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ESTIMATES COMMITTEE F

Mrs Woodgate (Chairman)

Mr Dollin	Mr Lingard
Mr Hobbs	Mr Vaughan
Mr Johnson	Mr Robertson

The Committee commenced at 11.30 a.m.**DEPARTMENT OF TRANSPORT****In Attendance**Hon. D. Hamill, Minister for Transport and
Minister Assisting the Premier on
Economic and Trade Development

Mr Geoff Stevenson, Director-General

Mr Graham Hartley, Executive Director, Policy,
Planning and Finance

Mr Bill Turner, Director (Finance)

Mr Vince O'Rourke, Chief Executive,
Queensland RailMr Bob Scheuber, Group General Manager,
Finance and Information Services,
Queensland Rail

The CHAIRMAN: I declare this meeting of Estimates Committee F open. The Committee will examine the proposed expenditure contained in the Appropriation Bill 1994 for the areas as set out in the Sessional Orders. The Committee has determined that units will be examined in the following order: Department of Transport, 11.30 a.m. till 4.35 p.m.; Administrative Services Department, 4.35 p.m. till 7.45 p.m.; and the Department of Lands, 7.45 p.m. till 12 midnight. The Committee has also agreed that it will suspend the hearings for meal breaks from approximately 1 p.m. to 1.30 p.m. and from approximately 6 p.m. to 6.30 p.m. The Committee will also take an afternoon tea break of 15 minutes.

I remind members of the Committee and others that the time limit for questions is one minute and for answers is three minutes. A single chime will give a 15-second warning, and a double chime will sound at the expiration of these time limits. As set out in the Sessional Orders, the first 20 minutes of questions will be from non-Government members, the next 20 minutes from Government members, and so on in rotation. The end of these time periods will be indicated by three chimes. The Sessional Orders also require equal time to be afforded to Government and non-Government members. Therefore, when a time period has been allotted which is less than 40 minutes, that time will be shared equally. For the benefit of Hansard, I ask departmental witnesses to identify themselves before they answer a question.

I now declare the proposed expenditure for the Department of Transport to be open for examination. The question before the Committee is—

"That the proposed expenditures be agreed to."

Minister, is it your wish to make a short introductory statement, or do you wish to proceed direct to

questioning? If you do wish to make a statement, the Committee asks that you limit it to two minutes.

Mr HAMILL: I thank the Committee for the opportunity to make a short statement. The papers and the Estimates that will be considered today demonstrate quite clearly a commitment by the Government to the planning for our future infrastructure needs and address the issues that face our community today with respect to transport. The Estimates contain a balanced approach to the development of our transport infrastructure across roads, rail and our port facilities. I think it is very clear from any examination of the budget that the Department of Transport has two very important functions in the provision of transport infrastructure and services. They cater not only for our economic development in the State but also for our social development. Both social objectives and economic objectives are being met in this budget.

In relation to the social contribution—I think the department has made strides in addressing a number of issues that are becoming more and more focused upon in the wider community, including issues in relation to the impact of infrastructure on the community. We have seen the development of a number of approaches to noise attenuation, environmental rehabilitation and, of course, assessments of environmental impact of infrastructure development.

In relation to our economic infrastructure—it services not only the present needs of the community but also its needs well into the future. Without an integrated transport network, our capacity as a trading nation would be severely impaired. The focus that the department takes is one of planning. One of the key initiatives that I put in place after 1989 when the present Department of Transport structure was developed was a Policy and Planning Unit, which was charged with providing me with strategic advice on the way in which we provide the necessary infrastructure to meet those social and economic needs.

I commend the Estimates, and I look forward to being able to assist the Committee in providing any information that the Committee considers is relevant to the hearings today. Thank you.

The CHAIRMAN: The first period of questions will commence with non-Government members, and I ask Mr Johnson to commence the questioning.

Mr JOHNSON: My first question is on railways. Budget Paper No. 3 on page 318 gives the actual salaries for 1993-94 as \$691.6m and the projections for 1994-95 as only \$672.8m—a fall of 2.8 per cent. In 1991-92, the figure was \$677.6m; in 1992-93, it was \$680.2m; and in 1993-94, it was \$691.6m—all increases of about 1 per cent. I ask: how do you foresee a fall of 2.8 per cent in salaries?

Mr HAMILL: It is difficult to try to follow closely the figures that you were citing in your question. If we look at the Estimates for labour and overheads over the last few years, according to the figures I have with me, in 1993-94 almost \$666m was the figure for expenditure on labour and overheads. The Estimate contained in the Budget paper of

\$633m reflects the continued downsizing of Queensland Rail.

As you would be aware, Queensland Rail successfully negotiated the first of the public sector enterprise bargains in the State. It has worked exceptionally well. That enterprise bargain—which was negotiated and went before the Industrial Commission about two years ago now—provided for three instalments of 2.5 per cent increases in wages for employees of Queensland Rail in return for substantial productivity improvements. That is occurring against the backdrop of a continued reduction in overall employment in the organisation. That is clearly reflected in the fact that the wages and salaries bill for the organisation continues to decline. That ongoing downsizing reflects not only operational improvements but also a substantial investment in new capital and new technology in the railways.

Mr JOHNSON: I refer again to Budget Paper No. 3 at page 318, where the number of full-time equivalent employees is predicted to fall by 0.5 of 1 per cent. I ask: how will this reconcile with an estimated fall in the salary budget of 2.8 per cent?

Mr HAMILL: That is a very important question. I think it reflects an oversight on the part of Treasury regarding the full employment picture of Queensland Rail for the forthcoming year. I think that when the papers were compiled in Treasury, the actual employment numbers estimated at 30 June, the figure should have been more in the order of that 16 000 figure in the left column in that table. In fact, in terms of total staff, as at 30 June 1995, we expect staff numbers to be in the order of some 15 500 and that the estimated actual full-time equivalent number of employees as at 30 June this year will be more in the order of 16 200, give or take a few. I hope that clarifies the matter for you. As you will see, that is consistent with those projections of labour and overhead costs reflecting the ongoing and gradual reduction in total employment within Queensland Rail.

Mr JOHNSON: I refer again to Budget Paper No. 3, page 318, and compare the salaries for 1991-92 of \$677.6m on a staff equivalent of 18 294 full-time positions to the 1993-94 year with salaries of \$691.6m on a staff equivalent of 17 071 full-time positions. The rise in salary was 2.02 per cent whereas the fall in staff numbers was 6.68 per cent. This means that the remaining staff had wage rises of an average 8.7 per cent. The CPI movement for this period was 4.4 per cent, indicating a net increase in railway salaries 4.3 per cent above CPI. Can you still claim that you will reduce railway salaries, both relatively and absolutely, in 1994-95 as the Budget Papers suggest?

Mr HAMILL: I think you have to be very clear about what in fact you are asking there, because no-one is suggesting that we are going to reduce salaries in the railway. What we are in fact seeing, though, is that the total wages and salaries bill in the railway is declining, I think that is a very important distinction to make, because as I already indicated in relation to an earlier question, Queensland Rail successfully negotiated with the rail unions and had

approved in the State Industrial Commission an enterprise bargaining agreement which provided in monetary terms a 7.5 per cent wage increase to QR employees staged over three payments. For each stage in that, Queensland Rail and the unions concerned had to demonstrate to the commission that the productivity gains which were foreshadowed in that agreement had not just been talked about but were in fact being realised.

That, of course, explains the very important point that actual salaries are increasing. It also further explains why, at a time when salaries are increasing, and in this case increasing ahead of inflation, but I stress commensurate with productivity gains—and I will come back to that point in just a moment—the overall salary bill for Queensland Rail with a reducing total labour force is in fact declining. To be doing otherwise would be of grave concern to me, to Queensland Rail and, indeed, to the Committee.

As to productivity—I think there are a couple of points that need to be made here very clearly. The reform program in Queensland Rail has been extensive, and I would suggest that there would be few organisations in either the public sector or the private sector in this country that have achieved the sort of productivity improvements that have occurred within Queensland Rail in recent years. In fact, in the last three years, productivity in Queensland Rail has increased by some 40 per cent, and over that period of time we have also seen the freight task undertaken by Queensland Rail increase substantially. Were it not for those productivity improvements, we would not have been able to support the sort of wage outcomes which the EBA was able to provide to rail employees. I want to further stress that the wage increases, ahead of inflation though they are—real increases in take-home pay for rail employees—have been earned by rail employees because they are the ones who have generated much of that productivity improvement, and I think we should reward people for a job well done.

Mr JOHNSON: I refer to the estimate for debt servicing by Queensland Rail in 1994-95 of \$176m as shown in Budget Paper No. 3, page 318. This is a 32 per cent increase over the interest payment for 1993-94. Who is this being paid to and why the large increase?

