.

**CHAIR:** At this stage, I ask whether there any responses to those questions that need to come back from members? I understand that the ones from Queensland Rail are still coming.

**Ms TRAD:** Mr Chair, for the benefit of Mr Benstead, I have written that question out so it is really clear. I seek leave to table that question. That is the question taken on notice.

**CHAIR:** Why not put the question on notice—

**Ms TRAD:**—in the same way that Mr Crandon tabled his question.

**CHAIR:** Is leave granted to table that? Leave is granted.

**Ms TRAD:** Thank you.

**Mr Caltabiano:** I have a response for the member for Algester regarding the Beaudesert right turn onto the Logan Motorway. As you are aware, it is a very important part of the finalisation of the cloverleaf arrangement. Three of those legs were completed. This is the fourth leg. It is a \$1.2 million project. The total at the end of that works will ensure that we increase the capacity for 116 cars per day to make that right-turn movement and fundamentally free up that traffic action around that motorway interchange. It is a really important project for your part of the world and we are glad to see it reach completion this year.

**Mr GRANT:** My question is to the minister. Minister, can you inform the committee about the status of Labor's failed T2 lanes on the Pacific Motorway?

**Mr EMERSON:** I know this is a decision that you have warmly welcomed which we have announced today. The T2 lane was put on the Pacific Motorway more than a decade ago. We have announced today that we will be removing that T2 lane on that five-kilometre stretch roughly between exit 11 and exit 16. Not only will we convert that current T2 lane into a general lane but, because of the configuration of the road, barriers and such things, we will be able to put an additional lane onto that section. So those five-kilometre sections will now get four general lanes in that area.

The cost of remarking and moving some of those things will cost \$5 million. However, if we left the T2 lane in that area and put in an additional lane, that would cost taxpayers \$100 million. So to get an extra lane—four general lanes—for \$5 million as opposed to \$100 million I believe is a sensible decision for taxpayers. I know that the RACQ has already come out and strongly welcomed this decision. I know that local members in that area have strongly welcomed this decision. I think it shows where we can be innovative, smart, efficient and effective in getting solutions for our infrastructure in a way that values taxpayers' dollars. I am very pleased to make that announcement today regarding the Pacific Motorway and those T2 lanes. This work will begin shortly. We will have it in place by this time next year.

**CHAIR:** One of the Newman government's priorities is to grow agriculture. The 2012-13 highlights include supporting agriculture at page 4 of the Service Delivery Statement, dot point 11. Minister, can advice be provided to the estimates committee and an outline of the work being done to enhance appropriate rail access for the transport of grain and cattle for processing and export?

**Mr EMERSON:** I know again that this is one of the issues that is very close to your heart and I know it is one of the issues that is also very important to the Premier. He and I have had numerous discussions about working out how we can get improvements to the service and provision of rail services to that very important sector of our economy and one of the four pillars of the economy as identified by the LNP. I have had talks not just with Queensland Rail but also with QR National—or Aurizon as it will be called—as recently as this week stressing the need to ensure we can work with the agricultural sector and with grain and cattle producers to get a great result, a better result. Again, they are not always transporting on rail, as you know.

One of the reasons we are so interested in working with the Bruce Highway as well is to get a better result. When I was travelling through Bundaberg I took the opportunity to announce that we would be increasing the tonnage for the use of flotation tyres for the cane growers. That was a decision that was very warmly welcomed by the Canegrowers organisation. For those who do not know what flotation tyres do, these tyres are used to reduce the compacting of fields for cane growers. Previously the tonnage limit was just over 14 tonnes. We are now taking it up to over 16 tonnes. That is a decision that I understand the cane growers had been urging the previous government to make for a long time, but they were knocked back over and over again. I asked my department to make sure that safety was a priority in that area. Once we looked at it and spoke to the cane growers, we made the decision to work with that industry. Like the cane growers, like the cattle industry, like all those people in agriculture, we are working to get a better result. Rest assured, Mr Chairman, it is at the forefront of my mind as it is of

yours. We will continue to work very closely together, as I will with any member of the Queensland parliament, to get a better result for our farmers.

**Mr RUTHENBERG:** Minister, could you please give an overview of the Riverside Expressway maintenance program?

**Mr EMERSON:** Thank you, member for Kallangur. This is another issue we have inherited from the previous government. Several years ago it was identified that—

**Ms Trad:** Was not that the Bjelke-Petersen government?

**Mr EMERSON:** Well spotted, member for South Brisbane! She is obviously starting to read a bit of history. Yes, the member for South Brisbane is correct; it was built under a non-Labor government. Unfortunately, the Labor government repeatedly ignored concerns raised by Transport and Main Roads that it needed to be fixed.

**Ms TRAD:** Rubbish!

**Mr EMERSON:** There was work to be done. Year after year they ignored the report that said important maintenance work needed to be done on this crucial piece of infrastructure built under a non-Labor government but ignored and left to run down by a Labor government. It is a pattern of behaviour we see over and over again. The reality is that when I came in work was needed to examine the pot bearings within the Riverside Expressway. For those who do not know, these are large pieces of metal and pot bearings that go into the bridge itself and the platform rests on these. The work had been requested for some time to determine the state of these pot bearings. Let us not forget that this road carries 100,000 vehicles every day. It is a crucial piece of infrastructure. As the member for South Brisbane finally got something right today, it has been 40 years since the expressway was constructed—well done, member for South Brisbane—and essential works are required to replace those pot bearings. As I said, the pot bearings support the bridge deck and allow movements in response to changing temperatures and different loads.

Inspections in 2006—six years ago—identified that pot bearings may need to be replaced, but unfortunately we did not see the work done by the previous government. It was not done by the previous Main Roads minister, Craig Wallace and it was not done by his predecessors, either. When we came in we took a trial, lifted the platform of the Riverside Expressway to see if we could do the work, and it is not easy to lift a massive structure like that. Each of those decks weighs about 800 tonnes. We lowered it down again and several weeks later we lifted it up again, extracted those pot bearings and put in new pot bearings. We are now currently examining the state of those pot bearings to see how much work does need to be done. Again, this is a crucial piece of infrastructure. It has been there for 40 years. It was identified in 2006—six years ago—that this work needed to be done; inspections needed to be made. The previous government put their head in the sand like they did on so many things and ignored this. We have begun this challenging task and we will get on with that work because it is necessary that we maintain the Riverside Expressway in a way to make it safe and to make sure it does not crack. The reality is that, if that bridge deck cracks, we will have to replace the bridge deck and that would cause months and months of massive inconvenience and delays for the people of Brisbane.

**Mr SHORTEN:** Would you be able to give the committee an update on the current Salisbury to Beaudesert rail study that is underway, as this is a very important piece of infrastructure? Can the minister please give any indication as to why it may be held up, given the current situation of the state?

**Mr EMERSON:** Thank you for the question. The Salisbury to Beaudesert rail corridor study is a route strategy planning investigation to identify and preserve lands for alignment and extension of passenger rail services from Salisbury through to Beaudesert. The study is investigating, as you would be aware, the 55 kilometres of new dual track passenger rail line and 12 new stations, car parks, bus interchanges, rail maintenance tracks as well as pedestrian and cycle facilities. The project is part of—again, I go back, and we have mentioned it already—Connecting SEQ 2031, that now notorious document that the previous transport minister, now Leader of the Opposition, put forward. Its aim, it said, was to respond to future population growth by providing vital links to new development areas including Flagstone and Beaudesert.

The project is anticipated to be a staged construction based on demand, with the first stage being from Salisbury to Greenbank—that is the northern section—by 2026. The next stages are planned from Greenbank to Flagstone in 2031 and Flagstone to Beaudesert in 2056. Transport and Main Roads is working towards an early corridor preservation to ensure easier delivery of the project post development of these areas. Approximately 480 properties have been identified as being impacted by the proposed corridor. Land resumptions are not required immediately as construction is staged and it is not anticipated for the next 15 to 45 years. In 2010 Transport and Main Roads did carry out public consultation on the review of environmental factors for this section from Undullah to Beaudesert including the 12 new stations. Issues that arose during the first round of consultation included land impacts and resumptions, station location and associated parking, timing and delivery of the project, interim public transport measures and environmental impacts. Hopefully, that answers your question.



**CHAIR:** Are there any questions that need responses from the department? Thank you, Mr Benstead, for that update.

**Mr CRANDON:** Would the minister be prepared to accept the questions that I put forward earlier in the hearing as a question on notice perhaps? It would seem Mr Benstead is struggling to get information.

**Mr EMERSON:** I appreciate that offer. I think that sounds like a very sensible way of doing things.

**CHAIR:** I call the member for Springwood.

**Mr GRANT:** I note that this budget includes funding to reduce Labor's 15 per cent future public transport fare increases. How much will commuters save because of the LNP's policy to halve these proposed fare increases?

**Mr EMERSON:** Thank you for the question. This is one of the real success stories of this government so far. It is only early days. There were two very clear cost-of-living election commitments made by this government and they are being delivered in this budget. The first was that provision of free trips after nine journeys that we brought into play. That gives real benefits to public transport users; it provides real cost-of-living relief to those using it. I can remember campaigning about this at train stations with the member for Morayfield during the election campaign. The member for Kallangur and others have talked about it with me as well. The member for Coomera also talked about it. I remember catching the train with the member for Coomera and we talked about these policies. We are providing commuters with a real benefit. Those free trips after nine journeys have been a runaway success. When I was out there with the members for Algester and Springwood we talked about this and how important public transport is to their electorates. We have had a runaway success with this policy.

As this budget indicated and as the member for Springwood quite rightly mentioned, the previous government had a policy of increasing public transport fares every year, year on year, by 15 per cent. We had already seen them increase it for the last three years and Labor's policy—and it remains Labor's policy—was to increase it next year by 15 per cent and in the year after that by 15 per cent. The challenge for us is to deal with the fiscal mess—the financial mismanagement that we saw from Labor—but we are keeping to our election promise of halving those 15 per cent increases. That will be a massive boost to public transport users. Under us, public transport users will make \$200 million in savings when compared to what they would have been paying under Labor.

**CHAIR:** Thank you, Minister. The time allocated for the estimates for the Minister for Transport and Main Roads has expired. On behalf of the committee, Minister, I thank you and your advisers for your attendance. I remind you that your answers to questions taken on notice at today's hearing are to be provided to the research director by 5 pm on Monday, 22 October.

**Mr EMERSON:** Thank you, Mr Chair. I thank you for your courtesy and the courtesy of members today. I also particularly thank the parliamentary staff, the departmental staff and my ministerial staff, including my chief of staff, Mark Gorter. This was, as the member for South Brisbane indicated, our first estimates committee. We look forward to doing it again next year.

**Proceedings suspended from 12.01 am to 12.59 pm**

## ESTIMATES—HOUSING AND PUBLIC WORKS

### In Attendance

Hon. B Flegg, Minister for Housing and Public Works

Mr F Stephen, Chief of Staff

Mr G Hallett, Senior Media Adviser

#### Department of Housing and Public Works

Mr N Castles, Director-General

Mr W Pashen, Chief Finance Officer

Mr J Marsh, Executive Director, Housing Finance

Mr D Bull, Director Budget

Mr G Atkins, Deputy Director-General, Asset Services and Works

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 **CHAIR:** The estimates hearing of the Transport, Housing and Local Government Committee is now resumed. On behalf of the committee I welcome to the hearing the Minister for Housing and Public Works, officers of the department and related entities, and members of the public. I am Howard Hobbs, the member for Warrego and chair of the committee. Mrs Desley Scott, the member for Woodridge, is the deputy chair. Other committee members are Mr John Grant, member for Springwood; Mr Darren Grimwade, member for Morayfield; Mr Trevor Ruthenberg, member for Kallangur; Mr Anthony Shorten, member for Algester; Mrs Tarnya Smith, member for Mount Ommaney; and Mr Bill Byrne, member for Rockhampton, who later may be replaced by Mrs Jo-Ann Miller. Also present is Ms Anastacia Palaszczuk, the Leader of the Opposition.

The committee will now examine the Appropriation Bill 2012 and the estimates for the Minister for Housing and Public Works. We will consider the proposed expenditure for the organisational units of Housing Services and the building industry within the minister's portfolio until 2.30. We will then examine the organisational unit of Public Works until 3.30.

The proceedings today are lawful proceedings, subject to the standing rules and orders of parliament. As such, I remind all visitors that any person admitted to this hearing may be excluded in accordance with standing order 208. In relation to media coverage of today's hearing, we have adopted the guidelines prepared by the Committee of the Legislative Assembly for committee hearings. The hearings will be broadcast live via the Parliamentary Service website.

It is important that questions and answers remain relevant and succinct. I intend to guide proceedings so that relevant issues can be explored without imposing artificial limits and to ensure there is adequate opportunity to address questions from government and non-government members of the committee. Where necessary I will remind ministers, directors-general, CEOs and their advisers that their answers to a question should be finalised so that other issues can be examined.

As laid out in schedule 8, at the back of the standing orders, we expect all departmental officers appearing today to provide full and honest answers to our questions. Anyone who is unwilling or unable to provide an answer should be prepared to state their reasons. I also remind those present that departmental officers are not here today to give expert opinions on the merit or otherwise of a policy of the government. That is the role of the minister. For the benefit of Hansard, I ask departmental officers, if they are called to give an answer, to please state their name before speaking. Minister, the committee has resolved that non-committee members be given leave to attend and ask questions during the hearing. Finally, before we begin, I ask everyone to switch off their mobile phones or switch them to silent.

I now declare the proposed expenditure of the Minister for Housing and Public Works open for examination. The question before the committee is—

That the proposed expenditure be agreed to.

Minister, would you care to make a brief opening statement?

**Dr FLEGG:** Thank you, Mr Chairman. It is a great pleasure to appear before you and your committee in our role to examine the 2012-13 budget estimates. In relation to the budget and the activities of my department, we need to be aware that on coming to office some five months ago we inherited a situation of some \$65 billion of government debt. A commission of audit identified that without corrective action being taken that figure could get as high as \$100 billion. It is against that backdrop that some significant decisions over this first six months have had to be taken. In particular,

that has meant within this department that a number of commercialised business units have been reviewed. That has forced a decision in a couple of cases to close particular business units and in other cases to make them more efficient and open them to contestability.

Within the area of housing, we inherited a situation whereby the Housing Fund was running at a loss. We inherited a situation whereby when that fund sold public houses—some \$60 million worth of public houses were sold during the last year of the previous government—the proceeds were simply put into a general pool within the Housing Fund.

The previous government had work done within the department to look at ways of addressing that sustainability issue, including increasing rents for public housing tenants to 30 per cent of income from the current 25 per cent of income, a solution that this government does not intend to pursue. But committee members should make no mistake: the situation around public housing is very serious. We have had built around 4,000 federally funded national job creation projects. That project is now at an end and will not be going forward.

We intend to fix this situation, and we have already made a number of decisions and developed a number of initiatives to do that. Losses in the Housing Fund can only be funded from Treasury—Treasury was not funding them under the previous government, nor is it able to at the present time—by sale of assets or, as we intend to do, by running that fund efficiently. I have instructed this department that whenever a house is sold that money is quarantined so that it is spent on new homes, not on maintenance administration. We have made an array of decisions to try to return that fund to sustainability.

I have written to every public housing tenant in the state. We have given public housing tenants an amnesty. Over 1,600 people have accepted that amnesty and have come forward as living rent free in public housing. They will now pay rent going forward. That will result in around \$4 million a year that will help that fund to become sustainable again. Because public housing rents bear no relationship to the size of houses, we have begun an initiative to deal with the massive underoccupancy of public houses and also the age and the appropriateness of the style of public housing.

There are over 10,000 families on our waiting list—of a total list of about 27,000 families—who have high or very high needs, who are in essence considered to be homeless or at risk of homelessness. That is why these decisions are made and why they are so important to us.

We have begun a pilot in the Logan area which will become Australia's largest public housing renewal project. It will be the model that we will be able to roll out across the state to deal with the sorts of issues that I have spoken about. We also have initiatives that we have set up with a number of other organisations—Churches of Christ Care and the Brisbane Housing Co.—in other parts of the state. I have enjoyed terrific support in this endeavour from the Premier and the Treasurer. Given the very constrained finances of the state, they have been very generous in allowing us to consider innovative ways of using government land and buildings held in this department and elsewhere.

We have a wonderful relationship with our social housing providers, who will have a larger and larger role to play in developing public housing. We are also rolling out the federal government's national partnership on Indigenous housing for remote areas, NPARIH. This has proven to be a very challenging role. Around 1,100 houses need to be built, and almost halfway through the scheme Queensland has built around 200. Requests of the federal government to allow us to build through the dry season on Cape York were rejected. We still have to deliver houses to a deadline of 30 June, not 30 September as we had requested, although we intend to meet that deadline. We have workshopped better designs for Indigenous families that incorporate tropical living, child safety and outdoor living, that are more appropriate and that provide better value for money for this program. We can get houses that are about 20 per cent bigger than what was being built and have about 40 per cent more outside covered area.

In other initiatives that I am sure we will talk about during today's hearing, we have dealt already with a number of significant red-tape issues and efficiency issues around things like the sustainability declaration, pool fencing and plumbing approvals, and we are making a very spirited start on addressing the intractable problem of asbestos and asbestos related disease in public buildings. I look forward to the committee's questioning.

**Ms PALASZCZUK:** Welcome, Minister. Minister, I refer to the answer to question on notice No. 11 which outlines that the Department of Housing and Public Works has abolished 578 positions. How many of those positions are actually in the department of housing? Minister, did you have any personal involvement in the way in which it was communicated to staff that they were indeed losing their jobs?

**Dr FLEGG:** We can provide you with a breakdown of where those positions that have been abolished are. Housing Services had 87 of those positions that were abolished. It is a very challenging thing when decisions have to be made that relate to people losing their jobs. It is not something that we enjoy or relish or that I particularly enjoy or relish. We inherited a very, very difficult financial position and we have had to make some very hard decisions. Having said that, we have tried to do them with the greatest compassion and in the most efficient way that we can.

In terms of the specifics of your question, if you want further information I am sure the departmental officials who have conducted and continue to conduct this process would be happy to give you that detail. But there has been a very effective process. It is not appropriate for me as minister to be referring to individuals—I do not know if that was the intent of your question—but what I did do, and what I did insist on doing, was meet with union officials and representatives of our staff to discuss these matters. I did so on two occasions and at some length. I conveyed to them my own sadness that some jobs had to be lost and that I understood there would be a significant impact on those staff members and their families. I do not happen to think the situation we are in is the fault of staff in the public sector; nevertheless, that is the situation we find ourselves in.

**Ms PALASZCZUK:** Thank you, Minister. You are the first minister to actually admit to the estimates hearings that people have indeed lost their jobs. Minister, I refer to page 4 of the SDS, increasing community demand for service delivery. Have you abided by the Premier's commitment not to axe front-line services?

**Dr FLEGG:** We can give you, and have I think given you, the details in relation to where positions have been abolished. It applies a little differently in this department because, in general, this department services other departments. For example, in Education teaching staff, or in Health health staff, are front-line staff that are employed by those departments. Many of the staff in our department service the needs of other departments. For example, in some cases there were people whose jobs were coming to an end at the time I was appointed minister because they were attached to projects which had been completed.

**Ms PALASZCZUK:** Sorry, not the jobs. Now I am talking about services. The Premier basically made a commitment that there would be no axing of front-line jobs nor front-line services. Have you axed front-line services?

**Dr FLEGG:** We have not axed front-line services. What we have done is reform a number of business units in particular. These are business units which service other government departments.

If you are a business unit, then like any other business in Queensland you can only employ the people who are required for the business you have. In the case of Goprint, that business largely evaporated and it happened under the previous government. The numbers of people in Goprint declined significantly under your government. The business that that unit is able to service continued to decline to the point where that was not a viable business. Similarly, SDS became a loss-making business. So decisions were made in relation to those businesses. I would not describe that as a loss of staff in front-line services. I think front-line services would be a reference to services provided to the public. Those services will still be available to the public. They may be provided by a different service provider.

**Ms PALASZCZUK:** Thank you, Minister. In a letter to the Clerk, signed by you, Dr Bruce Flegg MP, Minister for Housing and Public Works, it states in the third paragraph—

I acknowledge that the closure of frontline services is of concern to many Queenslanders.

Chair, I seek leave to table that letter.

**CHAIR:** Leave granted.

**Ms PALASZCZUK:** Minister, you have just told the committee that there was no axing of front-line services, but, in your own letter that you signed to the Clerk, you acknowledge that the closure of front-line services is of concern to many Queenslanders. Would you care to comment?

**Dr FLEGG:** I would like to see the letter and I would like to know what front-line services you are alleging that letter refers to, because it is not evident in your question.

**Ms PALASZCZUK:** Sure. You can see it. It is about the Wynnum housing service.

**Dr FLEGG:** Okay. Leader of the Opposition, perhaps you ought to be a bit more fulsome in your question. I now realise that you are talking about the housing service centre at Wynnum.

**Ms PALASZCZUK:** They are your words, Minister, not mine.

**Dr FLEGG:** They certainly were not your words, Leader of the Opposition, in your question. I do not know what sort of game you are playing. If you want to ask me a question about the housing service centre in Wynnum, ask me about the housing service centre in Wynnum. Do not play games with us here at this committee. This is in no way even relevant to the issue that you raised. This is not about job losses or reductions. This is the transfer of the services that were provided by this office over to the office at Capalaba. So there is no loss of service.

**Mrs MILLER:** But you said there is. It is in your letter.

**Ms PALASZCZUK:** It is in your letter.

**CHAIR:** Order! Let the minister finish his answer.

**Dr FLEGG:** Your question is in relation to the loss of jobs and the cutting of front-line services and I am telling you—

**Ms PALASZCZUK:** Is of concern to many Queenslanders.

**Dr FLEGG:** And I am telling you that that is not relevant to this decision. This is a decision—and I am quite sure it had its genesis prior to the election of this government—and it is an administrative arrangement to meet the needs of people in those areas. We have amalgamated the housing office in Wynnum with the housing office in Capalaba and we continue to provide that service.