Mr HAMILL: Of course, there is a substantial increase in interest payments to Queensland by Queensland Rail at this time. One has only to go and inspect the rail network in the State to see massive investment taking place in capital upgrading. Indeed, on the main north coast line, this year alone \$220m will be invested by Queensland Rail on that undertaking. Indeed, Queensland Rail's borrowings this year will total some \$449m, of which almost \$400m is for capital investment. I might say it is not Mickey Mouse capital investment that we are dealing with. This is capital investment which has only been adopted by Queensland Rail and approved by the Queensland Government on the basis that Queensland Rail can service the debt.

Now, Queensland Rail undertakes its borrowings through the Queensland Treasury

Corporation. Therefore, it avails itself of very competitively priced finance, but without the sort of investment—the magnitude of investment—which we are seeing put back into our rail network, we will simply not have a railway which is able to meet the challenge of this vast developing State in the 1990s and into the next century. Indeed, one of the greatest tragedies that we have seen for our railway network in the State of Queensland is that for many years the only areas that seemed to benefit from substantial capital investment, albeit much of it extracted from mining companies, were the railway lines in central Queensland which were servicing the mining industry. The member for Gregory would be very much aware of the parlous condition not only of many of the country branch lines but also main line operations in country areas which have been starved of funds for decades.

Now, Queensland Rail's Capital Investment Program, as I said, has been tested as being commercial. Queensland Rail has the capacity to pay its debts and, indeed, the increased interest payments this year reflect not only Queensland Rail's capacity to pay its debts but also the commitment of the Government and Queensland Rail to put its money where its mouth is and invest in the upgrading of the system.

Mr JOHNSON: I note that on page 4 the departmental Estimates refer to dividends being made payable to Queensland Treasury following corporatisation. What is this amount?

Mr HAMILL: Sorry, I am still trying to find your page 4 reference.

Mr JOHNSON: Also, would you please provide the total debt of Queensland Rail, and would you provide the breakdown of total debt for the Department of Transport?

Mr HAMILL: Let me try and deal with them in order, because you have really asked me three questions in sequence. I do not know if you are going to give me nine minutes to answer it. In relation to the cash surplus payment to the Department of Transport—as you would be aware, up until the structural changes that were made and the budgetary structural changes that were made, Queensland Rail was operated as an organisation out of the Consolidated Revenue Fund. Following the introduction of the Transport Infrastructure (Railways) Act in 1991, Queensland Rail's accounts were then transferred across to the Railway Fund, which you find in the Trust and Special Funds in the Budget Papers.

There are two payments here. One is the community service obligations—funds which are paid by the Government through the Department of Transport to support the non-economic, non-commercial elements of Queensland Rail's operations. Funds that are going in the other direction reflect the fact that Queensland Rail has some very commercial enterprises which return a profit and for which Queensland Rail quite properly needs to make a payment back to Government in relation to them. Those funds would include a return in relation to the profitable coal and mineral business.

What we will see over the years in the future—because part of your question was also prospective in terms of what will occur after 1 July 1995—will be greater transparency in the railway account. That is something which I think the community demands and which certainly is beneficial for Government. In that you will see a clear and transparent payment of a dividend on railway profitability; a payment in the other direction for community service obligations; and, with the progressive implementation of the Government's initiatives in relation to the review of royalties in the mining industry, a transparency in relation to the collection of royalty, which hitherto was concealed under policies that had been put in place in the 1970s and 1980s as a part of coal freight rates. There was another question. Ask it now, and I will give you another three minutes.

Mr JOHNSON: Would the Minister please provide the total debt of Queensland Rail? As to the last part of that first question—following corporatisation, what is the amount? You really have not given me the amount. The second part was: would the Minister please provide the total debt of Queensland Rail?

Mr HAMILL: Give it to me in bite-sized bits, and I can deal with it in bite-sized bits.

Mr JOHNSON: That is fair enough. I will do that.

Mr HAMILL: In relation to the dividend post-corporatisation—I cannot answer that question, because we are dealing with the 1995-96 Estimates, if that is the case. Corporatisation of Queensland Rail will not be effected until 1 July 1995. The discussion today is on the 1994-95 Estimates. I do not have a good crystal ball which tells me what the figures are going to be on the Budget for 1995-96.

In relation to the issue of debt—I have already mentioned that Queensland Rail has been borrowing and will borrow heavily this year for commercial purposes. When I speak of debt, I think the Committee needs to understand that Queensland Rail strictly adheres to the Government's policy of not borrowing for social capital. When we talk about social capital, we are talking about the capital that is necessary to invest in the non-commercial areas of Queensland Rail's operations—in other words, the CSO areas. The largest single CSO area relates to our city and country passenger services. There is substantial expenditure this year by Queensland Rail on the development of the social capital in the system. Of course, those funds are not debt funds; they are equity from the Government that comes through the consolidated revenue account.

In terms of total debt—the projection for total debt for Queensland Rail on 30 June this year we estimate at \$1.81 billion. We anticipate that on 30 June 1995 the debt of Queensland Rail will be \$2.148 billion. That is wholly consistent with a borrowing program that I have already canvassed of some \$399.6m—almost \$400m—of commercial capital investment in both the commercial locomotive and rolling stock fleet and other rail infrastructure.

As we approach 1 July 1995, and full corporatisation is achieved in Queensland Rail, an issue which the Government needs to resolve is the fate of a significant part of what will be close to \$2 billion of debt which is not commercial debt; it is debt which Railways has been saddled with—some of it stretching right back to when they built a line to Biggs Camp. We need to unburden Queensland Rail of that non-performing debt so that we have a debt-equity ratio in Queensland Rail befitting a proper commercial organisation.

Mr JOHNSON: The latter part of that question was: would the Minister please provide the breakdown of total debt for the Department of Transport?

Mr HAMILL: Happily. I am pleased you are giving me three minutes to deal with it.

Mr JOHNSON: If you want me to put that question on notice, I am happy to do that.

Mr HAMILL: No, it is all right. The total debt in relation to the Department of Transport needs to be considered in various sections. There is debt of some \$39.6m that relates to works which were undertaken in association with the construction of the Gateway Bridge and the network which services it. That is debt which was vested with the former Main Roads Department and has now been inherited by the Department of Transport. That is an interesting item, because it reflects some rather interesting machinations which a predecessor of mine who had responsibility for roads managed to put in place to effect the Gateway Arterial system and the Gateway Bridge. I might like to come back to that this afternoon. I hear the chime. Is that it?

Mr JOHNSON: You can keep going.

The CHAIRMAN: I am sorry, the first 20 minutes of non-Government questions has expired.

Mr JOHNSON: Madam Chairman, can we come back to that afterwards?

The CHAIRMAN: You can bring it up during your next session. The next 20 minutes will be devoted to questions from Government members. I ask Mr Robertson to commence the questioning.

Mr ROBERTSON: I refer to page 78 of Budget Paper No. 4 in which the capital program for Queensland Rail for 1994-95 is identified as being \$730m, an increase of some \$110m on the estimated 1993-94 figure for capital outlays. Could the Minister please explain the strategic objectives behind such large-scale investment and its necessity for the Queensland Rail network?

Mr HAMILL: As I have already indicated to Mr Johnson, 1994-95 sees a very substantial capital investment in Queensland Rail. There are a number of major programs under way. The \$730m program is the largest ever capital program undertaken by Queensland Rail in any 12-month period. It reflects a range of endeavour right across Railways and further develops the Government's reform program for Queensland Rail.

The objectives of such an investment are very clear. They are about making Queensland Rail more competitive and more able to meet the commercial

challenges of providing a high-quality and timely freight and passenger service across Queensland. Some of the moneys are about the main line upgrading program, which also extends to the south-west of Queensland. We have also seen major work in the north-west of the State, which is facilitating Queensland Rail's capacity to join in the freight task which I am sure will be generated from the exploitation of extensive mineral resources in the Carpentaria area.

In relation to south-east Queensland—we have a major program of social provision in terms of both rolling stock and progressing the link to the Gold Coast as well as other enhancements to our urban network. We are also providing for the welfare of QR's own work force. Recently, new depot facilities were opened in Dalby. That is but one of a number of similar depot upgradings which meet Queensland Rail's obligations as a caring employer and meeting the standards which are expected in this day and age for the welfare of QR employees.

There is a huge backlog in Queensland Rail. I know that Mr Beattie, who is a Committee member and has had experience as a former official of the railway station officers union, used to gain a few headlines in the past about the parlous condition of railway housing in this State. I think that demonstrates that right across-the-board Queensland Rail infrastructure has been sorely neglected, and a series of very large capital programs has been necessary to try to bring the Railways up to scratch as a modern supplier of transport services. Whether it is in that area of social provision or whether it is in terms of the infrastructure needs of Queensland Rail, I think it is a clear demonstration of the Government's priorities.

Mr ROBERTSON: Page 86 of Budget Paper No. 4 identifies funding towards Queensland Rail's main line upgrade program of the 1 681 kilometres between Brisbane and Cairns. It is noted that Estimates expenditure this year will be \$220m, up from an estimated \$180.4m in 1993-94. Could the Minister please advise as to the works which will be funded under the \$220m allocation in 1994-95 in the context of the total main line upgrade?

Mr HAMILL: With pleasure. As I indicated, a major element of the substantial capital upgrading this year is in fact on main line upgrade. The \$220m is being seen right across rail operations, particularly, though, in relation to the north coast line. There are a number of elements.

Some \$38m is earmarked for the contract which has been awarded to Goninans North Queensland for the construction of new main line diesel locomotives. Of interest, no doubt to the member for Maryborough, is the fact that some \$6m is being used to acquire new container wagons, and Walkers Maryborough have actually been supplying bogies for those new container wagons. They are triple-slot container wagons. The capacity to use triple-slot container wagons is only being afforded by the fact of the substantial upgrade to the quality of track in Queensland and increasing the maximum axle load capacity of the line.

There are some 42 contracts currently under way worth \$140m on bridges and deviations. There are over 100 kilometres of deviation in the North Coast Line alone, and that is to achieve 100 kilometre per hour running between Brisbane and Townsville and up to 80 kilometre per hour running between Townsville and Cairns. We are trying our very best to dispel the old catchcry of Queensland Rail in the past where it was often said that the motto was, "I'll walk beside you." We want people now to have to at least abide by the speed limit and they will be able to watch the train streak ahead.

In relation to track upgrading, there is \$30m allocated for upgrading between Rockhampton and Cairns, and there is \$6m on track upgrading in the south-west between Roma and Charleville and between Goondiwindi and Thallon. We expect to receive the first of the two diesel locomotives and the 250 new container wagons in 1994-95. We expect in relation to bridge work the completion of reconstruction of 669 timber bridges and the substantial completion and strengthening of another 190 bridges. They are basically steel bridges which need to be strengthened to take the increased axle loads. Thirty-six kilometres of the deviations that I mentioned should be completed. In relation to the track strengthening, 30 per cent of that will have been completed. It is a very substantial program and it is about long-term benefits for rail operations and the communities that railway serves.

Mr ROBERTSON: I refer again to the \$220m allocation to the main line upgrade program. Could the Minister elaborate on the improvement in Queensland Rail's operations which the upgrade is intended to achieve and, I guess most importantly, what will be the flow-on benefits to the Queensland economy?

Mr HAMILL: Maybe if I could answer the second part of that first. When you are making such a substantial investment, there are again substantial flow-on benefits to the private sector. Part of the work here is being done internally within Queensland Rail and another part of the work—roughly about half and half—is being put out to tender, and private sector companies, particularly companies in regional Queensland, have been able to benefit. We expect that this year alone the construction benefits will generate some 2 000 years of employment, 700 new direct jobs, and a significant flow-on in terms of indirect employment.

We have already seen companies that have been supplying Queensland Rail with services expand their operations. A very good example of that has been Austrak, which operates a concrete batching operation for the provision of concrete sleepers. Part of the track upgrading program has meant that both steel and concrete are being used for resleepering. Austrak has actually had to establish an additional plant in Rockhampton to meet its obligations in supplying Queensland Rail with the quantity of sleepers it needs to undertake the upgrading program. There are other companies that have also been supplying the turnouts, the points and so on for Queensland Rail's part of that upgrading program.

In relation to the physical improvements, I mentioned in relation to your earlier question track strengthening and bridge strengthening. Currently, the North Coast Line has a 15.75 tonne axle load limit. That means in this day and age that if you are going to operate the railway on that basis, you cannot fill up containers to haul them over the track because the axle loads exceed the track capacity. The upgrading of the North Coast Line alone will lift the axle loadings to 20 tonne axle loads, which will enable us to run those triple-slot container wagons and provide the sorts of container services into north Queensland which the community expects in this day and age.

A very substantial improvement, of course, that flows is in relation to the timeliness of service. Currently, it takes about 40 hours for a freight train to wend its way from Cairns to Brisbane. With the upgrading program completed—and we will see the benefits of this flowing in the next 18 months to two years—transit times for freight between Brisbane and Cairns will be reduced to 27 hours. That is a third off the time. It is not just far-north Queensland that will benefit, because the improvements in timeliness on the North Coast Line flow on to benefits in timeliness in terms of our western centres as well and that enables freight to move in a far more efficient and speedy manner.

In relation to passenger services, there will be similar improvements in timeliness. The Queensland, which takes 32 hours to get to Cairns, will be able to do it in 25 hours. They are very substantial benefits for regional Queensland.

Mr DOLLIN: I refer to page 319 of Budget Paper No 3. Minister, I would also like to refer you to the \$220m allocation made towards the main line upgrade works. Could you please advise the Committee about the contract for 40 diesel-electric locomotives which is to be funded under the main line upgrade program and what its impact will be on heavy industry in Townsville?

Mr HAMILL: The contract that I mentioned previously is part of that \$220m program. I think I mentioned that some \$36m was expected to be expended this year. All told, that is a \$110m contract, which I think is the largest single contract ever awarded to the private sector in north Queensland—certainly in Townsville. For Queensland Rail, that buys forty 3 000-horsepower diesel locomotives which are more powerful and quieter than anything that currently runs in the network anywhere in Queensland. They will principally be utilised in hauling freight between Rockhampton and Cairns and also hauling coal and mineral freight between Mount Isa and Townsville. They will operate at speeds up to 100 kilometres per hour, and that is consistent with the work that we are doing in terms of track upgrading.

I think it is very important to recognise here the contract that was awarded to Goninans—and it was done quite properly; they were the most competitive conforming tenderer for that particular contract. Goninans had a presence in Townsville in the past when they had previously supplied diesel locomotives to Queensland Rail, which I think was

back in the early/mid 1980s. That plant was closed down and it was then leased out to Curtin Brothers. The awarding of this contract has seen that plant reopen, and for Townsville it is good news because there are probably about 50 jobs directly in the construction of those locomotives, and the company is recruiting locally, and there are a number of other indirect jobs involved because other people are supplying componentry. Goinans are there for the long haul, if you could excuse my railway pun, because they see strategic opportunities not only in terms of the development of the railways in far-north Queensland but also in relation to the mining sector. Townsville is a very good base for them to be supplying equipment to the Bowen Basin. I guess they have also got an eye to the north west. They also see themselves as playing a role in supplying the requirements of the mining sector in Papua New Guinea.

So this railway contract is not a flash in the pan, as far as the Townsville economy is concerned because, whilst it is a very substantial contract and it provides a very solid base for Goinans to undertake a re-establishment of plant in the area, it provides them with a very firm base from whence they can diversify their output and play a very prominent role as an industrial concern in the far north of the State.

Mr DOLLIN: My second question relates to program area 073. In light of the record capital investment for Queensland Rail, could the Minister please advise what proportion of this investment will be received in regional and rural Queensland and what will be the benefits to those local communities?

Mr HAMILL: I have already canvassed the benefits of main line upgrading in terms of timeliness and convenience of service into the north and the west of the State. I think it is worth while bearing in mind that about \$384m of the capital program is being directly invested in regional Queensland. In terms of the Government's overall capital program across all portfolios, that represents around about 14 per cent of the total capital program of the Government coming through Queensland Rail into regional Queensland. I think that is a very huge stake in regional Queensland. So almost \$400m in terms of regional Queensland, about \$200m in south-east Queensland—that is, Brisbane and the Gold Coast area—and another \$150m which you really cannot say is for Brisbane or for regional areas because it is across the whole operation.

In terms of enhancements—there is a fair amount of it, actually, in relation to the livestock industry. Some relatively minor work, which is regarded as more substantial in the communities which are directly affected—for example, a balloon loop at Quilpie—is being done. There are a number of other facilities for the livestock industry in terms of new wagons, loading loops, and so on. There has been major track upgrading and signalling, particularly in relation to the Mount Isa line, new express freight terminals in Mackay, Cairns and Bundaberg, upgrades to the terminals in Rockhampton, Townsville and Mount Isa, and investment in Q-Link.