**Ms PALASZCZUK:** Minister, I was merely quoting your words. But I have a subsequent letter that is written to Mr Pitt. It is in relation to front-line staff resources where you state—

The Tenant Participation program was established in 1991, with 10 regional tenant groups and 47 local tenant groups currently in operation. While the program delivered some excellent outcomes over the years—for both tenants and their communities—it is difficult to justify ongoing funding of \$350,000, plus front-line staff resources to this program while there are significant levels of unmet housing need.

So, Minister, you have said previously that there was no axing of front-line staff, there was no axing of front-line services, but in both of your letters here you have said the complete opposite. I seek leave to table that letter.

**Dr FLEGG:** Dear, oh dear, Mr Chair! The fact that the words 'front line' occurs in—

**Ms PALASZCZUK:** They are your words, Minister, not mine.

**CHAIR:** Just one second. We will get this tabled first. Leave is granted.

**Dr FLEGG:** That is, in fact, the opposite, Leader of the Opposition, to what you were saying. What I am saying is that our front-line staff should be dedicated to front-line work for people in their houses, not running gardening competitions and other programs, which might be well and good if the state was not in the current financial situation, but they are not front line or essential, nor do they put roofs over the heads of people.

This has been an ongoing theme from you and others. Every decision that we make that is aimed at making the basket case that you left us in public housing sustainable and put roofs over the heads of people who are sleeping on the back seats of cars you wish to attack. Never at any point have you said—and you had plenty of opportunity while were you in government—what you are going to do about the state of the housing fund and how it houses people in this state.

**Ms PALASZCZUK:** I will tell you one thing, Minister: we did not cause social upheaval in the housing sector.

**CHAIR:** Order! That concludes that bracket. I call now the member for Morayfield.

**Mr GRIMWADE:** My question is to the minister. Can the minister advise the committee how many families have benefited from the public housing reforms so far implemented across this state?

**Dr FLEGG:** Thanks very much. I know the member for Morayfield represents one of those electorates that has a large number of public housing tenants and also some very significant waiting list issues. I am pleased to be able to say that there are some initiatives in the pipeline that will be of assistance to your constituents. What we have done with the situation that we have inherited in Housing—a situation where the fund that provides housing to your constituents and to the rest of Queensland was losing money, selling properties and housing people rent free, of whom many were in the workforce—is to return that system to sustainability. We have taken a whole array of measures that will alleviate those losses that are happening within the housing fund that will ensure that, when we do sell a public house—and they need to be sold from time to time—that the money from that sale goes back into new public housing and it is not simply frittered away paying other sorts of losses.

We are reviewing the current rent exemption policy. We have rejected the suggestion that was prepared under the previous Labor government that we just increase rents across-the-board to 30 per cent of income. But there are people who pay very low levels of rent to income. So we will be reviewing that. We have introduced a system of fixed term tenancies. Everybody's housing needs are reviewed from time to time and it is appropriate that that is the case for public housing tenants as well. We have instigated an array of measures in relation to underoccupancy. We have thousands and thousands of properties where one person is occupying a three-bedroom property, for example. What that does, when you have income based rent, is deny other people on that waiting list the opportunity to be housed. The fact that this was neglected under the previous government is scandalous. We have done so in addressing that with compassion and I have to say with very good support and very good feedback from public housing tenants, who, again, similar to the public sector workers, are not to blame for some of the issues that we find. Neglect of the management of that portfolio is to blame for that particular situation.

We are working on ways of assisting in relation to behaviour management. I discussed in my opening remarks how we are piloting a major reform program. We have predominantly three-bedroom detached houses among the 70,000 or so public houses, yet the vast majority of high needs people being placed today are either single individuals or small families—a parent with one child. Many of these people have very high needs that cannot be well met out in the suburbs in a three-bedroom home. So we are in a very constrained financial environment working on a model of reform that will allow

appropriate housing where we will be able to support people who have physical disabilities, or who are frail aged, or who have mental health issues, or intellectual impairment or serious physical disability and the like. We are essentially trying to reform that portfolio and at the same time under difficult circumstances, but with some very innovative solutions, increase the pool that will be available for public housing for those highest needs and most at risk of homelessness groups.

**CHAIR:** Thank you, Minister. I refer to page 6 of the SDS and congratulate you and the department on a reduction in the real estate red tape by removing the sustainability requirements. What other red tape reductions have been achieved by the department or are currently under review?

**Dr FLEGG:** Thank you very much, Mr Chairman. This is something that we are very excited about. There is a huge direct and indirect cost to Queenslanders because of red tape and the impact that that has on efficiency. You correctly identified the real estate sustainability declaration, which I can best describe as a joke. It was enshrined in law that it became illegal to sell a house unless you provided buyers with information that any reasonable buyer would obtain for themselves. But it did not require that the blanks were filled in. So real estate agents kept piles of signed blank forms at every open house. It just became a symbol of the sort of stupidity that bureaucracy can impose on the private sector.

We have already begun and implemented a significant number of red tape reductions. The installation of solar hot water, which is very popular in Queensland, requires an electrician and a plumber, because they generally have an electrical boost. If a plumber installed it, that was well and good. He just used a licensed electrician. But if a licensed electrician installed it and employed a licensed plumber to do the plumbing, he copped a \$2,000 fine. I had a queue of these people being fined for using a licensed plumber to install a solar hot-water system. So we have moved immediately to ensure that that bit of nonsense and the fining of people just going about earning their living stops. So an electrician can install now a solar hot-water system. He has to use a licensed plumber—that has always been the case—but he will not be fined for doing it, as he was under the previous government.

We have instigated a parliamentary committee review of the BSA. It is a major organisation involved in every aspect of the building industry. We changed the laws in relation to pool fences. If a homeowner identified that their pool fence had a climbing hazard, for example, and applied perspex panels against the fence to eliminate the climbing hazard, he needed to go to the council for a building approval to make his pool fence safe. We have altered those laws so that people still need to use pool safety inspectors and the like but a lot of that expensive red tape that penalised people doing the right thing has been removed.

We have begun a major red tape reduction reform by making the vast majority of plumbing works on established buildings, as opposed to new buildings, notifiable works not requiring prior approval. So if you wish to do work on your kitchen, your laundry, your toilet—all of those sorts of works—you can go ahead and do those works and simply notify the council and pay a \$35 fee, which is a lot better than having paid hundreds of dollars, as happened previously. Even in the short time that we have been in government these have made a significant difference in the lives and the cost for householders in Queensland and we will be doing a lot more to make red tape sensible and reduce it.

**CHAIR:** Thank you, minister. I call the Leader of the Opposition.

**Ms PALASZCZUK:** Thank you, Chair. Minister, I note that the new infrastructure program for your government is the new executive building to house the Premier and his new ministers. You were instrumental in launching this new initiative. Why was this project taken away from you?

**Dr FLEGG:** The government precinct redevelopment, which incorporates a number of blocks between the Executive Building and Parliament House, is a very run-down precinct of the city. The riverbank is absolutely and completely unloved and unusable and not accessed by the public. For the past 40 years 1 William Street has stood as a vacant block of land. It benefits a few people who get to park their car there, but apart from that it does not do much to service the people of Queensland. I was very pleased to be able to be involved in putting this precinct redevelopment up at an early stage. We will continue to have an involvement in that. It was an election commitment of the LNP that we would—

**Ms PALASZCZUK:** To build a brand new executive building?

**Dr FLEGG:** No, just wait for it. It will come if you wait. We made an election commitment that we would create Projects Queensland. The work that we did, not just on 1 William Street but on the whole precinct, including the riverbank and the other blocks there, identified the potential direction. But certainly in relation to the building of 1 William Street this is a very complex financial process. This is not the core business of the Department of Housing, it is more an issue for Treasury and now Projects Queensland so they have taken over some aspects of the financing. They are dealing with the shortlist of potential tenderers for that project. I think that is the appropriate place. Treasury finance things. Projects Queensland has been set up to deal with just this sort of project. We will play our role as that project goes further ahead.

**Ms PALASZCZUK:** You were talking earlier about people with high need and the need to build more housing in this state. I think you readily acknowledged that. What do you say to the people of

Queensland, when you have just acknowledged this need for new housing, when your government's first priority is to build yourselves a brand new executive building? What do you say to those people out there?

**Dr FLEGG:** I am really glad that you asked that question. I probably would have expected it from a government member.

**Ms PALASZCZUK:** It is not funny.

**Dr FLEGG:** It is not funny. My department, this department that we are examining today, runs what is called the accommodation office. That office manages 400,000 square metres of office space in the Brisbane CBD. It is hopelessly inefficient. The same number of staff could work in far better circumstances if they were working for the private sector in 300,000 square metres. Leader of the Opposition, that is abject waste. By renewing that portfolio and being able to withdraw from expensive rented space within the CBD—200,000 square metres of that space is rented; much of it is wasted because of the inefficiency of the portfolio—we are able to save this government money. That is a saving to the people of Queensland and the taxpayers of Queensland. That improves the prospect. I am not quite sure what bit of that you do not understand. By saving money, by making this portfolio work efficiently, that improves the prospect of Queenslanders in the area of housing because we are stopping the waste. That is what that project is about.

**Ms PALASZCZUK:** So why was it taken away from you?

**Dr FLEGG:** I think I already answered that question. Projects Queensland was an election commitment of the LNP.

**Ms PALASZCZUK:** Did the Premier lose confidence of you?

**Dr FLEGG:** The financing aspects of a construct and lease back project are not core business of the Department of Public Works.

**Ms PALASZCZUK:** You were there with the Premier announcing the new project.

**Dr FLEGG:** I was very pleased to be with the Premier announcing it.

**Ms PALASZCZUK:** Then a couple of weeks later you were not there.

**Dr FLEGG:** I would also point out that in the planned move of that project to Projects Queensland, quite a number of our staff who helped put that original proposal together have moved across on secondment to continue to work through the financing of that proposal. The delivery of it will come back to the Department of Public Work. It is a large and complex project. It is a construct and lease back project. It is not about bricks and mortar or pouring cement, it is about financial products that involve debt markets, possibly QIC and certainly funds from pension funds. That is not core business for the Department of Housing.

**Ms PALASZCZUK:** Thank you, Minister. I thank the member for Bundamba.

**Mrs MILLER:** Minister, I refer to page 5 of the SDS, selling three caravan parks. I refer you to the Monte Carlo Caravan Park, Woombye Gardens Caravan Park and Lazy Acres Caravan Park. Can you advise the committee who currently owns these caravan parks?

**Dr FLEGG:** The caravan parks are owned within a trust structure at the Public Trustee to my understanding.

**Mrs MILLER:** I refer to an LNP statement dated 22 February 2012 entitled 'No privatisation of public assets without a mandate.' I seek leave to table that.

**CHAIR:** Leave is granted.

**Mrs MILLER:** Minister, can you please outline the date on which your government advised the people of Queensland before the election of 24 March that you intended selling off these three government owned assets, namely, the caravan parks?

**Dr FLEGG:** It is the premise of your question that I have a problem with.

**Mrs MILLER:** I do not have a problem with it. You have a problem in answering it.

**Dr FLEGG:** Accommodation properties within the Department of Housing are bought and sold on an almost daily basis. Your government sold \$70 million worth of public housing in the year before you lost office. That is hundreds of public houses. Your government did not consider that asset sales.

**Mrs MILLER:** This is about your budget.

**Dr FLEGG:** You asked the question. Wait for the answer.

**Mrs MILLER:** It is about your budget. You are going to sell off three publicly owned caravan parks. They are state government assets and you have no mandate for it. That is clearly stated.

**Dr FLEGG:** I am answering your question, if you will give me the opportunity to do that. Your government sold, without considering it assets sales, considering it the management of the housing portfolio, \$70 million worth of houses in a year. When you operate a housing portfolio that has over

60,000 properties in it there is buying and selling of residential and property assets within that portfolio to manage it. I do not see this to be any different to that. If you want to take a frivolous approach to it, you can play around with the definition of an asset sale all you like. We sell all the old computers that were on somebody's balance sheet once. You have to be a bit sensible about it. Hundreds of properties were sold by your government prior to losing office that you did not consider to be asset sales, you considered it to be the managing of a housing portfolio. This is actually a significantly lesser management of that portfolio than what has been happening.

You can play around with your definition of asset sales but this is the management of the housing portfolio for very sound reasons that are in the interests of Queenslanders who need to be housed. We have around 10,000 of people who are homeless or at risk of homelessness. We have had to make some of these decisions. You will have seen from my public statements and from questions on notice to this committee that any reasonable person looking at this situation would probably do the same thing that we have done.

**CHAIR:** I now call the member for Springwood.

**Mr GRANT:** Minister, with reference to pages 4 and 5 of the SDS, could you outline how the department will manage the future demands for social housing?

**Dr FLEGG:** Thank you very much. I particularly appreciate that opportunity to talk to you about something that I am very passionate about and that we have moved on very, very quickly after being elected to government. The member for Springwood kindly agreed to chair our Logan Renewal Board for me. He has a strong background in public housing from his council days on the Logan council so I very much appreciate his interest in it.

Logan has the highest concentration of public housing in Queensland. The whole community of Logan is a rapidly growing area. It has a massive waiting list for public housing. It has some of the oldest, most inappropriate stock. The suburbs of Woodridge and Kingston, for example, have 12 to 13 per cent of the department's entire detached housing stock. A high proportion are over 35 years old and a very high proportion have only one or two occupants in those houses. We have very little property that is suitable for people with disabilities or people who have a high level of need for their support.

Because of the great partnership we have with the local government, and their support and desire to see a much better outcome, Logan has become our pilot. We will be seeking and we have already made considerable progress in identifying some property that can be developed with appropriate new public housing that can meet the needs of people with disabilities and those with very high needs, including some of the people who need supported accommodation. That will enable us then to begin to offer new units of accommodation to people in those old houses that are underoccupied and will allow us then to redevelop those sites, to sell some of those sites—not an asset sale but to reinvest it in public housing—and to address the concentration issues in a couple of the suburbs of Logan and also address the fact that population growth in Logan is expected to be of the order of 60 per cent. It is one of the big growth areas of South-East Queensland. With that will come a lot of need to help people who cannot manage in the private rental market.

**CHAIR:** I call the member for Algeester.

**Mr SHORTEN:** I also reference pages 4 and 5 of the SDS. How many households received assistance in public housing in the year 2011-12 and can the department provide an estimate of the number of households receiving assistance for the year 2012-13?

**Dr FLEGG:** We might just pull those numbers out for you. There are a number of avenues of assistance. One of the things that I have attempted to do since being appointed minister is to be upfront with people. We have actually seen this reflected in the housing commission waiting list. Circumstances in Queensland and in all the other states of Australia are such that people who do not come into the categories of high and very high needs are unlikely to go into public housing. We will make a particularly strong effort to assistance those people into affordable housing. One of those projects of course, is the NRAS project that is delivering several thousand units of accommodation at discounted market rents. We also have a Rent Connect program and we have a system of bond loans to assist people into the private rental market. But we have been honest with people that if they fit into those lower levels of need they are unlikely to be placed in public housing.

To put that in perspective, currently we have 27,145 applications, that is families not individual people. Of those, 4,623 are regarded as very high needs, which will be, in a sense, people who cannot be housed anywhere else, and 10,136 are high needs. Around 10,500 of that 14,600 or so are regarded as homeless by the housing department. The actual number of people housed in social housing is just over 70,000. Around 200,000 people have been assisted one way or another with support in the private rental market. As impressive as these figures are, I have to say the demand is ever increasing and the challenge is pretty real for us. We will continue to be up front with Queenslanders about the circumstances around housing.

One public sector employee of Indigenous background came up to me and said, 'I got a letter from your department the other day. I applied for public housing when my son was born and I got a letter



to ask if I still wanted to be on the waiting list. My son has grown up and left home.' That is a true story. That was the sort of game that was played where people were told they were eligible and they met the criteria, but, of course, unless they were in those high-needs groups they were not going to get to the top of the list and they were not going to get placed. We have been up front with people and we will make renewed efforts to see that people who are vulnerable but not in those high-needs groups get as much support as we are able to give them.

**Mr SHORTEN:** Minister, again in reference to pages 4 and 5 of the service delivery statement, can you explain how you intend to tackle anti-social behaviour in public housing and will provisions be strengthened to take action against serious and repeat offenders?

**Dr FLEGG:** Thank you for the question. I acknowledge your interest. You hold the seat that was previously held by the housing minister in the last parliament. I think that probably reflects the very good judgement of your constituents about the job that was done in housing by the previous government.

The issue of anti-social behaviour in public housing is a really vexed one. I would like to be very up front with people about public housing. We do take people who are very high needs and who often have significant problems. Many years ago, governments around Australia ceased institutionalising people with mental health issues. Many of those people end up in public housing. When people leave prison, often they cannot get into the private rental market for obvious reasons and frequently they will end up in public housing. In some cases, there are issues with things like substance abuse and mental health issues. I am actually very impressed with the behaviour of the vast majority of public housing tenants. We are talking about a very small minority that produce a problem behaviour. Quite frequently, the complaints that are made are not necessarily about the tenant, but sometimes are about people who are visiting the house, ex-spouses that have become problematic and so forth.

Currently, very few people are evicted from public housing. We have over 60,000 properties. There are around about 100 evictions. Last year, there were only 21 evictions relating to behaviour. Having said that, particularly in some parts of the state, this is a real problem for other public housing tenants and for neighbours. Particularly I would say from the northern regional centres of the state I get a large number of complaints. We issue what is called a breach notice. When somebody disrupts their neighbours, we give them a breach notice. Currently, we issue quite a large number of breach notices for disturbing the peace, sometimes threatening behaviour and an array of other things. There are cases where we have issued 12 or even more to individual tenants. You can imagine the frustration the other tenants and neighbours feel.

Having said that, many of our tenants have nowhere else to go and if they are evicted from public housing they will become homeless. They will go back into the very high-needs group on the housing register. Particularly in the north of the state, they will sleep in the parks. Sometimes they will camp in other public houses or in other people's rental houses. We are cautious not to move that problem around. We acknowledge that we have a responsibility to ensure that people who are supported by public housing do not disrupt their neighbourhoods, the other tenants and their neighbours.

We are looking at the Western Australian model, which is a three-strikes model. If serious disruption occurs on a third occasion, an eviction notice will be served. Evictions are not necessarily the decision of the department. Those notices go to QCAT, which is an independent judicial process. It is not uncommon for QCAT to overrule the department and reinstate a tenancy on the grounds that the person may have a mental health issue or some other issue. These things have to be taken into account.

We will tighten up on that very small number of households. Where there is an identifiable problem, like a mental health problem or a substance abuse problem, or perhaps a violent ex-partner which is a common one that I get in the briefs on my desk, we may need to provide more support to some of those people. I am very conscious that often for tenants with personal problems of one sort or another, we do not always have the most suitable sort of housing. Often they are placed in housing in the suburbs and not well supported by community non-government organisations. We do have to take our responsibility to get the housing mix right, but we will need to address that issue.

My final comment would be that other tenants of public housing and other neighbours in the neighbourhood have a right to peaceful enjoyment of their property and we will take the measures that are necessary to make sure that we guarantee that right.

**Mrs MILLER:** Minister, I refer to page 5 of the SDS. Are the government owned assets, namely, the three caravan parks, making money for the state?

**Dr FLEGG:** The three caravan parks that the member is very keen to ask me questions about do not make money for the state; they lose money for the state. In one of the questions on notice, the member will see that one of the non-government members asked a question about the site rentals that are paid by residents of the parks. That detail is contained in the answer to the question on notice for the most up-to-date year that was available when the question was answered.

It costs us around \$1.1 million a year to put in place an artificial arrangement so that those parks do not appear to be owned by the state government, so that people can have an eligibility for Commonwealth rent assistance. That is the vast majority of the entire rent, before we even start to run

those caravan parks. In private hands, they would be profitable because those arrangements would not be necessary. In government hands, they are loss making and that loss has to be made up from money that would otherwise be available for housing.

I know from the member's media comments and the issues that the member has raised exactly where she is coming from. The reality is that these are currently private sector caravan parks. They are operated by private sector managers for the reasons that I just explained. They are very unlikely to be developed or used for any other purpose. In fact, one is outside the urban footprint, one has a caveat over it by the Brisbane City Council and the other, I am instructed, is not a prime development site. I see very little prospect that there will be any change that affects the tenants. They do not take from the public housing waiting list. In fact, in one case—and I will not mention the case in case it leads to identification of people—a case worker from my colleague the Minister for Community Safety brought a lady escaping domestic violence to one of these parks that provides short-term accommodation and they were turned away. The fees that apply for that sort of accommodation are prohibitive for somebody in that circumstance. They have to go and source other private sector accommodation for that person.

These are not facilities being run by the government for the highest needs people off the waiting list. They will continue to operate as caravan parks after they cease to be in public ownership. The funds that are raised from it will be not returned to Treasury, as would be the case in what the member likes to describe an asset sale. They will go into the housing fund, not to pay for losses or poor administration, but to pay for new public housing that we will develop around Queensland.

**Mrs MILLER:** Minister, based on the information in your department's annual reports, over the past three years all three caravan parks, collectively, have actually made a profit. Why then are you deliberately misleading this parliamentary committee and the people of Queensland by stating that you are selling the caravan parks because they are making a \$1.1 million loss per year? This is simply not true when you look at the past three years annual reports. You are fudging the figures, aren't you? That is what you are doing: fudging the figures.

**Dr FLEGG:** I am not sure exactly what the member is reading into the budget, but I stand by the statement that these are loss making to the department. I have the operating figures here, which I will be happy to provide to the member. The operating result for Lazy Acres was a loss of \$211,000; the operating figure for Woombye Gardens was a loss of \$184,000; the operating result for Monte Carlo was a loss of around \$11,000. We have also spent millions upon millions of dollars on upgrades to those caravan parks; funds that have not produced a return to the government. On top of that, we have—and I hope that the member was listening, because she has participated in lot of public debate on this—

**Mrs MILLER:** Yes, because I stand up for them. You sell it off; I stand up for them.

**Dr FLEGG:** Courtesy of the nonsensical arrangement put in place by the previous government, we have this massive administrative overlay designed to get around federal regulations that do not allow state government tenants to receive Commonwealth rent assistance, which costs us \$1.1 million a year in administration. That is what we inherited. It is a ridiculous setup, when anyone has a look at it, for parks that, run properly in the private sector, would be quite viable and quite profitable parks. I presume that that is what the member is referring to.