I think importantly for regional Queensland is the upgrading and refurbishment of the Sunlander. I think most people who have travelled on the Sunlander in recent years would say that it is starting to look a bit tired. I am pleased to comment that during this forthcoming financial year, we will be awarding the contract for the new tilt-train, which will put Queensland Rail at the cutting edge of rail technology in Australia. A new passenger station is to be built in Cairns and station upgrades are taking place at Kuranda, Barron Falls, Townsville and Rockhampton.

So, again, we have a program which is heavily tilted, if you like, in favour of regional Queensland. That is where the train will go, too, but at the same time it is reflecting the needs both to develop Queensland Rail's commercial business as well as not losing sight of Queensland Rail's obligations to the community in both its passenger and its remote area freight services.

Mr VAUGHAN: I refer again to capital investment. Budget Paper No. 3 indicates that capital investment in Queensland Rail's infrastructure is expected to achieve operational efficiencies including, as you mentioned before, greater tonne axle loads and the improved reliability of the total network. In relation to Queensland Rail's freight operations, could you give us an idea of whether this investment will, along with other reforms, actually reduce the freight group's annual loss?

Mr HAMILL: If we look at the accounts of Queensland Rail over the last four years, the very substantial turnaround for Queensland Rail has actually occurred in relation to the freight business. If we go back to 1989-90, Queensland Rail in that year turned in an overall loss of \$133.5m. In 1990-91, it was \$109.4m. In 1991-92, for the first time since World War II, Queensland Rail actually returned a surplus. This is on cash accounting. I remember pointing out at the time that the wonderful thing about returning that surplus in 1991-92 was that we did not have to go to war again to achieve it.

But if we were still looking on a cash basis—and I might say that the effort that has been put into modernising Queensland Rail and also into modernising its accounts as befitting a commercial organisation and, indeed, the commitment that the Government has given to adopting accrual accounting practices right across the public sector—Queensland Rail has been leading the way in that endeavour. It is not an easy one. If we were looking at 1992-93, on a cash basis, we would be looking at a \$73m surplus. But we were more modest. In fact, we claimed the \$14m profit on an accrual basis. Since 1989-90, that represents a \$208m turnaround.

The lion's share of that has actually come out of improvements to the freight operation. The legacy that we had, the poisoned chalice that was passed to us in 1989, was a freight service which was losing \$480m a year. In terms of small freight alone, it was costing Queensland Rail \$112m to generate \$15m-worth of income. You would have to ask about the managers who managed to make such a mess of the

overall performance. By the turn of the century, we believe that freight will in fact be in balance.

The CHAIRMAN: Sorry, I will have to cut you off there.

Mr HAMILL: Just when I was enjoying myself.

The CHAIRMAN: I know, Minister; you were in full flight. That concludes the block of questioning for the Government members. The next 20 minutes will be questions from the non-Government members.

Mr JOHNSON: As I concluded a while ago, I asked the question: would the Minister please provide the breakdown of total debt for the Department of Transport? I will leave that question on notice at the moment.

Mr HAMILL: Can I answer it?

Mr JOHNSON: You can if you have got the answer.

Mr HAMILL: Yes. I will give you a detailed breakdown. I started by mentioning before that there was the debt in relation to the Gateway Arterial network. That is the Stage 1 approach road to the Gateway Bridge. As I said, it was put as part of a deal that was done by the then Minister, Mr Hinze, to facilitate the development, and there is \$39.6m of debt held in the accounts of the Department of Transport in that project. Overall, debt on roads is almost \$395m. That is not the debt that is held in companies, that is actually road debt, and it reflects a different approach of previous Governments to this Government with respect to infrastructure provision. We do not borrow money against the Department accounts for the development of our social infrastructure. We do not do it in roads and we do not do it in railways, but we do in fact carry the legacy—and have to service the debt—of the previous administration, which was not so chary in the way in which it acquired its funds. The marine and ports area of the Department carries a debt of \$891,000.

Mr JOHNSON: Is that \$891,000 or \$91,000?

Mr HAMILL: Eight hundred and ninety-one thousand dollars. The Department of Transport also carries a figure of roughly \$178m of debt, which was actually acquired by the old Metropolitan Transit Authority for the electrification of the suburban rail network back in the late 70s, early 80s. That has always been held in what was the old Department of Transport accounts. Ninety-six per cent of that will actually be transferred across to Queensland Rail before the end of this financial year to ensure that we do not cause the Auditor-General any palpitations. The Department and Queensland Rail had only adopted the treatment of that which Treasury had required for a decade. The Auditor-General did not like it in his last report, so we are attending to that in the way he wants it. We also carry the debt for the Gold Coast Waterway, a project of the previous Government. Previously, that debt was carried by the Gold Coast Waterways Authority. There is almost \$50m worth of debt for that project.

Mr JOHNSON: Did you say \$60m?

Mr HAMILL: No, I said almost \$50m. I am referring to the Gold Coast Seaway. The Harbours Corporation, in relation to the Bowen Basin, carries a debt of about \$384,000. I am referring to the old Harbours Corporation, because the Harbours Corporation is no longer the legal entity. I am referring to the non-commercial operations handled by it. There is a debt of \$843,000 for various boat harbours around the State. The total is almost \$667m.

Mr JOHNSON: You partly answered my next question in your answer to my second question, but we will go over part of it again. I refer to Budget Paper No. 3, page 318, which refers to the estimated full-time equivalent staff as being 16 978. However, the Queensland Rail Departmental Estimates Program Statements for 1994-95, on page 4, state that the expected staffing of railways will be 15 400 by 30 June 1995. That figure of 15 400 represents a decrease of 1 671 staff in only one year, whereas only 1 316 staff have left in the last three years put together. Can the Minister advise whether the 15 400 figure in the QR Departmental Estimates Program Statements for 1994-95 excludes some classifications of employees?

Mr HAMILL: As I outlined to you earlier, I have identified what I consider to be a clerical error on page 318 of Budget Paper No. 3. It is my belief that Treasury did not adjust the figures for last year. I think I explained that to the Committee.

Mr JOHNSON: I accept your point.

Mr HAMILL: I would certainly put more store in the material that has been provided to the Committee by Queensland Rail. The reduction in numbers over the forthcoming 12 months is wholly consistent with the rate of reduction that we have seen over the last five years—it even goes back further than that. The rate of attrition alone has been around 1 000 a year. Also, enhancement has been afforded to that through the voluntary early retirement scheme.

I have only one criticism of the process. The Government has been very strong on its watertight commitment to railway workers that, as part of the restructuring no railway worker need be concerned that they will be sacked or involuntarily removed from their employ within Queensland Rail. With the voluntary early retirement scheme, which is an enhanced scheme over that which previously existed in Queensland Rail, the largest source of complaint from within the organisation is the people who have been denied the opportunity to take the package.

We purposely did not adopt the course of action taken in some other places which had an open-door policy to people taking voluntary retirement packages. This saw a large number of their skilled and strategic employees take the package only to come back later as consultants. Ours has been very much a managed approach.

If we look at the figures over that time—and I think this is worthwhile information for the Committee—we would see that the rate of attrition in Queensland Rail between 30 June 1990 and present has been of the order of some 4 500 employees. I

think that compares very favourably with the four years prior to that when, between 1986 and 1990, Queensland Rail's employment dropped by 5 000 employees—during the time of the former National Party Government.

Mr JOHNSON: You made reference to your staffing figures. What is Queensland Rail's targeted figure after the VER has expired? What do you anticipate that your total staff numbers will be?

Mr HAMILL: As I said in responding to an earlier question, in Australia it is difficult to find a crystal ball that is functioning and has been quality assured. We anticipate that the decline in overall employment will continue. I think that has been borne out by the figures that I have been citing here this morning.

The voluntary early retirement scheme will continue until the end of 1998. That encompasses the period of reconstruction which is taking place in relation to railway workshops in this State. About 1 500 positions will go gradually over that period as a result of new technology being introduced into workshop operations. It would be grossly unfair to those people who have an expectation of obtaining a voluntary employment package—and hitherto have been denied it when they have applied for it because they were not surplus at the time even though they may become surplus in the future—if we did not enable them to avail themselves of that package over that period.

Obviously, the employment requirements for the network are a bit difficult to ascertain into the next five years, six years, or until the turn of the century. A number of issues impact on Queensland Rail and may cause Queensland Rail to respond through its operations. Only this week, we heard an announcement about Queensland Rail obtaining a contract for haulage of mineral ore out of one of the new mining developments in the north west. What happens in north-west Queensland—that is, in relation to the Carpentaria mineral province—will have some considerable bearing on Queensland Rail's requirements in the north, both from the point of view of maintenance and the operational aspects of Queensland Rail.