**Mrs MILLER:** I am referring to the three annual reports of your department, which indicate that they are all operating at a profit. I ask the director-general: has the director-general analysed the three annual reports of his department to work out that these three caravan parks are all operating at a profit?

**Mr Castles:** In 2009-10, on the information that has been provided, Lazy Acres made a loss of \$199,000, Woombye Gardens made a profit of \$126,000 and Monte Carlo made a profit of \$199,000. In 2010-11, both Lazy Acres and Monte Carlo caravan parks made losses, with Woombye Gardens making a profit of \$386,000. This year, however, which is 2011-12, all three caravan parks made losses.

**Mrs MILLER:** I suggest you are wrong, but moving on. I seek leave to table our analysis.

**CHAIR:** Leave has been sought to table that document. There being no objection, it is so ordered.

**Mrs MILLER:** Minister, have you discussed the sale of these government owned assets—the three caravan parks—with any developers, any real estate agents, any businesspeople or any LNP members who may have interests in real estate?

**Dr FLEGG:** No.

**Mrs MILLER:** Minister, can you advise the committee of any person at all, including government MPs, with whom you may have discussed the sale of these government own assets?

**Dr FLEGG:** With respect, this is a decision of the Cabinet Budget Review Committee so I would suggest I have discussed—and I do not accept the terminology that it is an asset sale—the sale of the caravan parks with a very large number of people in a very formal meeting. I am not quite sure where the question is going.

**Mrs MILLER:** Just listen up.

**CHAIR:** Order! It is time to move on. I call the member for Morayfield.

**Mr GRIMWADE:** I refer to page 11 of the SDS and the reference to expanding the role of NGOs as social housing providers. The minister also made reference to this in answer to question on notice No. 1. Can the minister inform the committee how this government is honouring its COAG performance agreement and growing the NGO social housing sector?

**Dr FLEGG:** I appreciate the question. COAG had an in principle agreement that the states would increase the participation of social housing providers. This is one in principle agreement that occurred under the previous government that I have no problem in supporting. I think the social housing providers are critical partners in the process. In terms of the Nation Building units of accommodation, around 4,000 of them, all but a handful have gone to social housing providers—97½ per cent of them.

Within currently government owned public housing we will see an expansion, including in the management of existing stock, with social housing providers. There are a couple of things that the committee should be aware of. Obviously social housing providers have a distinct advantage over government operations in that their tenants are able to receive Commonwealth rent assistance, which is a significant component in terms of viability. I am not in principle in favour of just transferring a lot of old, expensive houses that need to be redeveloped over to non-government organisations because they are and can be a strain on the balance sheet. I do see the non-government organisations being a major manager and subsequently a major owner of social housing units.

If I can use as an example our pilot scheme in Logan. The new properties would be constructed and owned by social housing providers with contributions of either land or cash or both being made by the state government. The social housing provider would be managing the property portfolio that we need to redevelop and the people that we need to offer transfers of accommodation to. As such, there will be a transfer of some management. There is still some work to be done in that area.

As members would be aware, we have advertised nationally for social housing providers who would like to partner with us in that pilot program. I am also looking at a couple of other parts of the state. We do not just want to pile a trouble plagued portfolio of old houses onto social housing providers. There are balance sheet constraints for the not-for-profit sector. But we do want to see them as the principal developer of new stock and we do want them to be involved in the management of stock that needs to be renewed and tenants who need to be transitioned.

**Mr GRIMWADE:** I will follow on from what you said, Minister. You talk about the benefits of the proposed transfer of social housing management to NGOs. Can you give us an outline of the best overall benefits?

**Dr FLEGG:** It is a very good question because there is general agreement that the role of non-government agencies need to be expanded. Let me put it into a couple of categories. I mentioned the issue around Commonwealth rent assistance. That is obviously a major factor in helping to support the provision of quality housing, particularly new stock. That is something that is not available if that property remains under state control.

Social housing providers also have the ability to borrow or leverage. I have had discussions with many, if not most, of our social housing providers. I am always cautious about the balance sheet. I think leveraging is an important part of what they do, but it needs to be watched. I would suggest that 20 per cent debt to assets is probably manageable, bearing in mind that their income is higher than if the same properties were held by the state. Some estimates have set the prudent gearing level a little higher than that. I like to be a bit conservative.

If you are able to gear that portfolio as you are building and redeveloping your stock you get more stock. It is as simple as that. If by leveraging your new construction with, say, 20 per cent debt then instead of 100 houses you get 120 houses. That is very significant in an environment where we are really going to struggle to provide adequate housing for people with higher needs.

I think that a lot of the big social housing providers—who incidentally the parliament is in the process of writing a much more efficient regulatory regime for under some new legislation—have a great track record of being very efficient in the management of their property portfolios, their administration, the management of tenants' needs and maintenance. I think that they can provide that with great efficiency.

Finally, I would remind the committee that increasing the people we house in public housing have high needs that go beyond just a roof over their head. They have physical disabilities, they are frail aged, they need help with meals and cleaning, they may have mental health issues, they may have intellectual impairment, they may need disability access, they may need carers. The social housing sector is well equipped to meet those needs.

**Mr RUTHENBERG:** Minister, you have already spoken with regard to the renewal program at Logan. I am going to follow up on that. Do you see that renewal program becoming a broader based model that could be used across the state? Specifically in relation to the Logan area, is there an indication of the size dwellings we could expect to built during that process?

**Dr FLEGG:** I have said from day one in relation to Logan that it is a pilot. It potentially is the biggest public housing redevelopment ever undertaken in Australia. However, the reason I like to use the word pilot is that we are looking at a new model. Simply building three-bedroom houses out in the suburbs does not meet the needs of the people we currently house. We are looking at a new model. That will be a model that will be rolled out across the state.

It is fair to say that the needs in Logan might differ a little—perhaps not differ all that much from those in Kallangur—to those, for example, on the Gold Coast. In Logan one of the priorities we have is to try to deal with the concentration issue. If public housing is concentrated in a particular area that has some negative effects. I think even the opposition would accept that premise. That does not necessarily apply right across the state. The model, for example, on the Gold Coast might be slightly different.

In general, the model is that we need a different style of housing which is smaller housing—predominantly one- or two-bedroom houses, but not all one- or two-bedroom house—because for the people we house that is the easiest way of providing the extra services they need. It would have a catalyst development. It would be overseen by a community housing organisation and it would be associated with redeveloping the old, tired stock at the end of its life. A lot of these houses probably were not sensational houses when they were built and they are now over 35 years old. There is a process of renewal—of either selling or redeveloping or, in particular, getting mixed use redevelopment if the sites lean towards that. We work with local councils, which has not always been the case in public housing.

Logan should be seen as a model, as a pilot, for what we will do across the state and how we will deliver a better type of housing and be able to provide for high-needs people. I really cannot repeat this often enough—I know the chairman is looking askance at me there—but the reality is that almost all of the people who go into public housing are very high-needs people who need more than just a roof over their head. They need other forms of support. Hence there is a fundamental redesign of the way we structure public housing.

**Mrs MILLER:** I refer to page 5 of the SDS. Minister, are you aware of how the residents of these caravan parks were informed about your decision and your government's decision to sell off the three government owned caravan parks? Did you or your office approve of the way that they were told—the ways the letters were dropped off? Did you approve of the fact that someone went round to every caravan under the cover of darkness—without these letters being personally addressed—and just put the letter on the front step of their caravans? Do you approve of that?

**Dr FLEGG:** In terms of who and how the letters were delivered, I would have to check the detail on that. I certainly approve of the fact that residents be written to.

**Mrs MILLER:** Not personally. They were not written to personally.

**Dr FLEGG:** Part of the issue here is that we did not want—and given the benefit of the hindsight I have now, it was probably a pretty good decision—residents of caravan parks hearing about this in the media, particularly in light of the pretty disgraceful scare campaign run by the opposition and some of their federal allies.

**Mrs MILLER:** You cannot hide under a rock on this one. You decided to sell the caravan parks. You cannot run away from it, Minister. It was your decision and then you could not even write a personally addressed letter to the long-term residents of these caravan parks.

**Dr FLEGG:** I repeat the fact that—

**Mrs MILLER:** There is no compassion.

**Dr FLEGG:** I am not sure exactly of the details of the letter, but certainly my preference was that they receive a written communication before they heard it in the media. We have seen people such as the federal member for Griffith tell what can only be described as a pack of—I am not allowed to say 'lies', am I?—very severe mistruths that this decision was an 'eviction notice'. I sat next to him when he made that statement. It is false, misleading and potentially causes enormous panic and distress to people in the caravan parks and it is a disgrace. I would encourage the honourable member—

**Mrs MILLER:** And so are you.

**Dr FLEGG:** to get on to the federal member and tell him that his political ambitions are not worth trampling on the rights of people by misleading them in that way. We are very mindful of protecting these caravan park residents' rights. They will continue to be residents of a caravan park. If in the very unlikely event—and my understanding is it is a very unlikely event—that the parks were to be redeveloped for another purpose then we would ensure that each of the current tenants received the appropriate assistance. I will ensure that my department keeps the necessary records so that we know who was there at the time and so forth. We are very compassionate in the way that we do this. This is a decision that has been made for very sound reasons, and I think it is pretty disgraceful the way these residents have been exploited for political purposes, particularly by the member for Griffith.

**Mrs MILLER:** Chair, I refer to SDS page 5. Minister, would you like to stand up now, face the gallery and personally apologise to those caravan park residents for the absolutely disgraceful letter that

you approved through your status as the minister that was left at the doors of their caravans advising them that their caravan parks are being sold? Minister, I invite you. That is the compassionate way of doing it.

**CHAIR:** Order! The minister will answer the question.

**Mrs MILLER:** Here is your opportunity.

**Dr FLEGG:** The member is noted for stunts in the public gallery.

**Mrs MILLER:** No.

**Dr FLEGG:** This is a committee that is examining these issues. At my suggestion—

**Mrs MILLER:** You haven't got the ticker to do it, have you?

**Dr FLEGG:** No, at my suggestion—

**Mrs MILLER:** No. Ain't got the ticker.

**Dr FLEGG:**—it was preferable for residents of caravan parks to have some accurate advice that this was coming before it hit the media. There is nothing worse than hearing about something that affects your personal circumstances on a news bulletin—

**Mrs MILLER:** So apologise.

**Dr FLEGG:**—particularly if the news bulletin is inaccurate, as so many have been in relation to this matter. I am not sure about the circumstances of who delivered the letter. I know that it needed to be done in some haste before the matter became a media matter. I am not sure if the member's allegation that it was an inappropriate means of delivery is right or not.

**Mrs MILLER:** And the letter and the means of delivery.

**Dr FLEGG:** The means of delivery is what I said. I will go away and ask some questions in relation to that afterwards.

**Mrs MILLER:** Minister, will you then apologise?

**CHAIR:** Order! Let the minister complete the answer.

**Dr FLEGG:** I think even the member would have to acknowledge that it is preferable that caravan park residents receive some initial notification before they hear it in the media. I am not totally sure—and I am very careful in the committee setting to be as honest about these things as I can. I think that the relevant letters were given to caravan park managers to distribute—caravan park managers who would personally know the tenants—and that would be so that if there were questions the only person they are used to dealing with in relation to their tenancy would be the manager. But, as I have said and undertake to the committee, I will ask questions of the department about the appropriateness of the way the letter was delivered.

**Mrs MILLER:** Chair, I note that the minister has failed to apologise to the people in the public gallery and shows no compassion whatsoever. Minister, I refer to Budget Paper No. 4 page 47. I refer to a front-line service that you decided to axe—that is, the Tenant Advice and Advocacy Service. I also refer you to your answer to question on notice No. 16 where you failed to answer the question. Did you receive or request any modelling or analysis prior to the defunding of the Tenant Advice and Advocacy Service about the impact that the loss of this front-line service will have on the community?

**Dr FLEGG:** Thank you for that question. Just before I answer that, I might just add something to the previous answer. I am informed that, because of the administrative arrangements set up by the previous government to get around the Commonwealth rent assistance issue, the department does not actually have the details to be able to personally address a letter to caravan park tenants. They are private sector managers managing those caravan parks. They are not managed by the department of housing. So I am informed that that is the reason the department of housing was not able to produce a personally addressed letter.

**Mrs MILLER:** And the department of housing can also look up an electoral roll, Minister, at that address. You know that as well as I do.

**CHAIR:** Order.

**Mrs MILLER:** If you were caring and compassionate, Minister.

**Dr FLEGG:** I have run for parliament a lot of times in electorates—not my current one but in previous lives—that have caravan parks and I would not be relying on the electoral roll in a caravan park.

**Mrs MILLER:** But it's a start, isn't it, Minister?

**Dr FLEGG:** But I can tell you that to be on the electoral roll you have to be enrolled to vote.

**Mrs MILLER:** It's a start.

**Dr FLEGG:** The next thing would be is that we would have the honourable member coming in saying we had incorrectly addressed the letter.

**Mrs MILLER:** No. No, I wouldn't. It's a start, isn't it?

**Dr FLEGG:** You actually need to know who lives in the caravan park.

**Mrs MILLER:** You did not bother because you do not have a compassionate bone in your body.

**CHAIR:** Order! Time for that segment is over. I now call the member for Kallangur.

**Mr RUTHENBERG:** Minister, in some of your communications there is a reference to a catalyst model in relation to public housing. I would appreciate you giving the committee a little bit of information about what that really means. Also, with land appropriation for public development, will that be located in proximity to things like public transport and other amenities such as schools and shops et cetera?

**Dr FLEGG:** It is a very good question. I have spoken at some length today—and it is a really important issue for the committee—about the fact that the housing that we have is inappropriate for many of the tenants that we have and we need to redevelop that portfolio into suitable product. We cannot and we do not have the stock to simply offer people smaller properties, newer properties. So the model that we are looking at for Logan in our pilot and also on the Gold Coast and a number of other communities is that we build a catalyst, that we build a number of units in a mixed use development, some of which would cater for very high needs people—perhaps people escaping domestic violence, people on discharge from hospital where they need 24-hour assistance. We would have a component within that development that provides the one or two-bedroom accommodation that is the most sought after. That would enable us to relocate people from underoccupied properties into our new catalyst developments and make those very old properties available either to redevelop or to sell and reinvest those funds.

Before I hear them jumping up and down on the other side, we have had some experience in offering people in underoccupied properties a relocation. In the Mitchelton area, with the housing provided by Churches of Christ Care, a number of properties became available that could be offered to public housing tenants out in the Mitchelton-Keperra area to relocate. Three-quarters of the people approached wanted to relocate—not were willing to relocate; they wanted to. In fact it was somewhat challenging because we will not have enough property for the people who want to relocate. Not everybody wants to live in a 35-year-old asbestos house after their family have left home and they are an elderly couple or an elderly person on their own. So that catalyst model to enable us to free up some of this end-of-life property for redevelopment or reallocation is a critical part of the model that we have put together.

**CHAIR:** I call the member for Mount Ommaney.

**Mrs Smith:** For the record, Minister, I think you are very compassionate. Can I also say I commend you for leading this much needed shake-up in this department.

**Dr FLEGG:** Thank you.

**Mrs Smith:** I refer to page 5 of the SDS and the \$268.3 million expenditure on housing in Indigenous communities. I ask the minister to please advise the committee how this government intends to ensure that it will get value for money in the actual delivery of properties to these communities with the greatest need for housing and guarantee that it will not be spent on government administration costs such as the practice of the previous government.

**Dr FLEGG:** I thank you very much for that question. This is the NPARIH program. It is a federal money but the responsibility for running the program and building the houses belongs to the state government. It is a challenging program. It is a 10-year program that will deliver over 1,100 new houses for specified remote Indigenous communities. If I have my way, we might stretch this money to provide even more than that number of houses. In these remote Indigenous communities there is a lot of overcrowding in the houses. That leads to things such as child safety issues where you have numerous adults living in one house that is not big enough for them. It certainly impacts on things like education and so forth.

I am particularly passionate about this program because I think it provides a wonderful opportunity to do something better for Indigenous Queenslanders. So I have now made a number of trips up to the Torres Strait and Cape York specifically to look at housing. My initial trip up there when I first became minister I have to say was very disappointing. The quality of houses provided did not suit the tropics. They were building cement slabs on ground with cement besser block walls. They heat up during the day like a pizza oven and radiate the heat all night. That is why when you go to these communities everybody is out in the yard or the carport even late into the evening waiting for the house to cool down.

So much money was spent carting tonnes of concrete that there was very little outdoor area and the cooking facilities were not accessible from outside. In some cases, in order to meet stringent federal government guidelines, the previous government erected houses that in my view are absolutely substandard. They are more like a shipping container or a mining donger. I think the director-general

has some photographs of housing delivered by the previous government in Indigenous communities which we would be quite happy to table for the benefit of the committee. How would you like that to be your new home, Mr Chairman? So we will not be doing that.

We have workshopped a way of delivering much better quality housing that suits the tropics—that is elevated off the ground, that has air circulation, that has much more extensive outdoor areas, that has access to cooking facilities from outdoors, that address child safety issues such as having an external toilet so that if there is a family or community function going on adults do not have to access the children's part of the house to go to the toilet. So we have done a lot of work. The government architect has been very helpful and he has met with people with expertise in this area.

I must say we still have some challenges. I will be meeting the mayors for the second time next week and I will be saying to the mayors, 'We want to build really good houses for your people but you have to help us,' particularly in the Torres Strait Island Regional Council area where on the vast majority of those islands we have not been able to source land that meets the tenure requirement of the federal government.

**CHAIR:** Excuse me, Minister. Is leave granted to table those documents? Leave is granted. Minister, in relation to Indigenous housing and homeownership opportunities for people living in Indigenous communities, have any communities been short-listed where land and homes may be transitioned to freehold title and have you received representation from Indigenous communities where stakeholders indicate a willingness to pursue homeownership?

**Dr FLEGG:** Thank you very much for that question because that is another topic that I am very passionate about. Indigenous Queenslanders in remote communities deserve the same right to own their own home that we enjoy, their own right to modify their house and, dare I say it, the right in owning their home to be able to sell it if they choose, for example, to move to a community that has a high school where they want a better education for their children. They are all things that every one of us take for granted and they are completely nonexistent for Indigenous Queenslanders in remote communities.

We have identified a number of priority communities. I met with the majority of the mayors from this region in Cairns with my colleague the Minister for Aboriginal and Torres Strait Islander and Multicultural Affairs, and the majority of the communities understood and want to achieve homeownership for their people. It is fair to say that some of the mayors have some reservations around land title. Whilst they want homeownership for the members of their community, they do not want a land title that could be sold to someone from outside that community. That is a problem that I can understand, given the history, and we will have to work through patiently with people. However, unless you have the title to your home and the ability to sell it if you so choose, you do not have homeownership. We are working on a system of 99-year leases. The Indigenous financing organisation would be prepared to live with that, but most Indigenous Queenslanders that I have met—and I have spent a lot of time on this program—said they want to know they own this property for good and can leave it in a will to their children. Banks currently would have great reservation about any activity in Indigenous communities.

A lot of Indigenous Queenslanders who I have the outmost admiration for want to do things such as raise a small loan against their home to set up a business. I saw businesses up on the tip of Cape York that have operated for a quarter of a century. They need small amounts of capital. Most small business people in our community raise that against their property. We will be meeting the mayors again next week. I understand the challenge that some of these concepts are to mayors. Certainly Hope Vale is leaps and bounds ahead, and I want to congratulate the Mayor of Hope Vale, who I think has been a shining light on behalf of that community in creating freehold land that people, if they wish to, can be housed in. This is a program which will only advance in partnership with Indigenous communities, but we are very determined to see Indigenous Queenslanders get equal rights with the rest of Queenslanders when it comes to homeownership.

**CHAIR:** That concludes the examination of the proposed expenditure for the organisational units of housing services and the building industry within the portfolio of the Minister for Housing and Public Works. We will now examine the proposed expenditure for the organisational unit of public works in the minister's portfolio.

**Dr FLEGG:** Mr Chair, could I seek leave of the committee to not correct but clarify some information that the member for Bundamba was seeking before? I promise I will take no more than 60 seconds to do so.

**CHAIR:** Go ahead.

**Dr FLEGG:** In relation to the loss-making caravan parks, I am informed that the SDS figures which the member for Bundamba referred to did not include any of the \$1.1 million per year administrative cost that is necessary to continue with that arrangement. I am also further informed that in previous years the previous government made grants out of consolidated revenue to keep these parks going and to fund upgrade work. In 2009-10 Woombye received \$332,000 and Monte Carlo received \$168,000. I hope that clarifies the matter for the record. The fact that these caravan parks lose such a substantial amount of money was important to clarify.

**Mr BYRNE:** Minister, good afternoon.

**Dr FLEGG:** Good afternoon.

**Mr BYRNE:** I refer to the fact that under the previous government over 1,300 QBuild apprentices were trained, most of whom were going to contribute to the construction industry later on. Page 45 of the SDS refers to the reduction in apprenticeship programs. Will the minister advise the number of apprentices he intends to put on this financial year?

**Dr FLEGG:** I thank the member for the question. It is a very important question. QBuild has been a major trainer of apprentices, and in the past it has had an intake of around 100 apprentices a year. That intake is not continuing under the present government, and that is one of the difficult decisions that we have had to make. The reality is that if we take on apprentices to begin their apprenticeship we need to know that we have the range of work, that we can rotate them through the necessary skills that they need to finish their apprenticeship, and we also need to know that we will be able to keep them on throughout their apprenticeship. At this point in time with the changes that have occurred we cannot give incoming apprentices that assurance. Our priority will be to ensure that several hundred existing apprentices all get the opportunity to finish their apprenticeship within QBuild. So what work is available will be maximised for the training of those existing apprentices. Sadly, we have had to make that priority.

As things settle down, as work opens to contestability and QBuild refocuses in areas such as delivering services in remote areas, delivering services, for example, in asbestos, and we have greater clarity about what the level of work is going forward, then we will reassess what level of training we are confident we are able to provide. As work becomes untied from QBuild, of course that work will still be done. It will be done in some cases, particularly in the south-east corner, by the private sector and that will create training opportunities for apprentices in the private sector.

We are also very mindful that it is an important policy objective for us to train Indigenous apprentices. So we will take in 20 Indigenous apprentices particularly for training in the remote areas of the state. I am very pleased that we have been able to continue that part of the program. I think as time goes on—and your concern is well raised and I accept your concern—and we have more clarity about what the role of QBuild is and what happens when client agencies become untied, we will then have greater clarity about what level of work we will have to train apprentices for.