I certainly do not consider that the model held up by the Industry Commission—that is, when it looked at rail networks and saw that, if Queensland Rail just operated as a commercial railway, it could operate with a staff level of 6 000—is a model that we would embrace. I made it very clear that we see Queensland Rail as performing both an economic and social service in Queensland. I think, given the improvements in technology, we will see the current rate of attrition continue for the next two or three years. After that point, we will see Queensland Rail's employment profile stabilise.

Mr JOHNSON: You made reference to 1 500 positions that will go from workshops throughout the Queensland Rail network. In your answer, you also referred to the economic and social service that Queensland Rail has provided in Queensland over recent years. How do you address the situation surrounding the employees of that Queensland Rail network in Townsville at the current time? I refer to

the drastic reduction in staffing. What future will those people face? Have you told them what their future is, and are you aware of what the social implications of this program will be?

Mr HAMILL: I welcome that question because it is basically misleading.

Mr JOHNSON: I do not believe that it is misleading.

Mr HAMILL: I can tell you that it is misleading. It illustrates some of the nonsense that is being peddled around the place. There has not been a dramatic reduction of employment in Townsville; there has been a gradual reduction of employment in Townsville. That has been occurring over the last 10 years, not the last 12 months.

I think the principle should be—and I would have thought that the Opposition would embrace this principle—that you would employ people when there is work to be done. The overall level of employment should reflect the task that is there to be done. I think it is degrading for people to have them standing around with nothing to do. I do not believe that it serves anyone any good to advocate that point of view.

In relation to workshops, we are seeing a major change in workshops in Queensland brought about by the needs of a modern railway. It is not a one-way street of reduction. We are seeing a massive investment in workshop capacity and workshop equipment—a \$55m investment—the first stage of which is contained in these Estimates.

In Townsville, we are seeing a \$27m investment in rolling stock and locomotive maintenance facilities at Stuart. They will be state-of-the-art facilities that cater for a railway into the twenty-first century—not choo-choo trains. That is the way that we need to progress. It does not serve anyone any good to carry on with some of the nonsense that I have heard put out by some spokespeople. I contrast our record to the record of the Liberal/National Party Government in Western Australia. It closed all of its railway workshops. There are none left in Western Australia. We believe that workshops are an important part of the railway infrastructure of our State. We are putting our money where our mouth is.

If we look at the workload, we will see that, in the last three years, the total number of wagons operated by Queensland Rail has reduced from more than 20 000 wagons to fewer than 14 000 wagons. That number will continue to decline, particularly in the freight area, given the sort of investment that we are making in new container wagons such as the 250 that are contained in that new main line upgrading program.

You might think that it makes sense to run wooden K wagons around the network in the 1990s. I suggest to you that it makes no sense at all. You might think that it is economic to run 40 year old or 50 year old rolling stock around the place. I suggest that it is uneconomic and makes no sense at all. What does make sense is the investment strategy that is done in consultation with unions in which we are putting our money where our mouth is and which will result in workshops of which we can be

proud—centres of excellence befitting an excellent railway.

Mr JOHNSON: I do not believe that a comparison can be made between WA and Queensland.

Mr HAMILL: I suggest to you that a very good comparison can be made.

Mr JOHNSON: I believe that there is no—

The CHAIRMAN: Order!

Mr JOHNSON: If I could take the Minister up on that point, Queensland Rail is wholly owned by Queensland. In Western Australia, the iron ore section is privately owned. National Rail is part of the deal and the Western Australian Government is part of the deal. Townsville is a very important strategic centre for the maintenance facility of Queensland Rail and it upsets us to think that you do not treat it that way.

Mr HAMILL: In response to that question, a number of points need to be made. There are some useful points of comparison between Queensland and Western Australia. Both economies are resource driven. Some important distinctions can be drawn. As I said, the present State Government in Western Australia does not believe that Westrail should operate workshops. That might be due to its ideological blinkers. It is certainly not a position to which we subscribe. Whether private railways are run in the north of Western Australia is immaterial. The facts are that Westrail has no workshops; Queensland Rail continues to operate and is prepared to invest in workshops.

In relation to Townsville—those who purport to claim that Queensland Rail is removing its strategic maintenance capacity from Townsville simply do not understand the facts. The facts are quite the contrary. The facts are that Queensland Rail is investing heavily in Townsville. In 1994-95—in the life of these Estimates—the new state of the art wagon maintenance facility at Stuart will be built. It should be completed by June 1995. That is a \$27m investment in Townsville. When was the last time we saw \$27m spent on the Townsville railway workshops? One would probably have to go back to pounds, shillings and pence to find an investment of that magnitude on strategic rail capacity to maintain the fleet in Townsville.

The other important point that seems to have escaped some would-be knowledgeable commentators on the situation in Townsville is the fact that the Greenvale nickel operation has ceased. No longer do we have a fleet of nickel wagons that must be maintained in Townsville. Nickel for Yabulu comes either from imports across the port of Townsville or from the Glen Geddes deposits which are located in central Queensland. It makes eminently good sense that, when a heavy engineering facility is dedicated to the 6 000 wagons that are being used for the heavy haul coal operation in central Queensland, it is but a small additional area of endeavour to service the heavy engineering requirements of the mineral fleet in Rockhampton and provide the day-to-day running repairs for that wagon fleet in the area where it operates on the

Townsville-Mount Isa line. That also will happen at Stuart.

If we make the investment in new technology—and we will equip the new facility with new technology—we do not see it having lines and lines of blacksmiths using bellows to heat up the fires, as was the case in the old Townsville workshops. We must match the labour force requirements with the workload, but with the guarantee that we have given to people in Townsville and everywhere else that those who are caught up in the restructuring will not be thrown on the unemployment scrap heap as a result.

Mr JOHNSON: I remind the Minister that there is a workshop in Townsville that is a little over 10 years old that was opened by a former Minister, Don Lane.

Mr HAMILL: That is incorrect. That is a locomotive maintenance facility.

Mr JOHNSON: But it is part of the workshop facility.

Mr HAMILL: It is not part of the Townsville workshops. That facility will in turn be relocated to Stuart. There are some other important imperatives in terms of the redevelopment of the area in the City of Townsville. In the meantime, I take the opportunity to remind the honourable member that Queensland Rail has been directing work to the Townsville workshops to honour the commitment that was made to those people who are employed there.

The Heritage Train Project is a very good example. Townsville is very well placed to do the Heritage Train Project. It has an abundance of people who are skilled in the wood trades. Not many wood trades are required in the railways today. Many people in Townsville have those qualifications, and they will be utilised in the refurbishment of some 14 old wooden carriages, which will be brought up to a better standard than they ever were before and used as an important adjunct to Queensland Rail's heritage operations.

Queensland Rail is very sensitive to the needs of the people employed at the Townsville workshops. It is putting strategies in place to ensure that those people are properly catered for, nevertheless not losing sight of the important objective to all Queensland and all Queenslanders of the importance of having an effective and efficient rail network which can service your constituents, my constituents, the people in Townsville and the people anywhere else in Queensland with timely and quality service.

The CHAIRMAN: That concludes the 20 minutes for the non-Government members.

Mr BEATTIE: I seek leave to ask the Minister some questions on QR.

The CHAIRMAN: Leave is granted.

Mr BEATTIE: I refer the Minister to page 79 of Budget Paper No. 4 and also in very general terms to page 319 of Budget Paper No. 3. Page 79 of Budget Paper No. 4 states that \$191.5m is to be allocated to Queensland Rail's suburban expansion and upgrading program. I wonder whether the Minister

could please identify the major features of the upgrade program and its strategic importance to the passenger movements in south-east Queensland in the future? I am particularly interested in the emphasis and priority that QR is putting on moving more people, its public transport commitment, as well as the quadruplication of the inner city rail tunnel.

Mr HAMILL: Thank you for that question. In my introductory remarks, I outlined that we saw this Budget as providing a very balanced approach to the development of our economic and social infrastructure. A very good example of that can be seen in the investment that is taking place in south-east Queensland. In answer to a question from Mr Johnson or Mr Robertson, I mentioned the \$200m being spent in south-east Queensland. Much of that is being spent on the development of the urban network.

In south-east Queensland, we are seeing significant demographic change. Areas that are distant from the CBD of Brisbane are becoming the rapidly developing and more densely populated areas of that part of our State, and we need to get our infrastructure in place to cater for that change. We have been hamstrung in the capacity of our railways to meet the challenges of peak requirements in terms of numbers of trains being run. That is why we have invested heavily in the development of new rail tunnels in the central city area of Brisbane, which will enable us to increase the peak capacity of Queensland Rail by some 80 per cent. That is forward planning. It is a shame that it did not happen 10 years ago. That forward planning will enable us to bring on line the Gold Coast rail link and to accommodate that additional traffic demand in the suburban network.

With respect to the Gold Coast line—track duplication between Kuraby and Beenleigh has been completed. A third track is being built alongside with the dual gauging project which is associated also with the standard gauge rail link to the port of Brisbane between South Brisbane and Yeerongpilly. We also have a fourth track between Mayne and Northgate and additional rolling stock.

We have also been spending on upgrading the station facilities in south-east Queensland. Our Operation Facelift program has improved facilities in quite a number of the suburban stations over the last few years. In fact, I think that almost 50 stations have had funds spent on them to improve not only their appearance but also their security aspects in order to make them more attractive to the travelling public.

Mr BEATTIE: I take up the point you made about pressure on the public transport system because of growth in the south-east corner. As we all know, each week 1 000 people are moving here from interstate, and there are enormous infrastructure planning problems not only for transport but also for schools and so on. Are sufficient funds allocated to cope with that infrastructure planning?

Mr HAMILL: That is a wonderful question. I am sure that everyone would be delighted to have a bit more. I believe that this budget contains some very substantial commitments to infrastructure to cope with the population growth that is occurring. Take

the Gold Coast rail link alone. This year, \$66m will be spent in the Gold Coast area alone, and in fact the track laying on that section will take place as of October this year. I already mentioned in answer to that previous question the sorts of commitments that have been made to suburban rail.

It is also important to recognise that our public transport system, which I think is very vital to our capacity to cope with population growth, is dependent not only upon fixed tracked systems; it relies also upon road space. That is why we have been working with the Brisbane City Council in the development of transit lanes on a number of council roads. That is why we have also been embarking upon major planning and development of strategic road networks in south-east Queensland.

I want to mention a couple of projects that I believe are important in trying to meet the growth challenge head-on. Recently, I had the opportunity to open the new Sandgate bus interchange, which is located near the Sandgate railway station. That is about facilitating easy movement of people from one mode of transport to another in an endeavour to better coordinate the provision of passenger transport and to encourage people to use passenger transport. Only this week at Enoggera, I opened an overpass which enhances the safety of access to the Enoggera railway station and bus interchange, particularly for school children in that area.

If we are to promote public transport, we need to be putting in place the infrastructure that facilitates the use of that transport. In the Rosewood area, we have seen the electrification of Ipswich to Rosewood in the rail network. That project was completed and opened in December last year. As a result of that investment, there has been a very substantial increase in patronage. I believe that we have been identifying the pressure points and developing strategies in terms of our roads, our rail and the points of interchange to enable us to cope effectively with the population growth that is occurring.

Mr BEATTIE: If I could pursue the issue of roads—in Budget Paper No. 3 at page 341 and thereabouts, there is allocation specifically for road funding. Could you advise what works will be undertaken in the 1994-95 financial year to reduce the impact of heavy vehicle traffic through the metropolitan Brisbane area? As you would appreciate, that is a matter of considerable importance to me and very close to my heart.

Mr HAMILL: A number of projects will impact beneficially on the residential communities in south-east Queensland and particularly Brisbane. In no order of priority, I will try to canvass them with you. In relation to one of our major pressure points—that is, in your electorate, in the central Brisbane area and the Valley—we have committed funding to assist the Brisbane City Council in the development of the Valley bypass. That is an important link, because it will channel heavy vehicle traffic around Fortitude Valley and into the Hale Street system and thence onto the South East Freeway. Overall, \$60m will be invested in that particular link, which will ease traffic not only in

Fortitude Valley—we anticipate a 30 per cent reduction in heavy vehicle traffic through the Valley as a consequence of those works—but also provide better access to Kingsford Smith Drive and Bowen Bridge Road.

Over a period, we have been reducing the real cost for heavy vehicles using the Gateway Bridge. We have undertaken studies to ascertain whether there is any validity in the claims that some have made that if we took the tolls off the Gateway Bridge we would take the trucks out of the Valley. However, on the sensitivity analysis there, we have discovered that that simply is not the case; that many of the heavy vehicles that are making their way through Fortitude Valley and through the central business district often have destinations on the western side of the city. Of course, when major industrial estates are also located in those areas, they become both a focal point and a destination for heavy vehicle movements.

As to other infrastructure development—in terms of heavy vehicles, we are considering the development of a port road to improve access to the port of Brisbane. We have been putting dollars in on the Gateway Arterial. Contained within the Budget Papers, you will see what I think is a very important commitment of \$2m to commence preliminary investigations for a corridor to the west of Brisbane. That was one of the recommendations of the SEQ 2001 study. I believe that the existing road network in the western suburbs of Brisbane is inappropriate and indeed unsafe for heavy vehicle movement. The Strathpine area is experiencing major population growth and an increase in the development of industrial areas. As well, industrial areas are developing in the Inala, Wacol and Richlands area, and that traffic moves along the Centenary Highway. As a result, we must have some alternatives in place to cater for that growth and to get those heavy vehicles out of residential areas.

Mr BEATTIE: I want to pursue the last point you made about the western bypass. What are the logical steps now in terms of that planning? I indicate—and have done on a number of occasions—firm support for that project. Where are we likely to go from here? What is the next stage? When is it likely to happen?

Mr HAMILL: As I indicated, there is \$2m in the budget this year for the preliminary work. Any project of this nature does not take place overnight. We need to ensure that we do our planning properly, and we need to ensure that we have adequate consultation with the local communities. Different communities obviously will have different viewpoints in relation to it. Certainly, it is necessary that we go out to the community and consider various options. I anticipate that that will start this year. We now have the SEQ 2001 report, and it made a number of recommendations in relation to the strategic network. I will need to discuss this further at a Cabinet level, but we will engage consultants to take options to the community and to look at the impacts of those options on the local community. In any of these cases, it is very important to ascertain the need and

the preferred location as quickly as possible, but ensuring that we take on board the community views.

We then need to move to the next stage, which would be corridor acquisition. The Department has been protecting in various parts of the State all manner of bits and pieces of corridors from the point of view of future projected needs, but I think it is important for any community to have certainty in terms of the planning horizon and, after the community consultation, then going in there to any corridor acquisition which may be necessary, and only then, of course, would we turn our minds to any development. We are talking years into the future. It is not good enough to suddenly present people with a fait accompli of a need for a new road, new corridor, new railway line, whatever, when the planning ought to have been done five and ten years or more prior to the need for such a corridor.

As I said in my introductory comments, one of the things I pride myself on in the Department is trying to develop that strategic focus. In my view, in the past, there had not been sufficient planning, and given the sort of rate of growth that we are experiencing, we need to be pro-active for the future, and that is what we are doing in relation to the Western Corridor.

Mr BEATTIE: I am interested in the issue of integration—and that is probably not a good choice of words. You have partly covered this. I am interested in the integration between the services QR is producing and where the road network will go. Let me clarify my question in these terms: a lot of my constituents from time to time raise the issue that we are dominated by the car, that we do not spend enough on public transport, or whatever. You are aware of the sort of arguments. How much emphasis is being given to integration by QR to moving as many people as possible by public transport but putting roads where they are absolutely essential to form the sort of road network you are talking about to move people?

Mr HAMILL: Let me answer in relation to the road network first. In the finalisation of the road review, the latest round of negotiations has been with the Brisbane City Council and the Pine Rivers Shire Council. We have put forward, and in fact I have now signed off on, proposals which alter the status of a number of roads in Brisbane and surrounding local authorities, but based on this principle: that the Department of Transport quite properly should be on about the major strategic arterial road network. We ought not to be involved in the inner city streets and on the suburban roads. The sort of roads that we see as our responsibility are the highways and the roads like the Gateway Arterial and others of that nature. We assist local authorities, though, in relation to their responsibilities.

We have been putting in place a lot of other infrastructure in terms of bikeways and so on to give people other options. We have, in our Passenger Transport Review, indicated very clearly to bus operators that we expect better coordination across bus and rail services at interchange points at stations to facilitate an increased use of public transport as an option. I think that a very good example, though, of

how road and rail developments should be worked in tandem can be seen in terms of the Gold Coast Rail Project, where the corridor acquisition for the Eastern Corridor has been occurring simultaneously with the work that QR needed to undertake with the planning of the railway stations there and facilitating interchange points for buses and taxis. In the broader town planning aspects, we are ensuring that the town plans of the shire councils reflect the fact that good public transport can support higher density developments and commercial centres. We need to ensure that we will have our transport infrastructure in place where it can be best utilised by people desirous of travel. So, that strategic planning is going on, and I think it is going on better than ever before because this has been one of the advantages of actually having all manner of transport under the one portfolio direction. Previously, it was possible for various sectors to go their own merry way and not bother talking to each other. I see these issues as transport issues, they are not rail issues, they are not road issues, they are not ferry issues, and we need to have that integrated and strategic approach coordinated right from the centre—from the policy development.