**Mr BYRNE:** Obviously by your answer there is a reduction in numbers of apprentices trained, and it is apparent that this department for the first time in probably 150 years will no longer have a significant training focus, despite your suggestions that it may rise like a Phoenix. Given the state of the forecast shortages in skilled construction workers, is this action of slashing the apprentice opportunities a case of short-sighted economic rationalism?

**Dr FLEGG:** I take some issue with the way that you have expressed that in slashing these apprenticeship opportunities. Firstly, I point out we have made the priority enabling our current crop of several hundred apprentices having the ability to finish their apprentices and not have to go and find work elsewhere to finish their apprentices. That has been made our priority and so that has affected our ability to have an intake. The changes that are part of the drive to improve public sector efficiency do mean that agencies are untied. Education and health boards—traditionally large users of QBuild maintenance services—will be untied. If QBuild does not do the work, then the non-government sector will do that work. So the work will still be done and training opportunities will still be there. As I said, as we get greater clarity about the demand of untied agencies for public sector work in the maintenance area, then we will review that situation.

**Mr BYRNE:** I refer to page 42 of the SDS where mention is made of the future of QBuild, which you alluded to earlier. I draw the minister's attention to the statements sent to all QBuild staff by the Acting DG on 3 October wherein he indicated that the role of this business unit will be reduced to what appears to be nothing more than a maintenance provider of last resort and that what was left of Project Services will be absorbed into that unit. Is it not a case that the minister has almost completed his wish to totally privatise QBuild and Project Services and that the rump that is left is designed to fail so it will ultimately be privatised as well?

**Dr FLEGG:** Thanks for your question but the assertion in your question is completely incorrect. As is public knowledge, the government throughout all of the services provided in the public sector reviewed those services and considered a range of scenarios. Privatisation of QBuild is not the scenario that this government chose. The direction forward for QBuild is a very relevant one. It has been a bitter bone of contention for P&Cs and schools that they have been forced to use QBuild in the past, as tied agencies, often at very expensive rates. This government—and it was certainly no secret before the election—made the commitment that we would give parents and school communities, for example, schools being one of the biggest users relevant to your question, the opportunity to get the best price they could. We will still be offering services to all those agencies, but they will have a choice. We expect and our prediction is—it is not a decision of government, mind you; it is a prediction—that in the south-east corner where the private sector has a strong presence for these services it is unlikely that QBuild will be able to offer them at competitive rates and that much of that work will go to the private sector. That will create a lot of savings for schools and P&Cs—notably for the \$200 million that the LNP has



injected into urgent maintenance of schools, they will get \$300 million worth of value out of it by being able to take the best price that they can get.

QBuild will continue to be a relevant organisation but it will only be so if it is efficient. By merging with Project Services, we were able to reduce duplication where Project Services had design teams for contracts that were let out on a design and construct basis in some cases to the private sector and duplicated that design process. That design process will now be done by the private sector and not duplicated. QBuild will muscle up its capacity in certain areas, and it will need to do so and it will need to be efficient in the way that it does that. The taxpayers of Queensland expect that we will deliver building services at the best possible price. I think that QBuild will have a relevant future, particularly in remote areas.

I did a press conference today in relation to asbestos management, which is a growing and very serious problem in public buildings right across Queensland. QBuild will have a role there. Its clients will be open to contestability. That is no secret. That has been LNP policy for probably forever. I think the people of Queensland endorse the policy that a P&C or a school should be able to get the best price for the job and get the most out of their maintenance budget that they can. We have made that possible for them. My job and the job of the department in relation to QBuild and Project Services will be to make sure that they are efficient and that they do have a critical role going forward in an environment where their clients are untied and the work they do is contestable.

**Mr BYRNE:** To start on the BSA, I ask the minister: have you had any discussions, or have your staff had any discussions, with permanent members of this committee in relation to the parliamentary inquiry into the BSA? Is it not the case that the minister has previously indicated little confidence in the BSA and certainly wants to—

**Dr FLEGG:** Sorry, I missed the word you said there, Bill.

**Mr BYRNE:** Is it not the case that the minister has expressed little confidence in the BSA in the past and wants to privatise the Home Warranty Scheme and wants this government dominated parliamentary committee to do the heavy lifting and dirty work on your behalf?

**Dr FLEGG:** I absolutely reject your assertion. I absolutely reject your assertion. The inquiry that this committee is undertaking is a genuine and independent inquiry. I am very excited about it because the BSA is a very complex beast and provides a whole array of different functions within the building industry, and I want guidance from this committee about many of those functions. I personally do not have a preconceived idea as to where the BSA should go. It is really complicated.

I know that a lot of people are unhappy with aspects of it. I get more briefs in relation to the BSA, the Home Warranty Scheme, the suspension of licence, the financial capability tests for contractors and so forth than on any other part of my department, so I am aware of the concern about it. It was my initiative to ask that this be referred to the parliamentary committee because I think a review is an enormous job. I hope the committee is finding it an enormous job because it is really complicated. It is a very large organisation with a large budget that performs a very important role.

I have made no decision; in fact I do not even have a strong view about the Home Warranty Scheme along the lines that you have suggested. I have some views about the level of reinsurance that is used there, but that is more of an administrative petition. I certainly have no views about the privatisation of any other part; there is not even one function I can think of within the BSA. I do have some thoughts about the input of professional bodies, such as the Plumbing Industry Council and some of the other building organisations, in relation to qualifications and so forth. I am very much hoping that your committee inquiry will give me the lead and the recommendations to help me make the services the BSA provides more acceptable to the people who have to use it. I hope that is a pretty clear answer.

**CHAIR:** Thank you, Minister. I call the member for Springwood.

**Mr GRANT:** Minister, I read from page 43 of the SDS. In 2011-12 QBuild successfully undertook a program of 2,074 asbestos audits and over 630 asbestos removal projects valued in excess of \$26 million. Of the 2,074 audits, how many identified new buildings containing asbestos?

**Dr FLEGG:** In relation to the exact number, I will have to get back to you and we will check with QBuild on that. I really appreciate a question on asbestos because, as members would be aware, this is an issue that I have taken up since my very first days as a parliamentarian quite some years ago. The effects of asbestos are something I saw as a medical practitioner. Every six days, another person in Queensland is diagnosed as terminally ill with cancer related to asbestos, and that rate is increasing and it is not expected to peak for many years to come. We have a major problem with asbestos that has not been well dealt with, so we are taking a number of measures in relation to asbestos to try to protect the lives and health of Queenslanders.

I did a press conference today with the head of the LGAQ. In this state, we currently do not even have a public register of the places where you can legally dump asbestos. So a tradesman, a renovator or a home handyman—or even a professional remover of asbestos—who finds they have some asbestos and needs to dispose of that asbestos does not have a readily available public register to tell

him where it can be appropriately disposed of. That is why we find so much asbestos buried under buildings or schools, and there have been numerous cases of this. It contaminates the land, and it costs millions of dollars to fix. So we are working with the LGAQ to make that a reality.

Currently, and quite inexplicably, nobody at QBuild holds an A-class asbestos licence. Can you believe that? It is quite extraordinary, isn't it? You have quoted the figures for what QBuild has done with asbestos, but between the lot of them they do not have an A-class asbestos licence. They deal with asbestos in extremely remote places—such as the Torres Strait and the far west of the state—where there is not an established industry of tradesmen who deal with asbestos. We are going to ensure that QBuild staff are trained up and are able to get that high-level qualification in asbestos. It is part of making a future for QBuild that is relevant in the public sector.

Make no mistake, there are two million square metres of asbestos materials in public buildings around Queensland, mostly in schools and public housing units. We are continuing to get incidents, if I can say that, which involve an accident or a contamination with asbestos, and they are averaging at more than one a day. Last year, there were over 400 asbestos incidents reported and they continue to increase. This is a very important area for us to do a lot better in because once you inhale asbestos there is nothing anyone can do. It takes its course.

There are two particularly high-risk products where we have found a little bit of money, not enough, and we will prioritise. One is the low-density board, which is about six per cent of the asbestos in Queensland public buildings, including schools. It is more than 100 times more hazardous than traditional fibro because it is an unbonded product. There are large amounts of low-density board in Queensland buildings, and it should be a priority and it will be a priority to remove. The other particularly dangerous form is weathering asbestos roofs. You will recall some years ago that we fought a battle with the previous government to remove that out of schools. After the then government insisted for years that there was no harm, they removed them all. The other product that perhaps fits into that category is some of the flooring products which are subject to wear and tear because children and staff walk over them and, over time, they get brittle and break down. That asbestos backed vinyl is a bad product and it needs to be a high priority for removal. It is a big challenge, I have got to say, and we do not have the resources yet to do everything I would like to do but we are going to be doing everything we can to protect people.

**Mr RUTHENBERG:** Minister, I want to continue with this asbestos line. Has your department looked into the feasibility of a centralised database containing records of all government owned buildings and properties containing asbestos?

**Dr FLEGG:** That is a very good question because we have looked at that issue. We have a database called BEMIR, a built environment database, that I have to say is a pretty good effort. It is largely maintained by client agencies and QBuild, but it is not a complete record and it is very important for us to have a complete record. There are some changes in administration—for example, with independent public schools and with health boards—and some of these new agencies will take responsibility for maintenance. We really need to have a state-of-the-art asbestos register. Currently, public housing is not recorded on the asbestos register—it is not part of the register at all—so I hope to make an announcement in the not-too-distant future looking at a more comprehensive approach to ensuring that we have an electronic database of where hazardous asbestos is located in public buildings.

**CHAIR:** Minister, I refer to the Service Delivery Statement in relation to asset management services for government employee housing across the state. In resource regions or remote areas where commercial housing rent is already overinflated, has the department looked at implementing rental health indexes or something similar so that departments can continue to attract employees who would not normally locate to these areas due to overinflated rental markets? I cite, for example, a doctor who wanted to live in a rural area like Roma and the health department already had houses allocated to those doctors. Will there be an assurance that those houses will still go to those people?

**Dr FLEGG:** It is a great question, and I think Warrego could be one of those areas. The department is undertaking a program in relation to staff housing because it is another thing that we have inherited that is a basket case. Currently, there are over 5,000 staff houses of a non-operational nature in Queensland. Our department has responsibility for only about 800 of those, but those 800 have given us a good sample of what to expect when it comes to staff housing. The government have requested that we review and come up with a much better system for staff housing, and that we will do.

I am going to get to the detail of your question, but the No. 1 priority that I can see at the moment in relation to staff housing is the fact that the preliminary inspection of around 25 per cent of it indicates that most of it is not up to a suitable standard to expect anyone to live in. We estimate that about 60 per cent of it does not have a minimum level of amenity. That is pretty serious.

We also have a system where individual departments are managing their properties and there is no coordination between them. For example, in Mount Isa where the rental market tightened up significantly with a change in fly-in fly-out policy by the mining company up there, the police department had an increased presence but there was nowhere to house their staff. Everything they had was full,

people were sharing motel rooms and people were told to go and rent in caravan parks, while other government agencies had empty houses but we had no central coordination.

As we work through that process, we are inspecting every single staff house of a non-operational nature in Queensland—over 5,000 of them. We are going to do a database of the condition of them all. I will take forward some proposals. All these proposals we put forward will be subject to cabinet approval, but we will be taking forward proposals in relation to the matter you have raised. Currently, as you are aware, some of our rental markets get right out of kilter. Sometimes it is only temporary. Moranbah is the example everyone uses, where rents went up to \$3,000 a week for a house in Moranbah. I understand they have come back pretty sharply now. Sometimes it is only temporary because there might be an infrastructure project that comes and goes.

We have already had preliminary discussions and we will have a system where we will even out those, so there will be a standard background rental, if it is staff accommodation, that the government runs. Thursday Island is another great example where rents are just ridiculous and people will not go and provide their services there. I recently visited Thursday Island and we are losing health professionals because we cannot accommodate them. The private rental market is completely dysfunctional. We will have a system in place that evens out those levels for staff housing and departments will still be able to provide the current subsidies they do to ensure that rent is attractive.

At the end of this process we want to have housing that is all up to a suitable amenity; we do not want the substandard houses that we often ask people to live in at the present time. Also, we want to have an efficient, centrally-run subsidised system that evens out the rentals between these markets and interacts with the private sector, because sometimes demand increases. Sometimes police presence increases in an area but it may not be forever, so we may need to access additional housing. If we have a centralised system, we are better placed to lease or recruit that housing from the private sector. Currently, what is happening is that individual departments are bidding in property hot spots, like Thursday Island, and they are bidding against each other because there may be only one house available and we have more than one department that wants it. So we are participating in pushing the prices up. I think it is very exciting. I have got no doubt it will be very challenging, mind you, but I think we can really do a lot better for the accommodation of our staff.

**Mr BYRNE:** Minister, you would be aware that the manager of the BSA has been highly commended, particularly by members of the government now who were in opposition—a reflection of his acknowledged competence and capacity to do various difficult tasks over a period of time. Is the minister aware that his manager of the BSA was attacked under parliamentary privilege and called unparliamentary and what I would consider to be otherwise defamatory names? Has the minister raised the issue of this unparliamentary attack on one of his senior managers by members of the public? Can he advise what steps he has taken to ensure that employees of the BSA who were defamed under the privileges of this parliament have the right of reply? Or does it suit a purpose to leave those remarks uncontested on the record?

**Dr FLEGG:** I might need some guidance from the chair here. I am not aware of that taking place within the parliamentary chamber in my presence.

**Mr BYRNE:** No, it was in front of the inquiry.

**Dr FLEGG:** I have heard—but it is only second-hand because I was not present at the inquiry—that there were some exchanges. I am yet to see the Hansard of that. I have not had a complaint from the head of the BSA in relation to that matter at this time but I am happy to discuss it with him.

**Mr BYRNE:** He is probably too decent with a high pain threshold. It was out of order.

**Dr FLEGG:** He is a seasoned campaigner. One of my first acts as minister was to extend the tenure. I appreciate the work that the BSA does in a very difficult job. I really cannot say much more about that particular incident because I have not seen the Hansard and I have not received a complaint from the BSA. Mr Jennings is present here. I am not sure whether, given the personal nature of the question, it is appropriate to ask him to comment on that or whether it is sufficient to say that, if he has a complaint, I am happy to receive it and take appropriate action.

**CHAIR:** I think we might leave it with you, Minister.

**Dr FLEGG:** I suspect that is probably the appropriate course of action.

**Mr BYRNE:** I refer to page 1 of the SDS and the reference to procurement services. My question is to the director-general and concerns reports about the recent appointment of a Chief Procurement Officer based in the Department of Housing and Public Works. The minister's office is reported as saying that no public advertising was conducted to help fill the very senior vacancy, that only a targeted executive search was conducted and that only one person was the focus of that search. Does the director-general know who conducted the targeted executive search and is he satisfied with the overall process of not advertising such a senior position and having only one candidate for the job?

**Mr Castles:** Yes, with the chief executive of the Public Service Commission, I considered various potential applicants for that job. That was both within the public sector and also external to the

government. It is a highly specialised job. The type of person that you need in these jobs is not readily available in the public sector and in the private sector. Our view was that we were better off targeting the person for that job. When we went through the process, we identified Ms Goodwin as the most appropriate person for that job. We then opened discussions with her.

**Mr BYRNE:** On the same topic, I refer to the reported statements by your spokesman that the procurement officer was appointed following an assessment of potential candidates, as the DG has just said. Given the significant role of the Chief Procurement Officer across the whole of government, have you seen that assessment and would you be willing to provide an element of that to this committee?

**Dr FLEGG:** I have not seen that assessment. Under the Public Service Act this appointment is a responsibility for the director-general of the department. As such, I played no role in it. In fact, it is fair to say that I did not know about it until after the appointment was made. So it was done at complete arm's length from any potential or even remote impression of any interference because I did not even know the process was going on. Having said that, procurement is a small, highly specialised field. The department has given me the assurance that has just been given to the committee that this was certainly an independent process, that an executive service unearthed a couple of people who were available. Bear in mind, that very few of the few people in this field are looking for work. A number of internal candidates who have worked within the government were also considered. I think that the process has been conducted appropriately.

The other thing the honourable member should be aware of is that the government is reviewing procurement policy. There is some high-level review underway at the moment. It is very complicated. We are purchasing about \$4 billion worth of goods and services a year through government—\$16 billion; I have been corrected. I even underestimated it. There was \$16 billion worth of goods and services under government procurement policy. It was also necessary to fill this vacancy very quickly. It was not something where we could wait for someone to give three month's notice or something like that.

**Mr BYRNE:** Forgive my inexperience, but I imagine that you would have a lobbyist register in your office, that those lobbyists are recorded—those who come and visit you.

**Dr FLEGG:** I believe we have a very accurate lobbyist register.

**Mr BYRNE:** I imagine you would have. Would you mind tabling that at some point in the future or taking the question on notice to table it?

**Dr FLEGG:** I do not keep it personally. It is kept within the office. I will get back to you before the end of the committee. I do not have a problem with you seeing whom we have met with.

**Mr BYRNE:** Thanks. I want to talk a bit more about QBuild. I refer to the privatisation of QBuild Industries, the joinery arm of QBuild, and I ask: What instructions did the minister give and to whom regarding the manner in which it was to be done? That refers to the SDS on the QBuild—

**Dr FLEGG:** Could you please repeat the first sentence again?

**Mr BYRNE:** I refer to the privatisation of QBuild Industries, the joinery arm of QBuild, and I ask: what instructions did the minister give, if any, and to whom regarding the manner in which that was to be done?

**Dr FLEGG:** In relation to the merger of QBuild and Project Services, as minister I have been responsible for the consideration and approval of the policy direction, which is the merger. Much of that merger of QBuild and Project Services is still ongoing. It is quite a complex process, but the process itself has been conducted within the department, as I think you would realise would be appropriate. In relation to that particular sector I do not know whether you want the deputy director-general to clarify in terms of the process, because that is a departmental question.

**Mr BYRNE:** I am happy for whoever knows the information to provide an answer.

**Mr Atkins:** The question was in relation to the—

**Mr BYRNE:** The question was about the privatisation of QBuild Industries, that specialist joinery arm of QBuild. I want to know what sort of instructions, if any—obviously instructions must have gone out. I want to know who gave them and to whom regarding the manner in which that was to occur.

**Mr Atkins:** There were no instructions received by the department. The department worked through a process with regard to the financial viability of QBI and made a recommendation to government regarding its potential future and its opportunity to be economically sustainable. With regard to informing staff of QBI as to the future of QBI, the Director of Brisbane Facilities Services Group, Mr Jim Keim, went out and personally addressed staff as soon as we were aware of the decision.

**CHAIR:** We might move on. I call the member for Mount Ommaney.

**Mrs SMITH:** Minister, I refer to the SDS, page 43. Can the minister update the committee on progress on the Carseldine government office redevelopment project?

**Dr FLEGG:** Thank you very much for that question. The Carseldine redevelopment project was part of a fairly poorly conceived proposal by the previous government called the decentralisation. Yes,

that is right; Carseldine is decentralised apparently! It comprised three office developments: one at Bowen Hills, the Carseldine redevelopment of what was an education facility and the ICON building in the Ipswich CBD. However, in the previous government's proposal to shift thousands of public servants from offices within Brisbane out to these decentralisation areas, they also told staff that nobody had to go if they did not want to. So that is quite extraordinary; it is quite breathtaking really. If your department moves out to a new office built at government direction at Carseldine but you say you do not want to go, what are you going to do? It is an absurdity. It is a joke. That is a significant issue that I inherited when I came in as minister. People in the main roads department who were scheduled to go to Carseldine were under the impression that they could take it or leave it. The health department was under the impression they could take or leave going to Bowen Hills. We actually still do not have tenants for most of the building out at Ipswich. So we made the decision not to proceed with Bowen Hills on a number of grounds which were made public. In the case of Carseldine, it was already a fairly advanced project. Those works are almost complete and will be completed this year. We have refurbished five buildings there, each potentially capable of taking about 200 staff. So around a thousand people would be affected there. We have had some lengthy discussions with the department of main roads. They had originally agreed to take 800 of the 1,000 available positions, but I understand now that the department of main roads will take the whole site and that they will resolve that matter with their own staff. That facility is virtually finished and will be able to operate in the first quarter of next year.

**Mr GRANT:** Minister, I refer to budget paper No. 3, page 71 and ask: given the impending storm season, can you please advise the committee of the status of construction of the 10 cyclone shelters being delivered by your department?

**Dr FLEGG:** We have a program building the cyclone shelters. In fact, I had the pleasure of visiting several of these during the recent trip to North Queensland. They were pretty well received, I have to say. To save the director-general marking up the exact details of each one, I might pass it to him in a second to go through the specifics. Obviously, we had some donor money that the previous government allocated to this program, and it was an interesting experience to go and visit those shelters. One of the things we have to be very careful about with that sort of facility is that someone maintains them. It is very easy to have a facility in the case of a disaster, but if you do not get a disaster and it has not been maintained, the electrical plant and the stores and supplies that might be needed will still have to be maintained.

These are very impressive buildings. They have generally been built around schools and to provide community facilities. So they have kitchen facilities; they have the ability to have a double use for things like sports activities and so forth. That will help us to ensure that they are maintained. We might go through the individual details with the director-general.

**Mr Castles:** An amount of \$60 million was originally allocated to the program; \$30 million came from the Consolidated Fund with the other \$30 coming from the Abu Dhabi government. In relation to these 10 cyclone shelters, eight are actually going to be owned by various schools and so forth. They are all going to be completed by the end of December, and they are on course to be completed. The Mackay one, which has been built and developed along with a school, will also be completed by the end of December. The one that is lagging is the Cairns Regional Council cyclone shelter. That is much bigger than the other cyclone shelters. It fits 1,500 people. It will be ready by February 2013. In that case, Cairns Regional Council is handling construction rather than the Department of Housing and Public Works. Cairns has another cyclone shelter in the town, at I think Edmonton, and that will assist during that period. In addition, there are a number of other public buildings throughout the state that can assist with shelter during bad storms and cyclones.

**Mr SHORTEN:** Minister, I would like to ask you about QFleet. How is your department addressing waste and reducing government expenditure on its vehicle fleet?