Mr ARDILL: Madam Chair, I have a number of questions that I seek leave to ask.

The CHAIRMAN: Leave granted, Mr Ardill.

Mr ARDILL: Investment in suburban rolling stock is itemised in Budget Paper No. 4, page 86, as \$20m in 1994-95. I understand this investment, together with ongoing review of the Citytrain timetable implemented in September 1993, will permit improved servicing and more accuracy in train running, which is very important to give confidence to the passengers and something that has been attacked in the press in relation to operations in southern States. Could you inform the Committee about the foundation the timetable has laid for improved on-time running and its success to date in this State?

Mr HAMILL: When we are talking about any transport service, one of the attractions of a transport service needs to be its timeliness—that people can be certain that the facility that they want to use is going to be there when they want to use it—and Queensland Rail has been putting a lot of effort into the timeliness of its suburban services. In fact, if we look over the last two years, in terms of Citytrain, I am advised in terms of Citytrain services arriving within three minutes of the booked time, that the on-time running has been between 85 to 90 per cent. One needs to consider that any number of things can interfere with that on-time running—indeed, you raised with me a matter only a couple of weeks ago where a fatality occurred at Coopers Plains which meant the cessation of services while that matter was attended to by the police. Such unforeseen incidents can obviously impact on the overall performance of the system.

The CHAIRMAN: Sorry, Minister, the 20 minute time allocation has expired. Perhaps Mr Ardill would like to resume his questioning at the beginning of the next Government session. The first period of time allotted for the examination of the Budget

Estimates for the Department of Transport has almost expired, but I believe this is an appropriate time to break for lunch. The Committee's hearings are now suspended for lunch and we will resume at 1.25 p.m. to continue the examination of the Budget Estimates of the Department of Transport.

The Committee adjourned at 12.55 p.m.

The Committee resumed at 1.25 p.m.

The CHAIRMAN: The hearings of Estimates Committee F are now resumed. The examination of the Budget Estimates of the Department of Transport will now recommence. I remind the Minister and his departmental officers that the time allotted for the Department of Transport will expire at 4.35 p.m. I remind the departmental witnesses that they should identify themselves, including the position they hold, before they proceed to answer a question. The next period of questions will commence with questions from non-Government members. I call Mr Johnson.

Mr JOHNSON: Will the Minister please provide for the Committee revenues and expenditures estimated for the next 12 months for the operational branch lines which were the subject of the Queensland Rail Task Force report on 29 branch lines in November 1993? Will the Minister please provide the current tenure for those branch lines?

Mr HAMILL: With pleasure. Queensland Rail has been working very closely with community consultation—which the task force required of it—regarding those branch lines. It has been implementing the recommendations of the task force. In respect of the particular branch lines—they were categorised in the task force report, as you would be aware.

In relation to the Category A lines—it was generally thought that cost recovery on those lines should increase to a figure between 40 per cent and 60 per cent. Already there has been a first round of meetings held in February and March. There have been second-round meetings held in Atherton, Cunnamulla, Quilpie, Dirranbandi and Wallangarra. The start of the implementation is proceeding, for example, in relation to Takura to Urangan. There has been a formal decision taken to close it. That has been done in consultation with the Hervey Bay City Council. That was taking place prior to Cabinet's earlier decisions regarding branch lines.

In relation to the actual financing for the branch lines—it was envisaged that Queensland Rail would provide, in that first year, \$4m in savings and that that was to increase to \$20m in the second year and \$40m in the third year and for each year thereafter. Because of the recommendations of the task force, that level of saving cannot be realised. It is expected that whilst \$4m in savings has been delivered up in 1993-94, the actual quantum of savings for this year will be of the order of \$6.7m. That comes about through obtaining that higher cost recovery on various of those lines.

In line with the task force report, Cabinet will have to consider particular submissions regarding the passenger service on the Forsyth line. The local consultative committee has provided me with a copy

of its report on that matter. In relation to Hughenden-Winton and Jericho, Blackall and Yaraka—they have until the end of this year, when they will be further reviewed. Although in the consultation that has taken place in Yaraka, it was made very clear by the local community that they wished to retain the rail service and not see funds directed, for example, to the road upgrading in that area.

Mr JOHNSON: Would the Minister table receipts and expenditures for the three main arterial lines: Brisbane-Charleville, Rockhampton-Longreach, and Townsville-Mount Isa, and for the main coastal line from Brisbane to Cairns?

Mr HAMILL: There is no compilation or reporting on those operations on a "by line" basis. What you see, though, is the reporting in relation to the particular businesses that run over them. Queensland Rail certainly spent considerable time working detailed figures for the rail task force in relation to branch lines; but that is not the normal accounting that is held for rail operations. Queensland Rail reports on the basis of the particular business groups.

In relation to those lines that you mentioned—this might be helpful to you for future reference. I will work from the south to the north. In the south-west, there has been investment placed on the Thallon-Dirranbandi section and also to Goondiwindi. That is commercial investment. The performance of that will be seen in the reporting of the freight group. In relation to Dalby-Roma and Roma-Charleville—again, investment of \$6m has been directed to that section of line in this financial year alone.

In the area west of Roma, the operation is more marginal. The traffic density is lower, and the return to Queensland Rail is commensurately lower. In relation to central Queensland—that part which is strictly commercial as we speak is that section west to Emerald, where it is the mining operation—the heavy haul of coal—which makes that a very important area of rail freight operation.

The section west between Emerald and Longreach is what Queensland Rail would see as having potential for future commercial operation. It is certainly holding that as part of the strategic network. In the case of Townsville to Mount Isa—whilst it is not strictly commercial at present, it is believed that it will be a commercial operation based around increased capacity for mineral haulage out of the north west. There has been an upgrading program on that section of line totalling almost \$30m—if my memory serves me correctly—which reflects QR's priority for that section.

In relation to the North Coast Line—whilst all of that is not at this stage commercial, sections of it are. With the upgrading program that we have already discussed in detail, it will become increasingly commercial. Therefore, I think to fully answer your question—the overall fortunes of those lines can be seen in the freight group report.

Mr JOHNSON: I take on board what you have said, but you still have not thrown light on what the real receipts and expenditures are. You made

mention in the Parliament on 31 May that \$20m will be spent on the upgrading of the south-western line to a Class A standard. There is no mention at all in the Capital Works Program of Queensland Rail for upgrading of the central line to Longreach. Mention has been made previously of the loop line at the Winton trucking facility and the upgrading of the trucking facilities at Winton. Is this on the agenda of Queensland Rail, or has it been overlooked in the Budget Papers?

Mr HAMILL: It has not been overlooked in the Budget Papers. I think you need to reflect that, in terms of the Category A lines we were talking about before—and I am talking about the categorisation from the rail task force report—the 1992-93 cost recovery figure is still only 34 per cent. What is happening in respect of each of those is looking at strategies in line with the task force recommendations about how cost recovery can be improved. That goes to train operation, staffing in the area and the volume of business that can be carried.

With respect to other miscellaneous areas of upgrading—you asked specifically, I think, for matters pertaining to the central line in your electorate area from Emerald through to Longreach and on to Winton.

Mr JOHNSON: That is right, that central line.

Mr HAMILL: I can give you some further details. In 1994-95, we will see the investment in terms of the freight terminal at Emerald at \$1.9m. Some funds have just been expended upgrading the Winton trucking yards. At the forthcoming consultation meeting—and this is the second round of consultation meetings arising out of the task force reports—one of the issues on the agenda is in fact the balloon loop at Winton.

Mr JOHNSON: That is on the agenda?

Mr HAMILL: It is on the agenda for the meeting. It is an issue that needs to be pursued with the local community consultative group. But as you would be aware, the work is proceeding at present for a similar sort of facility at Quilpie, which was one of those issues that came out of the consultation which was undertaken by the rail task force. My understanding is that the cost of the proposed balloon loop at Winton could be as much as \$400,000. It is a fairly significant item in itself, but it is one which needs to be canvassed at that consultation meeting. For any funding which of itself is not commercial to Queensland Rail, we need to look at provision for it from Budget or, with the agreement of Cabinet, effectively through the savings which otherwise would be obtained from Rail to meet the savings targets which Cabinet has required.

Mr JOHNSON: I note in the 1992-93 Queensland Rail annual report on page 47 that in relation to goals for 1993 it states that there will be improved management reporting by producing monthly profit and loss statements and balance sheets. Has this been achieved in 1993-94?