**Dr FLEGG:** It is a good question. QFleet, of course, is the provider of government cars. If you look at the SDS you will see that QFleet provided something of a profit because of the buoyant state of the used car market; however, the reality is that all of its customers are tied customers who do not have any choice. We inherited a very serious financial situation that requires every avenue of government spending, including the provision of vehicles, to be scrutinised to see what efficiencies can be gained.

We have taken a number of decisions in relation to QFleet. There has been some reduction in staffing, as you will see, and we will be progressively closing the workshop at Zillmere. I want the committee to understand that the workshop at Zillmere is not a workshop in the sense that you might understand it. It does not provide the mechanical support for the vehicles that operate within the government fleet; it principally only details and repairs the dings and so forth to put used cars on the market when we replace them with new cars.

We have taken a decision that we should keep cars a little longer—an extra 12 months or so—and that we should reduce the overall number of cars that we have by ensuring they are more effectively pooled, so that we are not providing extra cars somewhere while we have a garage full of cars that are going nowhere. Obviously that decision will mean there will be a significant reduction in the number of

used cars that are superfluous and that then need to be repaired and sold. So the work going through that workshop would not have been adequate to maintain it.

Because they are obviously very difficult to move, we sell cars in other parts of the state when we replace them. In all other parts of the state that work is done by the private sector, and we will move to the private sector here. In essence, we will be keeping cars longer and we will have a slight reduction in the pool of cars. Across government that will provide a significant saving.

**CHAIR:** Minister, regarding the repair, reconstruction and recovery of government owned buildings and houses as part of the multiagency disaster response in Charleville, Mitchell, Roma, St George and Townsville, four of which are in my electorate, can you advise the committee about the work that has been done in each of these locations and the important role the department has played in disaster recovery?

**Dr FLEGG:** Firstly, the department played quite a significant role in the disaster response. I have taken great personal care and attention to make sure that, in some of the decisions we have had to make, we do not lose some of that response. For example, SDS warehouse did a lot of the procurement of things like bottles of water, nappies, baby formula and so forth, and obviously that is being closed down. I went out with the Minister for Community Safety to ensure that all of those functions are retained in other appropriate parts of the public sector so that we do not lose them. I do want to make it clear that we are very conscious of the role that organisations like SDS and QBuild played during the natural disasters. You will also be aware that we deployed some relocatable homes, some of which I as minister have just authorised to be donated to some of the councils so that they will be on hand if they are needed in the future.

In the Mitchell and Roma area, for example, 23 QBuild staff were deployed to the disaster in Mitchell. QBuild teams undertook extensive repair work of government facilities including repairing roofs and guttering, removing collapsed ceilings and resheeting them, and removing water damaged carpets and vinyl. QBuild plumbers were busy testing and pumping out septic systems which were flooded and testing and repairing septic pumps. Plumbers also unblocked drains and repaired toilets, sewerage overflow and pressure pumps. QBuild electricians worked closely with Energex conducting electrical testing prior to the reconnection of power. That was a very important thing to do because, even when the building was repaired, you could not operate it until it was proven that the electrical repair was going to be safe. These remarks are important to the remarks I made earlier in relation to QBuild's role in regional and remote areas and the importance of making decisions that create a viable niche for QBuild going forward.

A focal point of recovery efforts was Mitchell State School, which was used as an evacuation centre during the crisis, housing 130 people and 160 animals. I do not know what sorts of animals they were, but I am sure you know, Mr Chairman! The recovery team was ably led by QBuild foreperson Daniel Burke. When Daniel heard that his home town of Mitchell was to be flooded he immediately volunteered for deployment from the Sunshine Coast to lead a recovery team in the stricken town. Daniel headed up a team which concentrated on a quick turnaround to get the school up and running, to allow at least one aspect of life in Mitchell to return to normal. Within 48 hours Daniel's team had removed or cleaned carpets, painted, cleaned the grounds and gardens, mowed, erected safety fencing and even ensured the sandpits were safe for children to use.

**Mr BYRNE:** Minister, I want to continue on the subject of QBuild Industries. I am led to believe that it is a state-of-the-art manufacturing business that has developed specialist expertise for office workstation design—

**Dr FLEGG:** Which agency are you talking about?

**Mr BYRNE:** QBuild Industries. That has been demonstrated in some of the jobs they have done. We in the opposition have been told that employees were told to scrap all of their current work at a point and therefore not fulfil the orders that were extant. After listening to previous evidence given by one of your departmental staff, will you release the advice that was received that enabled the decision to privatise this business? Will you check to see whether part of that advice was influenced by any direction from anyone within the department—I am not suggesting yourself—to cease work on various projects?

**Dr FLEGG:** Thank you for that question. Let me make something clear and clarify the answer to the previous question. Certainly QBI was not privatised; it was closed down because it was viewed as being uneconomic, and that work would then be procured from the private sector. Once again with this activity, the same as the previous one, there certainly was not any direction from the government or from me as minister. The arrangements in relation to these parts of QBuild were designed and advised to government by departmental officials. If you want that level of detail about what happened in relation to this, I would need to ask Graham to address you.

**Mr BYRNE:** I would just like to see the business case.

**Dr FLEGG:** These are not political decisions that are made by the minister's office.

**Mr BYRNE:** I understand that, but I would like to see the business case that shows the cost-benefit, suggesting that this can be cut. That is the basis of the argument.

**Dr FLEGG:** You are quite entitled to ask the question. Given that it relates to decisions that are departmental ones, I will ask Graham Atkins to answer.

**Mr BYRNE:** While he is coming forward, what is happening to the equipment? There is some pretty sophisticated and valuable taxpayer owned equipment on that site. What is the intention with that equipment?

**Dr FLEGG:** I think we will let Graham answer this.

**Mr Atkins:** The decision around QBI was based on its lack of financial sustainability. It had very limited amounts of work, as I understand it. We had employees who were very underutilised and we could not be successful in winning projects. The equipment is extremely dated, as I am led to understand, and not suitable for modern-day manufacturing. It had a range of services when it was created. It did aluminium glazing, it did powder coating and it constructed workstations. It is much more economically viable, I am told, to purchase those workstations through bulk suppliers rather than individually manufacture.

**Mr BYRNE:** Thanks. Minister, there must be a report or a business case representing that within the department. Are you willing to take it on notice to table that report?

**Dr FLEGG:** You are actually asking for information that would not exist in my office. If you give me a moment, I will confer with Graham to see if what you are referring to actually exists.

**Mr BYRNE:** What I am getting to is that there must be a basis for the decision. There has to be some formal decision-making system in the department that documents how these decisions are reached. I want to see that decision tool or matrix or business case or whatever it is.

**Dr FLEGG:** I am advised that we do not have a single document, that the document you refer to does not exist in terms of a business case, but a thorough assessment of this business has been made and the decision was made that it was not a viable business. The data on which that conclusion was based—things to do with work volume, costs and so forth—would all be obtainable, but in terms of a single document to table I am advised that there is no such document. If you want further information about the detail that led the department to believe that this was not a viable business, I can come back to you with that.

**Mr BYRNE:** I would appreciate it, because I would find it quite extraordinary if that sort of decision was not documented within the department and available as a matter of open governance. I mean, for those sorts of decisions there is an obligation on management—not necessarily political, but certainly in the senior bureaucracy—to document the basis of those decisions and substantiate the advice provided to government. I want to see whatever was documented there for the record, as it should be.

**Dr FLEGG:** We will obtain for you the information relating to costs, orders—the business activity on which the decision was made that this was not viable. I stress again: this was not a political or government decision. There was a process conducted within QBuild and within the department that identified the various units and activities and made recommendations in relation to them. So there is no conspiracy or anything here, and I have no reason to doubt that within the department they would have made a very reasonable assessment of the costs of operating this business and the relative cost of obtaining the product from outside.

**Mr BYRNE:** Just to be clear, you are going to give us that and that will reveal things like the predicted savings in the outyears from sourcing from bulk manufacturers—

**Dr FLEGG:** We can get you the information on which the decision was made that this was not a viable business going forward.

**Mr GRANT:** I refer to page 51 of the Service Delivery Statements. I note that in 2011-12 your department completed the new Brisbane Supreme Court facility. What are the government's plans for the old Brisbane Supreme Court building?

**Dr FLEGG:** Thank you very much for the question. The old Supreme Court building in fact represents a very unique opportunity for the CBD of Brisbane. It is virtually a whole city block. As it will be developed by the private sector, I do not want to pre-empt what the private sector may find works for them, but it could potentially hold the largest development yet undertaken in the Brisbane CBD. It is that sort of a site.

The department has conducted a public expression-of-interest process. That expression-of-interest process has now closed. We have a short list of possible purchasers of that site. That short list is currently being assessed by an appropriate assessment panel, so it is not a ministerial or political decision.

The government has made it clear that it has some priorities for that site, and two in particular. One is that Brisbane and the Queensland tourism industry, for which obviously Brisbane is a vital entry point, has a significant lack of five-star accommodation. So the government is keen to give weighting to

proposals that would include five-star hotel accommodation to complement what I think is universally regarded as being an inadequate stock of five-star accommodation. Even now, whenever I say that in the private sector, they always pull me up and say 'six star'. I am not quite sure of the difference, but high-level accommodation. The other issue that the government is particularly keen on is to support the arts in Queensland. A proposal that delivers a performing arts type of complex will be given favourable treatment. By that, the government might be prepared to accept a lower price for a proposal that includes that facility.

The government's preference, based on advice from the arts community, is that what is needed in Brisbane is about a 1,200-seat capacity site. The Performing Arts Centre now is very heavily booked. It is also quite expensive—if you are putting on a performance that does not fill the theatre, it is quite expensive. So we are working through proposals at the moment with a preference for proposals that would provide Brisbane with both of those much needed pieces of amenity.

**Mr SHORTEN:** Minister, in noting the departmental balance sheet at page 28 of the Service Delivery Statements, estimated current asset receivables will increase by \$32.3 million for 2012-13. Can the minister advise the committee on the reasons for this estimated increase in receivables?

**Dr FLEGG:** In which part of the SDS?

**Mr SHORTEN:** Page 28—the departmental balance sheet.

**Dr FLEGG:** That detail will be in the notes that accompany the financials. So we will just look that up. A lot of the figures within the SDS have been influenced by the fact that machinery-of-government changes mean that Housing has come across from Communities, CITEC and Chief Information Officer has gone from Public Works over to DSITIA and they were midyear changes. That is a reason some of the numbers are more difficult to interpret. If you want to go to the next question, I will just come back to that one.

**CHAIR:** That pretty well sums it up, actually.

**Dr FLEGG:** Just referring back to an earlier question that one of the government members asked in relation to the 2,074 asbestos audits, they were condition assessments. That is a reference to when there is a bit of uncertainty—and it is a very frequent occurrence—as to whether a material is asbestos or not. In fact, quite often you have to do a laboratory test because it is not always apparent by visual inspection. When asbestos was discovered, generally the necessary action was taken as soon as the test was available.

**CHAIR:** Thank you.

**Mr Castles:** There is just one other slight correction to what I said. The existing cyclone shelter is at Redlynch and not Edmonton in Cairns.

**CHAIR:** Thank you. So noted. There was a question before about tabling the lobbyists register. Do you want to do that later on?

**Dr FLEGG:** Yes, I have that here.

**CHAIR:** Are you happy to table it? Leave granted.

**Dr FLEGG:** And we will take that question in relation to the receivables on notice. Some of those are quite complex because of the machinery-of-government changes. We will get back to you.

**CHAIR:** Thank you. The time allocated for the consideration of the estimates for the Minister for Housing and Public Works has expired. Minister, on behalf of the committee I thank you and your advisers for your attendance. I remind you that your answers to questions taken on notice at today's hearings are to be provided to the research director by 5 pm on Monday, 22 October. The committee will now break. The hearing will resume at four o'clock.

**Dr FLEGG:** Mr Chairman, if I could just add my thanks to the committee. I was asked by the media a couple of weeks ago what I wanted to get out of estimates and I said that I would like to see it as a valuable activity for both the government and the opposition. I think it has been that. I would like to thank the committee—both government members and non-government members—for their participation in the very important activity of scrutinising these estimates. Mr Chairman, I am sure your committee would also join would me to thank Hansard, my director-general, my staff and the officers of the department, who I am sure have had a very entertaining afternoon here. They have done a lot of preparatory work—a very large amount of preparatory work—to make sure that we were ready to answer any nature of questions as fulsomely as we could. I really appreciate the effort that they have put in and I would like to record that. Thank you.

**CHAIR:** Thank you, Minister.

**Dr FLEGG:** And to our chamber attendants as well.

**Proceedings suspended from 3.36 pm to 3.59 pm**



## ESTIMATES—LOCAL GOVERNMENT

### In Attendance

Hon. DF Crisafulli, Minister for Local Government

Mr R Ferrett, Chief of Staff

**Department of Local Government**

Mr S Johnston, Director-General (Acting)

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**CHAIR:** Good afternoon. The estimates hearing of the Transport, Housing and Local Government Committee has now resumed. On behalf of the committee, I welcome to the hearing the Minister for Local Government, officers of the department and members of the public. I am Howard Hobbs, the member for Warrego, the chair of the committee. Ms Desley Scott, the member for Woodridge, is the deputy chair. Other committee members are Mr John Grant, the member for Springwood; Mr Darren Grimwade, the member for Morayfield; Mr Trevor Ruthenberg, the member for Kallangur; Mr Anthony Shorten, the member for Algester; and Mrs Tarnya Smith, the member for Mount Ommaney. Bill Byrne is here temporarily. The committee will now examine the Appropriation Bill 2012. The estimates hearing for the Minister for Local Government will conclude at 6 pm.

The proceedings today are lawful proceedings subject to the standing rules and orders of parliament. As such, I remind visitors that any person admitted to this hearing may be excluded in accordance with standing order 208. In relation to media coverage of today's hearing, we have adopted the guidelines prepared by the Committee of the Legislative Assembly for committee hearings. The hearing will be broadcast live via the Parliamentary Service website. It is important that questions and answers remain relevant and succinct. I intend to guide proceedings so that relevant issues can be explored without imposing artificial limits and to ensure that there is adequate opportunity to address questions from of the government and non-government members of the committee. Where necessary, I will remind ministers, directors-general, CEOs and their advisers that their answers to questions should be finalised so other issues can be examined.

As laid down in schedule 8 at the back of the standing orders, we expect all departmental officers appearing today to provide full and honest answers to our questions. Anybody who is unwilling to provide an answer should be prepared to state their reasons. I also remind those present that departmental officers are not here today to give expert opinions on the merit or otherwise of the policy of the government. That is the role of the minister. For the benefit of Hansard, I ask departmental officers if they are called to give an answer to please state their name before speaking. Minister, the committee has resolved that non-committee members be given leave to attend and ask questions during the hearing.

Finally, before we begin, I ask everyone to switch off their mobile phones or switch them to silent mode. I now declare the proposed expenditure for the Minister for Local Government open for examination. The question before the committee is—

That the propped expenditure be agreed to.

Minister, would you like to make a brief opening comment?

**Mr CRISAFULLI:** Thank you. Mr Chairman, I thank you and your committee. For more than half my working life I have served my community as a councillor. The experiences that I gathered have informed my attitudes as local government minister in the Newman government and, therefore, my contribution to this budget. Like most members who come into this place, I do so with a desire to make life better for my city. I have long been an advocate for regional Queensland and have been vocal in my views about the need for the regions to get a fair share from state and federal governments. But there was an added reason that convinced me to leave the council and that was that I saw a dark future for the level of government closest to the people. It was not just the forced amalgamations—where councils were told what a wonderful job they were doing through the Size, Shape and Sustainability process only to be put to the sword days later—but indeed the way that local government had become viewed as a whipping boy for the state. Nothing typified this more than the waste levy, which councils were forced not only to collect for the state but indeed to pay through their business units despite the fact that many philosophically saw no genuine environmental outcome from yet another tax.

To be afforded the opportunity to be a minister of a stand-alone local government department has provided a great opportunity for me to do something about these injustices. Once appointed, I was faced with a local government sector that was deeply distrustful of George Street. Considering that level of distrust, my first priority as minister was to heal the wounds among the state's 73 councils and I took it upon myself to meet them on their home turf rather than summoning them to see me. What I found was

a local government sector willing to embrace change. This tour has not just been great for building bridges but it has formed the basis of the changes I have tabled in the parliament of the Local Government Act. These changes clearly put mayors and councillors back in charge of their council and ends the one-size-fits-all approach out of Brisbane. It will make councils more autonomous and, therefore, more efficient with an end to some of the onerous and costly reporting demands on things like community plans and local laws.

We have also taken the first steps to fulfilling our commitment to those councils looking to de-amalgamate after the brutal forced amalgamations, which commenced in 2007. While mounting a case to deamalgamate was always going to be much more difficult five years on with the myriad of costs involved, it is important that we give communities every chance to see if two viable shires or cities can be created. At the very least, it has given 19 communities the opportunity to express a desire to see an improvement in governance from their regional council. In my meetings with these community groups—again, on their home turf—I believe that we have taken steps forward in this regard. Indeed, for many it was the first time they had the ability to convey to the local minister how dejected they felt to lose their community's identity. Even being able to put forward an argument five years later was part of the healing process.

Whilst small in staff numbers, it is my view that the local government department can play a pivotal role in helping councils get outcomes for their community. I want this department to work with local members of parliament and councillors to act as the conduit to get things done from the state. Another challenge in the years ahead will be ensuring that smaller regional councils and the state's 16 Indigenous councils look at ways of becoming more efficient and generate additional own-source revenue to remain viable.

Mr Chairman, thank you for the opportunity to address your committee. I see a strong future for local government and I see the role of the local government department as being a partner in this journey, rather than an adversary.

**CHAIR:** Thank, Minister. I call the member for Mackay.

**Mr MULHERIN:** Minister, welcome to your first estimates hearing. What new infrastructure is this budget delivering through the Department of Local Government that was not planned, funded or in the forward estimates at the time you became minister?

**Mr CRISAFULLI:** Significant is the answer to that question, because the Local Government Grants and Subsidies Program, which I have already called applications for, provides a genuine opportunity for communities to be able to deliver that type of infrastructure. The question that the member for Mackay asks is a very relevant one, because indeed there have been some issues with that program. The problem with that program has been that, despite its good intentions, we have not seen it really deliver the runs on the board. I can share with the committee as to why that is the case. Despite the fact that the budget for that program is \$45 million, despite the fact that applications were called in August, only \$8 million of that fund was able to be expended in the last financial year. The reason is that councils were not notified of that until February and, in some cases, March. By that stage, the state had gone into caretaker mode, local government was just about going into caretaker mode after having an initial baulking period of when to start because the elections were put back and, quite understandably, the bulk of that funding was not spent. So we have been successful in rolling over that money to this financial year, but indeed we have also provided new money, which applications have been called for and we will be rolling out, I can assure you, much earlier than February or March next year.

**Mr MULHERIN:** So \$8 million is old money?

**Mr CRISAFULLI:** I am sorry?

**Mr MULHERIN:** Is \$8 million old money?

**Mr CRISAFULLI:** No, \$8 million is the grand total—

**Mr MULHERIN:** That \$8 million is part of that grand total of \$45 million?

**Mr CRISAFULLI:** The \$8 million is the grand total of what was able to be spent last year. I would suggest the reason is that local councils were part of some political circus, where grant applications provided for in good faith six months before were used as some sort of almighty pork-barrel.

**Mr MULHERIN:** Minister, I refer to page 8 of Budget Paper No. 3, where it details that the capital grants from your department have fallen by \$155.2 million, or 51 per cent from the last financial year. Minister, how do you reconcile this page with page 54 of Budget Paper No. 4—you have to go to both—where it says that the cuts to the local government grants this financial year are \$11.62 million as part of your government's announced cuts to local government grants of \$59.69 million over four years? What are the \$155.2 million cuts and which local government areas are impacted?

**Mr CRISAFULLI:** There are two components of savings. The first component is through that Local Government Grants and Subsidies Program. Indeed, that overall pool of money has been reduced but, as I pointed out before, when you consider that, of last year's \$45 million bucket, only \$8 million was spent, in real terms the expenditure will go from \$8 million last year to \$63 million this financial year.

**Mr MULHERIN:** So it will go from \$8 million expended the last financial year to \$63 million to be expended this financial year?

**Mr CRISAFULLI:** Correct.

**Mr MULHERIN:** But in Budget Paper No. 3—I just want to get it right—it says that capital grants from your department have fallen by \$155.2 million if you take the 2011-12 year of \$303.7-odd million down to \$148.5 million, which gives you roughly about \$155 million. But then when you go to Budget Paper No. 4 it says that the cuts this financial year are only \$11 million.

**Mr CRISAFULLI:** Yes.

**Mr MULHERIN:** So there is a discrepancy.

**Mr CRISAFULLI:** No, there is not.

**Mr MULHERIN:** Of \$59.6 million.

**Mr CRISAFULLI:** No, there is not and the reason there is a discrepancy is that that funding that you refer to is, in fact, half the payment from the federal financial assistance grants, which is provided from the Commonwealth. Half of that was paid at the end of the financial year, which is why the—

**Mr MULHERIN:** Yes.

**Mr CRISAFULLI:** That is indeed a very valuable program, as you would know. That is the lifeblood for many of those smaller councils.

**Mr MULHERIN:** Minister, I refer to page 3 of the SDS where it mentions the Partners in Government Agreement with the LGAQ. I ask the minister: the LGAQ has stated that the LNP's first budget contained substantial pain for councils and that enough is enough. Minister, will you guarantee that there will be no further cut to funding for local government? I seek leave to table the relevant media release from the LGAQ.

**CHAIR:** Leave granted.

**Mr CRISAFULLI:** Again, I thank the honourable member for the question. There is nobody more passionate than me about that Partners in Government Agreement.

**Mr MULHERIN:** You can have passion—

**Mr CRISAFULLI:** No, there is nobody more passionate—

**Mr MULHERIN:** I think it is a fair question.

**Mr CRISAFULLI:** And there is nobody who believes in it more than me, because I was, in fact, involved in local government when the most recent Partners in Government Agreement was torn up. It was torn up because of a complete and utter brutality that was committed against local government in the way the forced amalgamations were undertaken. I say, with respect, that you were part of that government. For the Local Government Association to rip up that document and say that it would not be prepared to re-sign it until it saw some faith, I think, spoke volumes of that relationship. I happen to believe in that document and I happen to believe that it is a document that will guide the way in which this government operates. I know that the acting director-general—

**Mr MULHERIN:** So you will guarantee no more funding cuts?

**Mr CRISAFULLI:** The acting director-general has written to his CEO equivalents and advised them how important that document is. The document is important, because it empowers councils to be able to deliver more for less. Why? Because we believe that the level of government closest to the people should have a greater say in the way things are run.

**Mr MULHERIN:** Minister, can you guarantee that there will be no further cuts?

**Mr CRISAFULLI:** Again, in reference to your question about the Partners in Government Agreement, it very clearly defines the role that local government will play in working with the state.

**Mr MULHERIN:** Yes, but Mr Hoffman said, 'Enough is enough' about the cuts. Can you guarantee that there will be no further cuts for local government?

**Mr CRISAFULLI:** I can guarantee that this government will work very closely with the councils—

**Mr MULHERIN:** But you cannot guarantee—

**Mr CRISAFULLI:** In fact, what we will do is free them up to get on with the job of serving their communities instead of foisting on them a paternalistic act as did you in 2009, which did absolutely nothing but treat local governments as your dancing bears.

**Mr MULHERIN:** It is fair enough to say that you cannot guarantee that there will be no further cuts for local government?

**Mr CRISAFULLI:** I guarantee that local government will be a much happier entity under this government. I think that has already been seen.

**Mr MULHERIN:** You will not guarantee it.

**Mr CRISAFULLI:** I say through you, Mr Chair, I think what we have seen so far is the dawning of a very special partnership.

**Mr MULHERIN:** You cannot guarantee it. I will move on to the next question. I refer to page 4 of the SDS where it mentions that your department will continue to monitor the financial sustainability of local governments to improve loan borrowing processes. Will this involve any investigation of alternative financing arrangements for local government? Is your department doing that sort of work at the moment?

**Mr CRISAFULLI:** There are two elements to that. I genuinely thank the member for the question because it is a good one. The first is in terms of where local government sources its funding from. It seems that local governments generally are happy to be getting their money through QTC. That is despite the fact that the state has lost its AAA credit rating which means that interest repayments for local government will be in the order of above \$50 million extra per year because of that. Had that slide continued that figure would have increased even further. As members of the committee know, it is wasted money when we are spending money on interest repayments rather than on delivering services. That is the first part of the question.

I think there is a broader discussion that needs to be had and that is in terms of the way that local government has to finance its assets. I think it is a very good question that the member has asked and that is the way that local government depreciates its assets, the way that it has to calculate the depreciation, whether or not the asset was funded by itself wholly or whether it was funded by a third-party financing. I sincerely believe that one of the greatest gifts that this government can give local government, aside from freeing it up to do what it has to do and that is serve its community rather than constantly reporting back to the state, is to look at the way that local government has to depreciate its assets.

The member asked about its finances. The member would be aware that there is currently a report which was commissioned through the federal government which Ernst & Young is doing. There is a lot in that field that we have to look at in the years ahead.

**Mr MULHERIN:** Has the department done much work?

**Mr CRISAFULLI:** And I thank the member for the question.

**CHAIR:** We will move on. I refer to page 14 and the Closing the Gap priorities. Can you advise the committee what the Closing the Gap priorities are and how they are measured by the department?

**Mr CRISAFULLI:** Thanks, Mr Chairman, and thank you for the question. There is an umbrella program, which is the Indigenous Environmental Health infrastructure Program, and under it has sat a myriad of different programs which the Department of Local Government has been involved in, including the MIP program, which has been of interest of late. I sense an opportunity with delivering this funding and, indeed, Closing the Gap, but what I really think we need to do is first of all speak to the communities about what sort of infrastructure they need. On my visits to the 16 Indigenous councils, and I have been to all of them, I have seen some infrastructure that, whilst it has been a step in the right direction, was probably not the infrastructure that the community would have got had it been consulted in the first place. I think when we are funding infrastructure in the Indigenous communities we have to ask ourselves first of all what is our highest priority, whether that be water, sewerage, seawalls, whatever it is, but we also have to ask ourselves, beyond the cost of establishing it, which state and federal governments are happy to assist with, can the communities afford to operate it and maintain it. That is a big challenge for all local governments.

I think local government has really come of age in recent years. They are a bit more wary these days of the smiling politician with the ribbon and the scissors because they know that once they have left and once that capital has been funded there is that ongoing operating cost. I think as part of the next phase of our delivery of this infrastructure in these Indigenous communities we do have to have a look at first of all asking the Indigenous communities themselves what type of infrastructure they want and need, look at the environmental standards we need to achieve and working out in the long-term whether or not we are, in fact, creating assets that the community can afford to maintain.

**Mr GRANT:** I refer to page 13 of the SDS and the Commonwealth financial assistance grants and I ask: is there another review of the methodology of the financial assistance grants foreshadowed or is the system working well?

**Mr CRISAFULLI:** Thank you very much. Through you, Mr Chairman, I will thank the member for Springwood for the question. I believe he is in fact, in the 89 member parliament, the person with the most experience in local government and he just pips you in that regard. It is a great honour to get that question from him. There is a review. Minister Crean—and I spoke with Minister Crean this week—is in the process of reviewing that vital program. The member for Mackay asked a question about the FAG funding. It really is the lifeblood for some of these smaller communities.

The review will be in two stages. The first stage is being undertaken at the moment. The timing looks to be that the second will happen towards the end of next year. Whilst they will look at, no doubt, how that money gets divvied up between the states, and whilst the focus of the state in making recommendations to the minister through the Grants Commission has been on how you chop up that pie, what my focus is on is making sure that we can actually grow that. The level of money in there is being stretched further and further all the time for local councils.

In answer to the question from the member for Mackay, we spoke about the fact that that payment was advanced a little bit at the end of the last financial year. But my grave concern is we are in an era where the federal government will be looking for savings. That is a considerable program. It is just so valuable in delivering what communities need. Without it certainly the smaller councils, certainly those Indigenous councils, those rural and remote councils, simply could not survive. It is that important. It does play a big role in the budgets of larger councils. Whilst the review I know is focusing on a number of other factors, it is my sincere hope that it also looks at the amount of money available and, in fact, increases that money in the years to come.

**Mr GRANT:** I refer to the Local Government Act 2009 and that you are responsible for administering the act and I ask: are you aware of any constituents in Queensland who have been declared by local governments as vexatious constituents?

**Mr CRISAFULLI:** No, I am not. I say to the member that is something that individual councils will make a decision on and they will have processes to handle that. It is my view that the state should not be reaching down into the bowels of the council to get that information. That is something that they should be empowered to make a judgment on themselves.

**CHAIR:** I refer to page 4 and the \$40 million to assist local governments with recommendations from the Queensland Floods Commission of Inquiry. There seems to have been a lot of flood affected communities in the last three years and \$40 million has been allocated. Can you advise the committee how funding has been prioritised under this program?

**Mr CRISAFULLI:** Thank you very much for the question. It is, indeed, a key part of the floods inquiry. I am actually excited that the prospect is there for councils to be able to spend that money. You mentioned that it is \$40 million over three years. In the first year it is \$13.4 million with the balance over the remaining two years. I have called for applications for that. I can assure you we have no intention of making an announcement in March of next year, we will be making those announcements this calendar year. It is vital that these councils be given every opportunity to implement that. It is a bucket of money that I think can deliver so much more by the fact that we are actually empowering local communities to deliver it rather than rolling out one-size-fits-all infrastructure that we have seen in recent years from other levels of government.

**Mrs SMITH:** I refer to page 1 of the SDS, dot point 4, and the efforts to deal with the complexity of legislative links and the duplication of community planning with other planning requirements. Can the minister advise the committee on how this issue is addressed and what consultation informed the decision?

**Mr CRISAFULLI:** Thank you very much to the member for the question. This was one of the most pressing issues that was raised in my visit of the 73 councils across the state. It was raised in Rockhampton, it was raised in Southern Downs, it was raised in Barcaldine. It was raised in councils of all different sizes and shapes. If ever you need an example of how paternalistic the Local Government Act has been it is in the area of a community plan. We have said to councils, 'You must construct this document. It will look and feel like this. You must report back to us each and every year and we will give you a gold star and a chocolate if you are doing a good job.' The reality is communities were not getting great benefit from these documents. To put it in perspective, I am aware of a council that spent over \$1 million on a community plan. But in the case of some of those smaller rural and regional councils they were spending \$40,000 or \$50,000. That might sound like only a few small shells, but when you are dealing with councils that have a total rate revenue of little more than half a million dollars that is a huge dent on a local council. Not only did they have that upfront cost of doing one, they then had the ongoing cost of having it constantly reviewed each and every year to put it in.

My approach to community plans is simply that the best form of a community plan is to engage with your community. They will judge the councils on how they think they are heading on their expectations and they will pass judgement every four years rather than the state directing them to produce a document that looks like a carbon copy of the council beside them. That is how we can save councils real money.

**Mr MULHERIN:** Minister, before we were discussing financing of councils and debt and depreciation. You made mention of the work the federal government commissioned carried out by Ernst & Young. Has your department started any work on that Ernst & Young report?

**Mr CRISAFULLI:** In this budget we have a shade over \$1 million to do some capacity building with the councils as well. I want to have a real focus this year on also working with some of the smaller councils, the Indigenous and rural councils, and look at giving opportunities for those councils to look to

increase their own source revenue which is definitely one of the challenges and, indeed, looking for savings in areas where they might be able to get some efficiencies in how they work.

Our offer to work with the federal government is certainly there on the table, but we are also getting on with the job ourselves because we really have to find ways to make savings for local government. This week I commissioned a get-together of office staff in the local department and we threw up a number of issues on ways that we might be able to make some real inroads for local councils.

**Mr MULHERIN:** Around financing?

**Mr CRISAFULLI:** Indeed.

**Mr MULHERIN:** What sort of options are you looking at?

**Mr CRISAFULLI:** I certainly want to see Indigenous councils with an opportunity to increase their own source revenue. I also want to see Indigenous and some of the rural councils look at ways of sharing some resources. I think we need to put everything on the table because, quite simply, they are going to struggle. We spoke about the financial assistance grants from the federal government. There are going to be some real challenges for local government and I think one of the gifts that we can give them is to try to assist them to work together to lower some of their costs.

**Mr MULHERIN:** As part of the review your department is doing will you rule out allowing private banking institutions or lenders to loan directly to local government?

**Mr CRISAFULLI:** Local government have not expressed a will for that to occur. I say through you, Mr Chairman, they are quite pleased with the arrangement through QTC. There are no plans for that.

**Mr MULHERIN:** You were mentioning earlier financial assistance grants from the Commonwealth. What is Queensland's share of the financial assistance grants this year?

**Mr CRISAFULLI:** It is a little bit over \$400 million.

**Mr MULHERIN:** Is it up or down on the previous year?

**Mr CRISAFULLI:** It is down a little bit. The federal government has said because Queensland is not growing at the same rate as previous calendar years it has fallen. Overall it is down \$8.5 million this year.

**Mr MULHERIN:** Do you agree with that?

**Mr CRISAFULLI:** No. I think more money should come to Queensland, I say to the honourable member for Mackay. We are a growth state.

**Mr MULHERIN:** Have you made any submissions around how the financial assistance grants should be administered into the future?

**Mr CRISAFULLI:** Indeed I have, Mr Chairman. I say to the honourable member that I have done a little bit more than that. I have picked up the phone and spoken to the federal minister, who I think is a fairly straight up and down sort of a character.

**Mr MULHERIN:** But you would also require support from your local government colleagues in other states to change the system. Have you been speaking with them?

**Mr CRISAFULLI:** I am always willing to arm wrestle anybody to get a good deal for Queensland.

**Mr MULHERIN:** Probably that is one thing that you and I are as one on; we are both parochial.

**Mr CRISAFULLI:** I think we might be.

**Mr MULHERIN:** I refer to page 1 of the SDS where it outlines your department's role in ensuring the ongoing financial sustainability of local governments. In this capacity, can you advise which council currently has the largest amount of debt and by how much has that debt increased since the financial year 2008?

**Mr CRISAFULLI:** Currently, local government debt as a whole is a little bit over \$5 billion. If you compare the fact that those 73 councils cover a state the same size as the state government and the debt of this state, if headed on the same trajectory that you left it in, would have reached \$100 billion, I guess that shows they are not doing all that badly. However, it is my view that local government really wants to be able to look at ways to finance without borrowing. I understand that. I think one thing that local government can do is look to partner with the private sector to be able to deliver infrastructure, to be able to create civic space and maybe have some additional rate income. I have spoken to some of the Indigenous—

**Mr MULHERIN:** There have been examples of that. Clem 7 is now in receivership.

**Mr CRISAFULLI:** I have spoken to some of the Indigenous councils and looked for opportunities for them to look at some of the abundance of land they have. There is a program at the moment in Hope Vale, which I had a look at the other day, which is quite exciting. They are in the process of planting bananas. That has not just generated jobs in the plantation phase, but also hopefully ongoing jobs for

years to come. There is evidence in the past of councils that have run enterprises, cattle stations for example, and that has created jobs for Indigenous people. I think councils are looking outside the square.

**Mr MULHERIN:** You do not know which council currently has the largest amount of debt?

**Mr CRISAFULLI:** Currently, you will not be surprised to find out that it is the largest council in the country, which is the Brisbane City Council, and is \$1.16 billion in debt.

**Mr MULHERIN:** Is that the current figure?

**Mr CRISAFULLI:** That is at 30 June 2012.

**Mr MULHERIN:** Looking at the Queensland Treasury Corporation, the total debt outstanding at market value at 30 June 2012 is \$1.828 billion.

**Mr CRISAFULLI:** I gave you the level of debt as at 30 June 2012. I am happy to check that figure, but the figure I have is \$1.16 billion.

**Mr MULHERIN:** I am referring to an official government publication, page 69. I understand that the debt has increased from \$51.8 million in the financial year 2008. The state government purchased the council bulk water assets in that year. The debt has now gone to \$1.83 billion. Minister, what plans do you have to monitor Brisbane City Council's debt?

**Mr CRISAFULLI:** I guess the comparison between less than \$2 billion and less than \$100 billion—

**Mr MULHERIN:** It is nearly 40 per cent of the total debt of councils. I accept that it is a large council, it is the largest council in Australia.

**Mr CRISAFULLI:** With respect, the financial figures of the Brisbane City Council are probably in a better shape than those of the state government.

**Mr MULHERIN:** I probably beg to differ. It has gone from \$51.8 million in 2008 and the state bought out the bulk water assets, which made them debt free, but now they have a debt of \$1.83 billion and no doubt climbing. They also have exposure to Legacy Way, whether that will be successful.

**Mr CRISAFULLI:** I would dearly love to be part of a cabinet that took over an organisation with a debt less than \$2 billion, I can tell you that.

**Mr MULHERIN:** When you look at the rate base population, I think that you will find that it is a higher debt burden than the state. What plans do you have to monitor the Brisbane City Council debt?

**Mr CRISAFULLI:** All councils submit their financial returns and we will work with all councils. Again, I would respectfully say to the member for Mackay that I do not believe that a council that is rated strong financially is at the top of our watch list.

**Mr MULHERIN:** So you will not be monitoring, in other words, Minister?

**CHAIR:** Thank you, Minister.

**Mr MULHERIN:** Is that right, Minister? The government will not be monitoring the debt?

**Mr CRISAFULLI:** We look at and assist all councils. If you continue to read the document that you are looking at, the financial rating for the Brisbane City Council is strong.

**CHAIR:** I call the member for Springwood.

**Mr MULHERIN:** I want to clarify—

**CHAIR:** We have done that.

**Mr GRANT:** Minister, I refer to page 1 of the service delivery statements, dot point 4, and the requirements surrounding corporate plans, which are prime examples of unnecessary duplication. Can the minister advise the committee on how this issue is addressed and what consultation informed the decision?

**Mr CRISAFULLI:** Indeed the role of a corporate plan is an important part of guiding the way local government spends its money. I would sooner see local government focus on the corporate plan rather than the community plan. I think there is genuine benefit; if councils can tie some of the aspirations of a community plan into those operational plans, there is far more benefit in that. In answer to the honourable member's question, again, we see our role as empowering local government to be able to make a decision on how much investment and interest they put in these plans. I think that is the best way to get living, breathing documents that people actually use.

**Mr GRIMWADE:** Minister, I refer to page 1 of the service delivery statements, dot point 4, and the efforts to deal with the onerous nature of operational planning time frames. Can the minister advise the committee on the consultation that informed the decision and how this issue is being addressed?

**Mr CRISAFULLI:** The legislation currently requires local governments to have a financial plan and an asset management plan that each cover a period of at least 10 years. Again, that is a time figure

chosen by the state. It does not give the local government the ability to look at and see what suits its situation. It is our intention to make sure that that prescription is removed.

**CHAIR:** Minister, the Premier set you the task of visiting the 73 councils throughout this state. I am sure that you have been able to manage a lot of that. Are there any that you have not got to at this stage? How were those councils?

**Mr CRISAFULLI:** I have visited all 73 councils in about five months. In many cases, I saw it as an opportunity to see the issues facing those local areas. It gave me great pleasure to do so, alongside you on many occasions. That was a great honour, indeed.

The purpose of the visit was twofold. The first was to try to mend some of the bridges. It has been a poisonous relationship between the state and local councils. I did not want to assume that just because government had changed that that relationship would change. I wanted to earn their trust and I wanted to earn their respect. I figure that you only do that by showing up on their home turf. It has been great. It has also been an opportunity to look at some of the issues that have bogged down those councils. In many cases, it is the little things that they have not raised before, that they have just put up with. I saw one example that truly left me shaking my head. A council was running out of room at its cemetery, but was surrounded by town common of about 20,000 hectares. It waited for over four years to acquire one hectare from the state. When you hear stories like that, you think to yourself, this is why local councils just want the state government to get out of their way and genuinely assist them. That was the first part of it.

The second reason—and I think this is the reason the Premier was keen for me to, indeed, visit the councils on their home turf—was to speak with all of the councils and all of the councillors about the changes to the Local Government Act. I have answered a few questions in regard to the level of prescription, but fundamentally the act puts mayors and councillors back in charge. I think in a democracy, it is the level of government closest to people. I believe that the changes reflect the ability for people to elect somebody and expect that they can get results for them. Nothing frustrates people more than when they find out that their councillors are, in many cases, powerless to act. The changes to the act will change that. It will free local government up to deliver for their community and, therefore, create more efficient local councils that deliver for their communities.

**Mr SHORTEN:** Minister, I refer to page 1 of the SDS, dot point 4, and the efforts to create a simpler general reporting regime with less duplication. Can you advise us on the consultation that informed that decision and how the issue is now being addressed?

**Mr CRISAFULLI:** To follow on from the previous answer, the consultation did, indeed, come from my discussion with those local councils. It is not just the reporting of the corporate plans and the community plans that I have discussed; it is everything about the way that local government has had to report back to the state government. I think nothing highlights that more than the way that local councils have had to go about making their local laws. In many cases, a local law has taken councils over a year to adopt, because of waiting for various state agencies to sign off on that local law. When you think about that, it is not so local after all.

One of the changes to the act will ensure that councils sign off on their local law. By all means, they will be required to make sure that is not contrary to state law and we want them discussing that with communities. If we are truly to trust local government and truly understand that, in the vast majority of cases, they want to adopt a local law to be able to serve their community, surely we should just let them adopt local laws. That is one of the myriad of reporting mechanisms that we have done away with.

**Mr RUTHENBERG:** Minister, firstly, can I say thank you to you and your staff on behalf of the council in the area I come from. I was at your first meeting with the council and I would sure love to see you back out there. They truly appreciate your commonsense approach to allowing them to get on with the job. Minister, it is in that vein that I ask this question. I am again coming back to dot point 4, in reference to conflict of interest in respect to sporting and community groups. Can you advise how you have addressed this issue and what consultation informed that decision?

**Mr CRISAFULLI:** I thank the member for the question. Indeed, his local council raised this and most local councils raised this. The absurdity of the conflict of interest provisions have been highlighted by many things, but none more so than when you visit a rural council and you have a councillor leaving the room because they are a member of the Campdraft Association, which has applied for some in-kind support. Nothing is more absurd than when somebody has to declare a conflict of interest because their daughter is a Girl Guide and they have applied for a \$50 sponsorship from the council. It is absurd when parents have their kids at a school and they are forced to leave the room for conflict of interest.

It is my view that the sorts of people we want to be local councillors are exactly those sorts of the people—the people who have manned the barbecue at the local rugby league club for 25 years and the people who take their kids to school and serve at the tuckshop; all those sorts of people. In many cases—and I am obviously addressing conflict of interest here and not material personal interest—it is those little things that have made them say, 'It is all too difficult. I have to run a business. I have to raise my kids. It is all too difficult with the absolute nonsense that I have to be put through. I am constantly



looking over my shoulder to not be in breach of an overly paternalistic act.' I think we can make changes to make sure that we weed out the bad apples rather than go after people for not leaving a room because some girl guides want a \$50 helping hand.

**Mrs SMITH:** If I could follow on from that point. With regard to the efforts to deal with the issue of councillors being responsible for pointing out the material personal interests of other councillors could you advise the committee on how you see this being addressed?

**Mr CRISAFULLI:** Thank you very much for the question. Quite simply, that section will be removed. It is an absurdity. It is an absolute absurdity that a councillor is in breach of an act because he or she has a suspicion that another councillor might have an interest and does not declare it. People are big enough to be able to make their own decisions about whether they have a conflict of interest. They should declare the conflict if there is a one and they should leave the room. If they do not and it is viewed that that is inappropriate then they, of course, should feel the full force of the law. It is a nonsense to create this big brother approach that everyone has to be looking over everybody's shoulder. That has created a dynamic where councils have not worked as effective boards because it is constantly pitting one against another. That is absurd and has been removed.

**Mr MULHERIN:** My question is to the acting director-general. What analysis has the Department of Local Government done regarding the possible cost of deamalgamation for the councils that were approved. They are: the Douglas area seeking to leave the Cairns Regional Council; Isis seeking to leave the Bundaberg Regional Council; Livingstone seeking to leave the Rockhampton Regional Council; Mareeba seeking to leave the Tablelands Regional Council; and Noosa seeking to leave the Sunshine Coast Regional Council? Have you done analysis on the potential impacts that these costs will have on rates in these councils as they have to bear the cost of deamalgamation?

**Mr Johnston:** The department has not done any analysis. The Boundaries Commission has been appointed with a charter to do that analysis. We have engaged the Queensland Treasury Corporation to do that work on behalf of the Boundaries Commission. That is happening as we speak.

**Mr MULHERIN:** When will that information be available publicly?

**Mr Johnston:** The Boundaries Commissioner is due to report back to the minister in November and the minister in December needs to make a decision whether any of those five are then referred to a poll early in 2013.

**Mr MULHERIN:** When you table that information will it be fairly detailed? Will there be QTC modelling?

**Mr Johnston:** The QTC are doing it in two parts. They are obviously analysing the work that was put forward by those proponents—and some of those proponents engaged consultants to provide quite detailed models. So they will analyse that. They will also discuss those models with the proponents. They will do their own modelling. Most importantly, they will also work with the current councils to look at those figures.

**Mr MULHERIN:** So in that process will they also look at whether councils have invested in new infrastructure since 2008? If the council deamalgamation is successful will they look at who owns the asset and who pays the debt? Will they consider joint ownership between the council—

**Mr Johnston:** The division of assets and liabilities will be a major part of their work.

**Mr MULHERIN:** Acting Director-General, one of the priorities of the Department of Local Government is to support councils to deliver better infrastructure and land use planning for their communities as outlined on page 3 of the SDS. Also on page 3 it says that it is a priority to ensure councils can contribute directly to Queensland's economic growth from the local to regional level. I am interested in the opportunity for local government to play a part in promoting healthy lifestyles and fun activities for families—for example, where bike paths and walking tracks et cetera not only open up council land but also encourage families to get active. It is all about livability and attracting people to the city. There are economic benefits and we need to capitalise on them. Have you had any discussions at all with local government around how to assist local government to reinvigorate council lands?

**Mr Johnston:** Part of the Local Government Grants and Subsidies Program would be targeted at those sorts of infrastructure projects.

**Mr MULHERIN:** Minister, have you had discussions about how you could assist local government to open up those lands to improve the livability of council areas or council communities?

**Mr CRISAFULLI:** I would always be open to discussing any matter that can assist a local government. As the acting director-general says, if a council sees an opportunity—and I think the member mentioned something like a bike path—

**Mr MULHERIN:** Walkways and all those sorts of things -

**Mr CRISAFULLI:** As the member said, if the council thought there was some value in that they could make an application through the grants and subsidies program.

**Mr MULHERIN:** How much is in that fund?

**Mr CRISAFULLI:** In the local government grants and subsidies fund—

**Mr MULHERIN:** For that type of activity.

**Mr CRISAFULLI:** This year there is \$63 million available. I did mention before the underspend last year. It is significant in this calendar year. Only \$8 million of the \$45 million was expended last financial year. There is approximately \$63 million available.

**Mr MULHERIN:** So it can be used for the creation of bikeways, walkways and all those sorts of things.

**Mr CRISAFULLI:** We will always look at good applications that come forward. The joy of this program is that it does not foist down the throat of local government what the best project is for them to undertake. They come to us with an application. I see that as surely the best way otherwise what you do is replicate school halls that look like the one beside it and foist on communities infrastructure that they may not need in the long term. This way it gets them to drive the agenda of what infrastructure it is that they need.

**Mr MULHERIN:** What sort of contribution from local government will there be for these programs? Will it vary depending on the size of the council?

**Mr CRISAFULLI:** It will. That is an excellent question. We want to drive best value for money, but we will look at any proposal that delivers value for money for the community. That level of state contribution will vary.

**Mr MULHERIN:** You mentioned in your opening statement that smaller councils in the far west do not have a capacity to make a contribution to a subsidy program. Will you consider a 100 per cent grant?

**Mr CRISAFULLI:** We would consider a 100 per cent grant for all councils. If it was deemed to be a vital project that the state wanted to fund in its entirety then of course we would do it. We are open to any applications that deliver good value for money.

**Mr MULHERIN:** Have you made any representation in your own patch to the Townsville regional council to ensure that access is granted to public lands adjoining creeks and waterways?

**Mr CRISAFULLI:** I have not spoken to Townsville City Council. The first council that I met on my tour across the state—the honourable member for Kallangur's council was in fact the first one I met with in the south east—was the Townsville City Council. We have discussed a range of issues and I would always be willing to work with that council on any matter that they saw fit.

**Mr MULHERIN:** Acting Director-General, has your department provided any advice to councils on the issue of public liability on public land considering the significant amount of public land under the control of local councils?

**Mr Johnston:** Nothing that I am aware of recently.

**Mr MULHERIN:** You have not given any sort of advice around that at all?

**Mr Johnston:** That would generally be legal advice. We have not provided that since I have been the acting director-general.

**Mr MULHERIN:** So it would be up to each individual council to seek its own legal advice?

**Mr Johnston:** Normally the councils would get their own advice or the LGAQ would get it on their behalf.

**Mr MULHERIN:** If public land is blocked off to the public but access is given to individuals through private properties for their private use, where does the responsibility of public liability lie? Does it still lie with council?

**Mr Johnston:** Can you repeat the start of that question.

**Mr MULHERIN:** If public land is blocked off to the public by the council—access is denied—but access is given to individuals through private properties for their private use, does the public liability responsibility still apply?

**Mr Johnston:** It would depend how that tenure was negotiated.

**Mr MULHERIN:** For the information of the committee, I seek leave to table an article in the *Townsville Sun* on 27 September 2011.

**CHAIR:** Is it the wish of the committee that the article be tabled? There being no objection, it is so ordered.

**Mr MULHERIN:** Acting Director-General, does the department have the responsibility to investigate if council property is blocked off from public access creating a blocked off area but is used for private use by adjoining property owners?

**Mr Johnston:** I am not sure I can answer that question. Is it specific to this article?

**Mr MULHERIN:** Yes.

**Mr Johnston:** It is not general?

**Mr MULHERIN:** It is a good example of it.

**Mr Johnston:** Is the question you are asking relating to this or is it more general?

**Mr MULHERIN:** Yes, it does, but it could also occur in other local government areas but we can use the Townsville case as reported in that paper.

**Mr Johnston:** Can I take the time to read this and respond later in the session?

**Mr MULHERIN:** Yes. Can I just ask in your consideration whether you will investigate this blocked off land that is being used by adjoining properties? When you come back before the end of this session could you give advice on whether you will get the department to investigate this issue?

**CHAIR:** I think we will come back to that after you have a look at it. Perhaps you can give some advice then.

**Mr GRIMWADE:** I refer to page 1 of the Service Delivery Statements and the effort to deal with the issue of nominees for council elections being posted as they are received. Could you please advise how you addressed this issue and what consultation informed your decision? Did this matter arise in the 2012 local government elections?

**Mr CRISAFULLI:** I thank the honourable member for the question. It did indeed arise during the election. It was one of the silly changes in the most recent act. A combination of factors led to this coming to a head in Far North Queensland.

There were two changes to the act. The first one actually said that a council or the returning officer was not able to post the names of those people running for office until the nomination had been formally accepted—and the definition of formal acceptance was in fact after the rolls had closed. As a result, we had a situation in one of the divisions in the Tablelands Regional Council where there was no nominee. That was division 6 in Mareeba. This highlighted the absurdity of that provision. What has happened in the past is that people might have walked past the local shire hall and looked up and if they saw there was no nomination they would get one together.

As a result of that, the next absurdity was that the act specified that it would not go to a by-election but that in fact it would be an appointment of the minister. I, as someone who believes in local government, thought that was quite absurd actually. So, in light of what ability we had, I asked the council to go through a process of selecting somebody and they called for nominations. I believe they received over 40 which, for those of us who have been through local government elections, shows that there is some interest but often the thought of an election might be a little bit daunting. They recommended a lady by the name of Marjorie Pagani and Her Excellency the Governor signed off on that appointment.

So there will be a couple of changes that we will be making to the act. The first is that as nominations come in they will go back up on the board the way that it has happened forever and a day. The second change will be in the event that a nomination is not received—and I think by virtue of the first change we have made the likelihood of that occurring is limited—it will then go to a by-election.

**CHAIR:** Minister, could you inform the committee on the history as to why the corporate status of local government was removed from legislation by the former government? On the issue of councils and their corporate status in the future, could you please advise why you are addressing this issue and what consideration informed your decision?

**Mr CRISAFULLI:** This was indeed one of the election commitments which the government took to the election. It was one of the perhaps unintended consequences of the changing of councils away from the federal IR system to the state system. There are a few reasons why body corporate status is so important for councils. Firstly, it provides certainty for councils when they are entering into a contract. In the case of when councils are embarking on a corporate reconstruction, it lessens the effect of stamp duty. But probably the biggest reason is that it provides protection to councillors. With a corporation it can be sued rather than the councillor. That is something that local government has been very, very keen to see and something that changes to the act will certainly amend.

**CHAIR:** I call the member for Algeester.

**Mr SHORTEN:** Minister, I refer to dot point 4 on page 1 of the SDS and the efforts to deal with the constraints on entrepreneurial actions and activities of councils. Could you please advise how you addressed this issue and what consultation informed that decision?

**Mr CRISAFULLI:** I thank the honourable member for the question. This is something which came up very strongly from the Central Highlands Regional Council during our visit. What it effectively means is that we will see less constraints when a local government wants to embark on a beneficial enterprise, so it is another one of our examples of reducing red tape. In fact, the whole premise of the change to the

act also significantly reduces its size. Something the government is committed to doing is cutting red tape and reducing the size of the act.

What has happened in the past if a council wanted to go into a beneficial enterprise—that might be, for example, on the social housing front—it has been prevented from going to a certain level based on the act, and what we have said is that that should be removed. There should be the ability for the council to enter into an arrangement to be able to get the outcome that it sees is best for its community rather than some restrictive act.

**CHAIR:** I call the member for Kallangur.

**Mr RUTHENBERG:** Minister, switching gears just a fraction, at the moment when a councillor becomes a candidate for the Legislative Assembly they are disqualified. Can you advise the committee if councillors in other mainland states suffer that same discrimination? Pre-empting the answer there, could you also advise what counsel you have taken or consultation you have engaged in with regard to addressing this issue?

**Mr CRISAFULLI:** Thank you for the question, honourable member. This was again one of the things that the Newman government did take to the election. It has been one of the great injustices against local government. A local councillor can choose to run for federal parliament—stand aside and run—and if that person is unsuccessful he or she should be entitled to go back to the local council and continue to serve. The people are not passing judgement on that person's performance as a councillor. They are electing whether or not they think they should go to another level of government. The act was changed in 2001. I think it was a genuine attack on local government. Perhaps it was even motivated by political reasons.

I hope that in fulfilling this election commitment, as we are fulfilling all our election commitments, people can see this in good faith. The fact that the LNP does have a large majority in this parliament and the fact that we are doing this might very well open the door for somebody of another political persuasion to run against one of our sitting members. That is just part of the democratic process. It was a complete injustice the fact that that was changed in 2001. We made a commitment and nothing gives me more pleasure than to bring it in line with the federal requirements.

**CHAIR:** I call the member for Algester.

**Mr SHORTEN:** Minister, I refer to page 5 of the SDS and the efforts to deal with the unique qualification clauses for candidates for the Torres Strait Island Regional Council. Are you able to advise how you are addressing this issue and what consultation you undertook in relation to that?

**Mr CRISAFULLI:** I thank the honourable member for the question. This is one that has again been highlighted by some events in this current round of elections. There was a challenge on three of the election results in the Torres Strait Island Regional Council. In the case of one of those challenges, it has been thrown out and that person will take their seat as a councillor. In the case of the other two, popularly elected people from their community will now not be able to serve because they were found to be in breach of the Local Government Act. Let me explain what the Local Government Act says.

It says that in order to be a councillor in the Torres Strait Island Regional Council—and this is the only council of the state's 73 councils where this provision exists—the person must be of Aboriginal or Torres Strait Islander descent and must have lived on the island for two consecutive years prior to the poll. I really struggle to think that in 2012 that is reflective of community views. So let me paint a few scenarios for the committee.

Scenario 1: a young girl grows up in her community—loves it, lives in it. She was born, raised and educated there. She goes to Cairns and studies to become a nurse. She comes home to her serve her community as a nurse. She is home for 22 months and puts her hand up to run in the community that means so much to her and she is not eligible because she has not lived there for two consecutive years prior to the poll. Scenario 2: somebody of European background has lived in that community all their life—was born and raised there—and is proud as punch to be part of the Torres Strait Islands but is ineligible to run.

When these anomalies were raised and the court process went through, I decided to spend a bit of time asking a few people on the islands. As a result of these examples, I think they saw for themselves for the first time just how absurd these provisions were. I spoke to a number of people from all different walks of life, and I think the change will be a step forward. As I have pointed out to the handful of those who do not share that same view, if people felt so strongly about ensuring the person was from a certain background or if people felt so strongly that they had to live there for the two years preceding, that vote would be reflected on the day. The fact that we have people who received in one case over 70 per cent of the vote and yet cannot serve their community because they are deemed not to have lived there for two consecutive years prior to the poll I think is absolute madness, and it will be one of the great changes if parliament passes the bill in November.

**CHAIR:** I call the member for Mackay

**Mr MULHERIN:** To the Acting Director-General, just following on from the previous conversation we had, have you had time to read the article?

**Mr Johnston:** I have. I am not aware that it has been raised previously with the department. They are actually two media articles. But I will undertake to have our regional office in Townsville check with the CEO. If there are any issues that the department can assist with or through other departments, I will undertake to take that on board.

**Mr MULHERIN:** So you will investigate this matter?

**Mr Johnston:** I will investigate it through our Townsville regional office, yes.

**Mr MULHERIN:** As you can see in the *Townsville Bulletin* article dated 5 October 2011, it states—  
Last week the *Townsville Sun*, the *Bulletin's* sister publication, reported on a fence which the council had built behind houses on—  
an address in Douglas—

after a letter from a resident reporting vandalism and theft at his property. The 1.8m by 11m fence stretches down to the river, blocking access to the waterway and creating a large area for the three properties behind the gated area. One of these properties belongs to the Townsville Deputy Mayor—

I take it that is the current minister. The articles says it would be reasonable for residents in another avenue to ask why they have not received the same treatment as those who live in the area of the property that belongs to the current minister. Do you think that is a fair point?

**Mr Johnston:** We do not respond to complaints through media articles. We check the facts with the council and then if there is an issue we will deal with it through the council.

**Mr MULHERIN:** Minister, going back a little bit, we had a conversation around the Brisbane City Council having the largest debt. It takes up nearly 40 per cent of local government debt. You made some comments about it being in a better financial position than the current state government. However, you did not indicate if you would monitor the situation of the Brisbane City Council. As you are aware, they have committed to the Legacy Way project. Is Legacy Way going to be a toll road?

**Mr CRISAFULLI:** I believe it will be, yes.

**Mr MULHERIN:** So they are hoping for it to be a cash generator to meet its construction costs and its borrowings. Just for your information, Minister, the net financial liabilities to revenue ratio was 111.1 per cent in 2011-12, as detailed in the 2011-12 Brisbane City Council budget. This was higher than what we left the budget situation in in Queensland, which was 102 per cent in the midyear financial review conducted by Treasury. I seek leave to table that information for the committee.

**CHAIR:** Is leave granted? Leave is granted.

**Mr MULHERIN:** For the next financial year, 2013-14, the ratio for the Brisbane City Council is expected to peak at 157.9 per cent. That is thanks to the current Treasurer and the Premier who locked in the debt from their time in council. This is much higher than the Queensland peak debt ratio in the midyear review of 123 per cent. As the minister responsible for local government and the City of Brisbane Act, will you monitor their debt situation? They are in a worse situation than what the Queensland government is in at the moment. These are official documents. They are not my documents. These have been prepared. Minister, will you monitor their debt situation? Have you got any concerns? You have expressed concerns about the state debt—

**Mr CRISAFULLI:** I sure do.

**Mr MULHERIN:** But I do not hear you singing from the same song sheet when it comes to the Brisbane City Council's debt.

**Mr CRISAFULLI:** Mr Chairman, I guess at the end of that there is a question. I will say to the honourable member that, like all councils, we will work with that council. But if the member is insinuating that somehow the Brisbane City Council is in financial trouble, the member is wrong.

**Mr MULHERIN:** You are saying the state is in financial trouble because a—

**Mr CRISAFULLI:** Well, it is. We have an operating deficit you could not jump over.

**Mr MULHERIN:** Because a midyear review reveals our net financial liabilities for revenue ratio is at 123 per cent, while the Brisbane City Council is at 111.1 per cent. Next year, Queensland is expected to be 123 per cent and the Brisbane City Council is going to be 157.9 per cent, and you have got no concern.

**CHAIR:** Can the minister answer?

**Mr CRISAFULLI:** I believe I have answered the question but I will answer it again, through you, Mr Chairman. We will work with all councils, but if the member is somehow suggesting that the Brisbane City Council has financial issues the member is wrong.

**Mr MULHERIN:** I am just pointing out the facts. You cannot dispute the facts.

**CHAIR:** Order! The minister has answered it. Move on. What is your next question.?

**Mr MULHERIN:** So the answer I take is it no. Is that right, Minister?

**CHAIR:** Move on.

**Mr MULHERIN:** Minister? He is silent so I do take it as being—

**CHAIR:** I call the member for Algester.

**Mr SHORTEN:** I refer to page 3 of the SDS and dot point 2—the efforts to deal with the issue surrounding the appointment of senior executive employees. Could you please advise how you addressed this issue and, again, what consultation informed this decision?

**Mr CRISAFULLI:** I thank the honourable member for the question. It is one of the shifts that the new local government act will move towards. I guess what it does is it ensures that those people at the higher level of a council organisation—the directors who directly report to the CEOs—understand that their job is to implement the vision of the council, of those who are elected. Currently, those directors are appointed by the CEO and reappointed by the CEO. Under the new local government act, it will be a panel of three and the panel will constitute the CEO, the mayor and either the relevant committee chairman or the deputy mayor where that is not the case. That ensures that the vision of the elected officials of the council plays a larger part in the way that person fulfils that vision, and those elected officials will have a say in the people who have to implement that vision.

I will say, through you, Mr Chairman, that in many cases this reflects the relationship between a good CEO and his or her council at present. I know that in many councils that has been the way it has existed. I think it is important that we clearly define in legislation the roles of those elected officials so they are able to have a great say in the way their vision is carried out.

**Mr GRANT:** Minister, it says in the SDS that your department is committed to giving local governments greater autonomy and authority to make decisions that benefit their communities. With respect to the efforts to deal with councillors requesting briefings from council officers, could you please advise how you have addressed this issue and what consultation informed your decision?

**Mr CRISAFULLI:** I thank the honourable member for the question. First and foremost, the most important thing is that all information is available to all councillors. That is a fundamental. All councillors must have the ability to gain that information. I also think we need to have in place in legislation an understanding that the council's resources have to be used to assist councillors in making informed decisions. So in the case where we have the mayor or the chairman of a committee or the local councillor, that person should have the right to be able to sit down with a staff member and get all of that information. Indeed, they should be given every opportunity to have a greater say in the way that information is used in council.

In the case where a council is divided—and obviously this does not apply to a lot of the smaller councils—I think it is important that, whilst a divisional councillor who is not the ward councillor for the area is entitled to all of the information that is available, they should not be entitled to have the resources of somebody to sit through and go on a fishing expedition. I guess that is the balance. We want to give a greater ability for councillors to get information, but we do not want staff to be used for political purposes and I think the act strikes a pretty good balance.

**Mr GRANT:** How have you addressed the issue of giving controls of councils to mayors and councillors?

**Mr CRISAFULLI:** Again, I thank the honourable member for the question. I discussed before the appointment of those senior staff, and that is important, but there are additional powers that we want to see elected officials have. We want to see the mayor have the ability to direct senior contract employees. It is important that those directors are able to deliver for the elected officials. We also want the mayor to be able to formulate the budget of the local government. Again, in many cases, I would imagine the mayor would use all of the resources that are at his or her disposal and would ask the CEO to work with the directors to formulate the budget. But, first and foremost, that budget must belong to the first citizen of the community—that is, the popularly elected mayor. That mayor should have the right to be able to prepare that budget and fulfil the vision they see in the community.

What we have also done is added another provision. For the first time, there will be a guarantee that councillors will see the budget for at least two weeks prior to the budget being delivered. That does not exist at present. So a councillor will have a safety net. They will have a two-week period in which the mayor's budget will be distributed before a decision is taken, but for the first time the mayor will have control of the preparation of that budget. Again, I think that is in line with our view that the person who has been elected should have the right to try to fulfil their vision.

**Mr MULHERIN:** Minister, I note you said that you have visited 73 local government councils across the state, and some of your colleagues could probably learn from that. From your consultations, did the representatives from regional councils and smaller councils express any concerns about the impacts that stripping public sector jobs out of regional and rural economies will have on the local community and projects?

**Mr CRISAFULLI:** During the visits of the regional councils, we discussed a number of issues. To the great credit of the local councils, they really understood the budget situation of the state. I think the first thing they want to do is make sure the state continues to provide services in their region, and I think we have shown a commitment to that. What councils have constantly said to us is that, whilst they understand the budget position and they understand that we cannot fly over the top of them with a helicopter and sprinkle them with money, they want us to be able to free them up to be able to make decisions for themselves. That has been the overwhelming theme of what has come through those visits.

**Mr MULHERIN:** So they did not have any concerns about losing jobs in their communities or the cancellation of projects?

**Mr CRISAFULLI:** Many things were discussed but, as I said to you, there was a recognition from all of them about the disastrous financial situation this government has inherited.

**Mr MULHERIN:** Not as bad as Brisbane City Council.

**Mr CRISAFULLI:** There was a recognition from all of them—

**Mr MULHERIN:** A council that you will not monitor.

**Mr CRISAFULLI:** There was a recognition from all of them about the disastrous financial situation that is the ticking time bomb which this government has inherited. They understand that it will be tough for us to turn that ship around. What they feel energised about is the prospect of being able to make decisions for themselves, and that is a fundamental shift in the way that local government operates.

**Mr MULHERIN:** Minister, you have already said that councils come in all sizes in our state and have a range of financial capacities and strengths. With reference to the geographically-large but population-small councils—such as Bulloo shire, Diamantina shire and others in the west and far west—has the minister had any discussions with them about job losses they face as a result of the completion of flood recovery work which has sustained employment in council work gangs for a number of years?

**Mr CRISAFULLI:** Indeed, it is an issue for the councils. There is no doubt, as I mentioned before in one of my earlier answers, that there is a huge impact on councils when a drop in things like the financial assistance grants occurs or when flood money runs out. But what they do is they cut their cloth to fit. If that means the flood recovery money comes to an end, they adjust their workforces accordingly. It is something that other levels of government could learn a thing or two from.

**Mrs MILLER:** Minister, you spoke before about local government being able to make their own decisions. Does that include local governments having their own development companies, like Ipswich City Council's Ipswich City Properties? In that instance, the councillors have set themselves up as directors of a development company in competition with the private sector, yet they put another hat on and approve town planning developments. What is your view in relation to the conflict of interest in this? Is it in breach of national competition policies?

**Mr CRISAFULLI:** I thank the honourable member for her question, but I will say that, if ever you needed an example of why the relationship had reached such lows between your government and local government, there it is—a member who comes into an estimates and takes the trash out on her own council.

**Mrs MILLER:** No, I am asking a question.

**Mr CRISAFULLI:** No, you're not.

**Mrs MILLER:** You do not want to answer it.

**CHAIR:** Order! The minister is answering the question.

**Mr CRISAFULLI:** What we have here is a member who has come in here and launched war on her own council.

**Mrs MILLER:** No. Answer the question.

**Mr CRISAFULLI:** I am attempting to. In between you dumping the bucket on your own council, I am attempting to.

**Mrs MILLER:** No, it is just a question in relation to the budget and the integrity of local governments.

**CHAIR:** Order! Let the minister answer the question.

**Mr CRISAFULLI:** Local governments, when they formulate companies, have to comply. Certainly in the new act, they will have to comply under the Corporations Act and they will have to continue to do things above board. I have every faith in local councils doing just that.

**Mrs MILLER:** Just as a follow-up question, Chair: so you are saying that as Minister for Local Government you have given the green light now for local authorities across the state to set up their own development companies in competition with private developers? The UDIA et cetera will love to hear that, Minister.

**Mr CRISAFULLI:** Mr Chairman, can I just say through you that the company the member is talking about has not been formulated in the last six months.

**Mrs MILLER:** I am aware of that. So you are giving the green light to local government to set up their own development companies.

**CHAIR:** Order!

**Mr CRISAFULLI:** I say this to the honourable member: I do not remember the howls previously when you were in government.

**Mrs MILLER:** I am asking you now; it is your budget.

**Mr CRISAFULLI:** I guess it is similar to when you flogged off the assets and you were like a meek little lamb and then afterwards you became a lion.

**Mrs MILLER:** No, you are avoiding the issue. You are giving the tick to local government to set about their own development companies.

**Mr CRISAFULLI:** I guess in answer to your criticism of both the decision of the former government to allow the establishment of that body and the council which you should be working with, the answer is that provided local government complies with the Corporations Act I have every faith in local government to do a much better job than your government did.

**Mrs MILLER:** So local governments are now development companies?

**CHAIR:** Thank you, Minister. I call the member for Mount Ommaney.

**Mrs SMITH:** Minister, may I turn your attention to party houses? Could the minister please detail to the committee the problems with party houses and the efforts that you propose to take to address this?

**Mr CRISAFULLI:** I thank the honourable member for the question. There is an issue with party houses, and this came up very strongly when I met the Gold Coast City Council. However, there are other areas where it has been raised with me. The changes to the Local Government Act will be the first step towards doing something. It is an exciting ability for a council to be able to do this. The amendments will enable the council to draft a local law to make the owner of a residential property liable to a penalty because of excessive noise which is emitted regularly from the property. We will empower the council through the local law to fix the number of times that noise might be emitted from a property, for example, before the owner is liable. If the matter goes to court we will say that the breaches issued by the police will be used as evidence that a misdemeanour did occur.

It prevents the situation, which we have seen, where somebody can buy a house in a private street filled with people who just want to enjoy their life and, to capitalise, they rent it out for a lot of money for a one-night visit. The people in there do so without any immunity because they will just up and go. If they are issued a little noise notice; they are happy to cop it on the chin. There might be 15 or 20 of them in there and they will split the bill. This gives the council the ability after a certain number of times to start going to the owner and saying, 'Enough is enough.' Inadvertently, it then promotes people to invest in short-term accommodation where we want short-term accommodation, and that is in those areas where we want to see those sorts of buildings. This will take it out of suburban streets, out of people's family homes and put it where it should be.

**CHAIR:** In relation to grants and subsidies for local government, in the Service Delivery Statements, within the current budget, are there any allocated funds ensuring vital infrastructure is provided to those local governments most at stretch by the mining boom?

**Mr CRISAFULLI:** I thank the honourable member for the question. First and foremost, the Local Government Grants and Subsidies Program, which has considerable money available this year—and I have mentioned the underspend from last year—is certainly available for all councils including those suffering the mining boom. Where I see the greatest opportunity for the councils is in the project Royalties for the Regions. As somebody with a passion for local government, nothing excites me more than knowing that it will be the local councils who have such a great say in how this will be spent. I pay great tribute to the Deputy Premier, first of all, for reversing a trend in recent years of viewing these areas as nothing more than a giant sandpit. The previous government went in and was prepared to take away the resources and the money that goes with it. They then wave goodbye to the community and say, 'You're on your own, Charlie.' This reverses that. It starts enabling money to be spent in these communities. It gets local government to drive where they see that money should be spent. It is broken into three components. I think it is about \$495 million over the next four years. To have a dedicated fund for roads and for social infrastructure is a great opportunity. In the case of the road funding, local councils will be tasked with working with the state to identify those projects. In the case of that social infrastructure, it is going to be the councils that really drive it. That social infrastructure might be a community hall, it might be a new oval but it also might be water and sewerage. I am personally very excited by it. I do not for one moment believe we are going to fix a decade of neglect. It is not going to be that easy, but it will finally be the start of something special for these resource communities that are buckling under the boom.



**Mr GRIMWADE:** I refer to page 5, dot point 4, and the Intending Candidates Program for Queensland considering standing for election and ask: how does the minister intend to maintain the quality of representatives at local government level? Are there any provisions in the current budget which will serve to ensure that various standards needed to be met by councillors and mayors will be kept?

**Mr CRISAFULLI:** There is indeed some funding in this year's budget. The department has commenced programs to assist the new councillors who were elected, and there was a large turnover of mayors and councils. I think it was a useful program and some of the numbers that went through that were quite impressive. Where I see a great opportunity for the department in terms of the capacity building in the upcoming year is with those changes to the act, the amendments that we have been discussing. I think it is important for us to be able to sit down with elected officials as well as senior staff to go through those amendments and how they can benefit those councils to deliver for their community. I think there is a real opportunity for the department to play that role—not as Big Brother, but as facilitator—to ensure that they can get the most out of the changes to the act. At the end of the day, the changes belong to local government, they belong to the Local Government Association of Queensland, they belong to the LGMA, they belong to everyone who has had a say in the process. I think it is important that they get the most out of them.

**Mrs SMITH:** Minister, in reference to page 5, dot point 1, in the SDS, and partnership with the LGAQ Indigenous Councils Leadership Group, how does the minister intend to change the delivery of government services in Aboriginal and Torres Strait Islander communities?

**Mr CRISAFULLI:** Thank you for the opportunity to answer. One of the first things that I was fortunate to do as minister was to meet the Indigenous councils. I did so at a workshop that they were having in Cairns. I also wanted to go to their communities and I have done that now as well. I want to see Indigenous communities have the ability to drive their own agenda. Part of that involves growing their own source income. Much has been made of the alcohol management plans, which have been of huge interest to the media. There is no doubt that we need to let Indigenous communities have a greater say in how they wish the alcohol management plans to work so that it is not a 'one size fits all' approach. I see that as only one very small part of the jigsaw puzzle. I also want to see Indigenous people have a job and, above all, I want to see them own their own home. I would like to see the Department of Local Government play a huge role in assisting Minister Cripps and Minister Elmes to deliver on that commitment. The reason is that, first and foremost, if Indigenous people can own their own home they can then have equity in that home and they can then establish a small business and all the things that we take for granted and that our children will always take for granted. It also gives them an opportunity to pay rates. It is another step towards creating a vibrant, sustainable society. That is one element.

The second element is that currently there is a huge gulf in the amount of funding that each Indigenous council collects from its community. I am talking of variances of hundreds of per cent. So there are some Indigenous councils who are fronting up to their community and collecting money from the people living in those houses and investing it back into those communities. There are others who are taking the easy approach and not doing that. The message that I have given to those communities is that I intend, through our department, to reward those who are doing the right thing. Those who are prepared to turn up and get some money from the community should be rewarded and not punished. It is a new approach; I understand that, but I am excited by it. I cannot imagine for one moment that it could be easy. Mr Chairman, you are somebody who knows these Indigenous communities better than anybody. I do not for one moment believe it is easy for a council in a small community like that to do that, but there are those who are doing a mighty job and I want to see them rewarded for that.

**Mr MULHERIN:** Minister, further to your consultation, when you went to Barcaldine Regional Council, did the council raise any concerns about the detrimental impacts on the local economy caused by the government's decision to change the historical Labour Day holiday? I note that you pride yourself on consultation. The Attorney-General at estimates said—and I am paraphrasing—that he did not consult anyone on that decision. Did the council raise those concerns? I know the member for Gregory has expressed concerns about the impact that the change will have on the township of Barcaldine in relation to its events, particularly in the peak of its tourist season. Did they raise that with you?

**Mr CRISAFULLI:** I believe the answer is no.

**Mr MULHERIN:** They did not? That is a surprise. We were there recently—the opposition leader, myself and the member for Gregory—and they were quite outspoken. I just find it unbelievable that, as a consultative minister, you did not have that issue raised with you. Would you be prepared to take that up with them to get their view and express your views to the Attorney-General about this issue?

**Mr CRISAFULLI:** I am always happy to express my views. I say to the honourable member that I do not think you would like them.

**Mr MULHERIN:** You said you have a role in taking the views of local government forward to your ministerial colleagues

**Mr CRISAFULLI:** Of course we do.

**Mrs MILLER:** You sanitise it. That is what you are saying.

**Mr CRISAFULLI:** No, not at all. Of course I have a responsibility to take forward the views, but there will be times when I have a contrary view. I am sure that, as somebody who has served in the cabinet, you would understand that; you would understand that there are times when you have different views to the groups you are advocating for. I do not remember too often your views aligning with the agricultural community when you were the minister—very seldomly actually.

**Mrs MILLER:** You would not know.

**Mr MULHERIN:** I know that the sector still talks to me on a daily basis. So let it be judged on its own merits, not on your limited knowledge of agriculture. I note that the previous local government ministers have usually held complementary portfolios such as planning.

**Mr CRISAFULLI:** I do own a small cane farm. So I guess it is more than yours. I grew up on a cane farm so I figure it is more than yours.

**Mr MULHERIN:** My family is still involved in grazing and things like that.

**Mr CRISAFULLI:** And you still own a farm, do you?

**Mr MULHERIN:** And then they were in cane farming and milling.

**Mr CRISAFULLI:** Do you still own a farm?

**Mr MULHERIN:** No, not me personally. I note that the previous local government ministers have usually held complementary portfolios such as planning. Do you find it hard to implement policies for local government without associated portfolios? Is your role really to consult local government and administer grant programs?

**Mr CRISAFULLI:** Let me answer that question in two parts. The first is to say that nothing gives me more pride than to be the Minister for Local Government. The reforms that we are making to this act will change local government in a way that it has not been changed for a generation. I am not quite sure of what interests the member has in local government, but I can tell you that that excites me and that excites the sector. In terms of the second part, I have already mentioned the Deputy Premier by name and I will mention him again. I would not imagine that there would be too many sectors in the planning industry who are disappointed that the planning minister happens to also be the Deputy Premier—

**Mr MULHERIN:**—and that you have not got planning?

**Mr CRISAFULLI:**—and is also in control of state development. I think that is a pretty powerful combination. That is why, unlike the previous government, we might actually forward plan before crises, not afterwards.

**Mr MULHERIN:** I note the Attorney-General advised in his estimates committee hearing that he was prepared to table the lobbyist register for his office. Will the minister also commit to tabling his lobbyist register?

**Mr CRISAFULLI:** Yes, and here is one I prepared earlier.

**Mr MULHERIN:** Thanks very much. No doubt as minister you have been invited to private corporate boxes at facilities owned and operated by Stadiums Queensland. Would you be prepared to table who invited you to what events, what invitations you accepted and who was in attendance?

**Mr CRISAFULLI:** Yes.

**Mr MULHERIN:** Thanks. I refer the minister to the MOHRI, which is the Minimum Obligatory Human Resource Information, which outlines at page 84 of Budget Paper No. 2 that 15 jobs are being removed from your department. How many of these positions were classified as front-line in the MOHRI data under the definition applied at 28 March 2012 compared with the definition that is now applied by the LNP government?

**Mr CRISAFULLI:** I thank you for the question. I am glad to have the opportunity, because I think nothing highlights the absurdity of Labor's definition of front-line services more than the role of the Department of Local Government. The way the definition was interpreted by the former government, about two-thirds of the staff from the Department of Local Government were classified as front line. You will find no person more passionate about local government than me, but I do not believe you have a lot of people picking up the phone and ringing to speak with somebody from the department to fix a pothole or a hedge. Our role is to provide a framework to allow local government to get on with the job. That is not for one moment to suggest that those positions are not very important positions. It is not for one moment to suggest that the department is not a vital one. I want to see the Department of Local Government being the department that can act as a conduit, working with hardworking local members and councillors to get things done through local government. But the fact that approximately two-thirds of that department was classified as front line shows the absolute absurdity of the way that you interpreted it.

**Mr MULHERIN:** So will you table that information?

**CHAIR:** Order! I have a paper here to be tabled by the minister. Is leave granted? Leave is granted.

**Mr MULHERIN:** So, Minister, you will take it on notice to provide that MOHRI data?

**Mr CRISAFULLI:** We may have to. My apologies.

**Mr MULHERIN:** Minister, I also note that you have a graffiti program that was announced.

**Mr CRISAFULLI:** Very exciting.

**Mr MULHERIN:** About \$2 million in funding. Of that \$2 million, how much is allocated to Brisbane City Council?

**Mr CRISAFULLI:** We are in the process of making the announcement on how that graffiti funding will unfold, but I am very honoured to be able to administer it through the Department of Local Government for a couple of reasons. The first reason is that it will actually give every local government the ability to be part of it and to source funding through it. If ever you needed proof that this government understands that there is a world outside of PO Box 4000, that is it. The second reason is that I do not believe for one moment you could get good value for resource if you did not partner with people on the ground.

**Mr MULHERIN:** But how much of that \$2 million will be allocated to Brisbane City Council?

**Mr CRISAFULLI:** We will be making an announcement in coming weeks. As somebody like me who has an interest in regional Queensland, I think you will be delighted to see that regional Queensland will benefit from it, rather than it being a purely south-east focused program.

**Mr MULHERIN:** So if you take an area of Queensland outside of the Sunshine Coast, Gold Coast, Brisbane and Toowoomba, 70 per cent of funding would be for areas outside of that sort of geographical catchment?

**Mr CRISAFULLI:** No. What we will be doing is making sure that all local governments have an ability to benefit from this program. I think it is absolutely vital that we do that. I think it would be foolish to try to roll the program out of the south-east because there would not be a service in places like Townsville, Mackay and Cairns. I think the model that I will be announcing in coming weeks will really empower local communities to do that.

**Mr MULHERIN:** Mr Chairman, I have just one more question and then I will seek some clarification—

**CHAIR:** You better get the clarification first.

**Mr MULHERIN:** Acting Director-General, you indicated that you will investigate the matters that I raised in relation to the blocking of public access at Townsville City Council as detailed in those newspaper articles that I tabled. Will you give an assurance to the committee that this investigation will be at arms-length of the minister, because the minister has an interest in the outcome of this investigation that you will undertake?

**Mr Johnston:** I will investigate that as the director-general using departmental staff. That will be at arms-length.

**Mr MULHERIN:** Thank you for that. And you will report back to this committee—I understand that it may be outside the estimates process—to complete the investigation?

**CHAIR:** Order! I call the member for Springwood.

**Mr GRANT:** Minister, can you outline how the carbon tax will affect the ongoing viability and financial sustainability of local governments? My residents are exposed to paying their share of \$1.9 million for the cost of the carbon tax on their local government.

**Mr CRISAFULLI:** I thank the member for the question. Indeed, residents in your area would be most concerned about cost-of-living pressures, so well done for focusing on this. There is no doubt that the carbon tax is a huge impost on local councils. Local councils do not have a great source from which to raise additional funds at present. Unfortunately, that means the long-suffering ratepayer bears the brunt of it. Probably the biggest impact for all of the councils will be on electricity prices, straight-up. The Local Government Association has estimated that those costs to councils as a whole will be somewhere in the order of 1.5 per cent to three per cent. We will not know that until we have had time to look at it properly. But the issue for councils is that everything they buy has a flow-on effect through the tax.

**CHAIR:** Excuse me, Minister. We have lost our quorum. We will have to hold for a minute. Minister, we now have a quorum. You can continue.

**Mr CRISAFULLI:** The issue is that the goods and services councils buy are genuinely affected by this, when they lay their bitumen or they build steel. Councils do not buy a lot of bread and milk, so there is a real impact for councils with this.

The other factor is that the Clean Energy Regulator identified 12 Queensland local governments that will have a direct liability under carbon-pricing mechanisms for their landfill, and that is an added

impost for them. It is definitely an additional cost for local government. It is a cost at a time that local government can least afford it. It is another one of the hidden costs of the carbon tax.

**Mr SHORTEN:** Minister, I refer to the grants and subsidies administered by the department, on page 17 of the SDS. Can you please advise what support local communities will receive as part of the Show Societies Grants Program?

**Mr CRISAFULLI:** I thank the member for the question. In this year's budget there will be \$2 million set aside for 131 grant recipients. One hundred and twenty-eight of those are show societies. There are a couple of councils in there as well, where the local government steps in where there is not a show society. If ever you needed proof of local councils stepping up to the plate, there it is—yet again. I am delighted that this money is going to those show societies because, in many ways, these shows are the lifeblood of these communities. In some cases it is the little bit of identity that these communities still have after the forced amalgamations. When I was looking through the list I saw that many of them are in fact from your electorate, Mr Chairman. They are proud communities. The fact that they have their local show as a get-together each and every year still means so much to them.

Whilst the individual amount to each of these show societies may not seem like a huge amount of money, I think in many cases it is the difference between them surviving and not. At a time when regional Queensland really is under the pump, I think we should do everything we can to make sure these small communities have a sense of pride, a sense of image and a sense of worth. The local show provides that in bucketloads.

**Mr GRIMWADE:** Minister, with reference to dot point 11 on page 4 of the SDS, will you please outline what action has been undertaken to address concerns in relation to the running of the 2012 local government elections?

**Mr CRISAFULLI:** Thank you very much for the question. This was one of the most talked about topics when I conducted my visit to the councils. Pretty damning allegations were raised about the elections that were just undertaken. I do not for one moment suggest that the role of the Electoral Commission of Queensland would have been an easy one. Let us face it: they were gearing up to have an election in March, they then had to conduct the state election and then the council elections were put back to April. To have that level of government treated as a plaything—their elections were moved from one date to another—was very difficult for local councils, but it would have also been difficult for the Electoral Commission of Queensland.

Some very serious allegations were raised. I think it is important that we have a look at who is best to conduct elections in the future. I have asked both the Local Government Association of Queensland and the Electoral Commission of Queensland to put forward reports. I have received the Local Government Association's report. The Electoral Commission's report will be with me in the next couple of weeks. To their great credit, the Local Government Managers Australia have also put in a submission of a very high quality.

We have to make a decision as to who is best to conduct those elections into the future. Should it be the Electoral Commission of Queensland or should it revert to the previously arrangement, whereby the shire CEO had the choice about whether to engage a third party or be the returning officer? That is the discussion we will be having, but we will be weighing up all those factors as we do so.

**CHAIR:** Minister, can you advise whether newly elected councillors and mayors attended the Councillor Induction Program?

**Mr CRISAFULLI:** There was considerable interest in and a considerable response to this induction program. I am told that in the order of 200 mayors and councillors attended, along with about 80 senior officers. I believe that the department conducted over 40 sessions.

The LGAQ informs us that the turnover of mayors at these elections was the highest since the war. There were myriad factors for that, I guess. One of them would no doubt be the forced amalgamations, but another one would be the frustration that the community rightly has felt with the fact that their councils have not been able to deliver the way they would like them to deliver, in terms of either costs or services. That is a huge frustration for the community, I am sure. I would like to hope that the changes we can make, through the changes to the act, can help on all of those fronts.

I believe that if we do empower our mayors and councillors, they will be enabled to make the decisions and to set their course the way they want to. Whilst I cannot promise what the election results will be, I know that when they do face the polls in 2016 they will be judged on their actions and the decisions they take, rather than being held responsible for policies that the state government would like them to implement. Mr Chairman, could I clarify a couple of matters?

**CHAIR:** Yes.

**Mr CRISAFULLI:** The figure of \$1.16 billion that I used earlier in relation to Brisbane City Council is in fact correct. The figure is from the general loan pool. I also reiterate that the Queensland Treasury rating of Brisbane is 'strong'.

**CHAIR:** Thank you, Minister. The time allocated for the consideration of the estimates for the Minister for Local Government has expired. On behalf of the committee, Minister, I thank you and your advisers for your attendance. I remind you that your answers to questions taken on notice at today's hearing are to be provided to the research director by 5 pm on Monday, 22 October.

The committee has also concluded its examination of the matters referred to it by the parliament. I would like to thank the committee staff, the Hansard staff and the attendants for their assistance with today's hearing. I declare the Transport, Housing and Local Government Committee estimates hearing closed.

**Committee adjourned at 5.59 pm**