Mr HAMILL: The answer to that is "yes". They do not come to me as Minister, because quite

properly they are the sorts of matters that are examined in detail by the rail board, because the rail board is charged with the general supervision of Queensland Rail's operation by virtue of the 1991 Act.

I think this is an opportunity to make a very important point. As we reform Rail's operations, there is a distinction between the role of the Minister for Transport and the role of the board of Queensland Rail in that as Minister for Transport I am properly charged with the overall policy direction within the portfolio, and as Minister of course I am responsible in relation to budgetary matters of that element of Rail's budget which is derived from the Consolidated Fund or from other public moneys which are used for the development of the social infrastructure. In terms of the commercial reporting on a day-to-day, weekly or monthly basis, that is an internal matter within the business groups and the board of Queensland Rail.

Mr JOHNSON: Will the Minister please table expenses incurred by Queensland Rail for the electrification works for 1993-94 and what the projections of those costings will be for the next financial year?

Mr HAMILL: I am sorry, could I just have a point of clarification? Which electrification works are you talking about?

Mr JOHNSON: State overall. Any electrification works that are carried out by Queensland Rail—any electrification works in this year's Budget, and future projections.

Mr HAMILL: I will take that on notice and I will get that information to you. I want to make a couple of points in relation to that. There will be two areas here that we are talking about. One, of course, is electrification in relation to the suburban network. Obviously, that is the extension of the rail operation and the electrical overheads being put in place to service Helensvale, which is the first stage of the Gold Coast link. The other area of electrification works would be in relation to the central Brisbane tunnel operation and also, of course, electrification works in relation to the standard gauge project where the dual gauging is taking place between Yeerongpilly, north through Dutton Park and on to the Port of Brisbane. The only other area of electrification that I can think of will be in relation to any works pertaining to the central Queensland coalfields. I will get those details for you. Do you want them by line basis or by project basis?

Mr JOHNSON: By project basis. I turn now to ports. I refer to the estimates of receipts and expenditure for 1994-95 in Budget Paper No. 2 on page 139. The estimated 1994-95 port authority levy is to be \$11m, an increase of 14.5 per cent on the actual levy of 1993-94. Can the Minister explain why there should be such a large increase, that is, above the CPI projection of 1.3 per cent for this period?

Mr HAMILL: I think this underlines how inappropriate it is for this mechanism that has been used for such a long time in Queensland of deriving funds from the port authorities. The port levy is struck on the basis of, if you like, commodity movement. It is not based on profitability. What you

have is a reflection here of the growth of trade through our ports. Our ports are in fact booming. The Port of Brisbane continues to set new trade records, as does the Port of Gladstone. The levy which is struck on the port authorities, as I said, is based on the actual trade. I am pleased to say that with the corporatisation of at least the Port of Brisbane, the Port of Gladstone and the Ports Corporation of Queensland from 1 July this year we will move to a far more satisfactory situation with regard to those ports in terms of the return they make to their owners, that is, the people of Queensland. Under corporatisation, the levy, which bears no relationship to profitability, will go and a dividend payment, which indeed does bear relationship to profitability, will be in place. So what you have here is a clear demonstration as to why the old levy system needs to go as quickly as possible.

Mr JOHNSON: There is no mention in the Budget of any funding provided by the Queensland Government to enhance the cruise shipping industry in the State. Has the Budget provided any funding anywhere for this important developing industry?

Mr HAMILL: The simple answer is "no", but then again you have to understand, of course, that the Budget Papers do not include the disbursements of individual port authorities because they are not part of the Trust and Special Funds and they are not part of the consolidated revenue account.

In relation to cruise terminal facilities, the port of Cairns and the port of Townsville both have terminals which are visited by cruise ships. Gladstone is also visited by cruise ships, and the port of Brisbane is visited by cruise ships. The Port of Brisbane Authority is, I think, as anxious as I am to see some facilities put in place to better cater for cruise ship visitation to the port of Brisbane. In fact, as I informed the Parliament, I think, maybe earlier this week, the Port of Brisbane Authority was working with the Queensland Tourist and Travel Corporation and the Brisbane Convention Bureau to put together a package which could develop a cruise terminal in Brisbane. Indeed, the place that was being looked at for that purpose were the wharves which are owned by Conaust, or are subject to a lease by Conaust, on the northern shore of the river in the Hamilton area.

I think the difficulty that then emerged is that a private sector operator had capture of a project and the company concerned saw an opportunity to obtain good profits, if you like, from the use of its facilities. Also, some of the more vocal advocates for improved cruise terminal facilities in Brisbane were not prepared to put their hands in their pockets to make the investment to provide the facilities that they would like to see, but they were always very handy to take the profits that can be derived from having those facilities in place, which of course is a great disappointment. So whilst there is nothing in the Budget Papers per se on cruise terminals because we are dealing with the Consolidated Fund and the Trust and Special Funds, I can assure you that I am taking a very keen interest in the provision of cruise terminal facilities in Brisbane. It may be that you will see, in the next 12 months, the port of

Brisbane, some other agencies and, hopefully, some private sector involvement putting their hands in their pockets to achieve something that would be beneficial for the community as a whole.

The CHAIRMAN: That is the end of the session for the questions by the non-Government members. I call on Mr Ardill to resume his questioning of the Minister.

Mr ARDILL: Thank you, Madam Chair. Minister, before the lunch break, you were answering a question about on-time running. I do not know whether you have had sufficient time to analyse what you were saying.

Mr HAMILL: I ran out of time. I was making the point that, on the assessments that have been made by Queensland Rail, Queensland Rail was achieving 85 per cent to 90 per cent on-time running. I think while that is commendable enough, there is still scope for improvement. It is certainly in the ballpark; it is certainly comparable with the experiences of State Rail in Sydney and Vic Rail, or Metropolitan Transit, I should say, if it still exists to the same degree in Victoria.

I might also say, though, that the acquisition of the new rolling stock is important here as well because in the new timetable, which was adopted in October last year, if my memory serves me correctly, we are still operating a system that uses both diesel-hauled trains as well as the electric—the EMU's. That does present a problem with timetabling because the acceleration times are different. What we are aiming for is the progressive withdrawal of the diesel-hauled units from the suburban timetable with the acquisition of the new electric units. They are the ones that I mentioned earlier that are currently being tested. So that we will actually obtain, I think, a more effective timetable along with our capacity to continue the service upgrade for the suburban rail network.

Mr ARDILL: It would certainly be appreciated in my electorate. I refer you to page 171 of Budget Paper No. 2, which indicates a proposed expenditure of \$52m—

Mr HAMILL: Sorry. Was that page 171?

Mr ARDILL: Page 171 of the Budget Overview.

Mr HAMILL: Sorry, when you say "Budget Overview", is that Budget Paper No. 2?

Mr ARDILL: Yes. It indicates a proposed expenditure of \$52m under the Department's Client Services program. Notably, this is an increase of \$16m over the previous financial year. Can you please outline to the Committee how this increase in expenditure will benefit the community through such factors as more efficient customer delivery?

Mr HAMILL: In relation to client services, the largest single item there which involves increased expenditure is actually in relation to TRAILS. TRAILS is being developed by the Department to upgrade the Department's capacity to deal with licensing and registration business. The existing system is old; it is run-down. For some time, we were looking at acquiring from the Road Traffic Authority in New

South Wales their system that they were developing called DRIVES. Unfortunately, DRIVES did not meet expectations. Indeed, the New South Wales Road Traffic Authority were having considerable difficulty in actually developing the system. TRAILS' goal is an integrated client database for registration and licensing of vehicles and vessels. Part of our Client Services program is to put a lot of resources into establishing a one-stop shop. So this is a system that will go right through the whole of the Department's Client Services network.

So the allocation of funds this year on TRAILS will total almost \$11m, which accounts for a significant part of the increase in the Client Services program. I hope that answers your question.

Mr ARDILL: Yes, I believe so. I have seen the improvement in Macgregor, as a matter of fact.

Mr HAMILL: Macgregor has been a problem in terms of long queues. There were quite a lot of complaints there. The thing about Macgregor also is that now with the development of Greenslopes, and also with the development of a new customer service facility out at Darra, that will take some of the load from Macgregor and provide better amenity to customers who are coming to use the Department's services. That is why it has been a very important program for the Department to invest in those client service facilities around the State.

Mr ARDILL: The Mount Cotton Driver Training Centre has been one of the great success stories of Queensland Transport, and is receiving recognition from around Australia and New Zealand with successful companies willing to pay fees to improve the safety of their vehicles and their drivers. How is this facility funded?

Mr HAMILL: The Driver Training Centre at Mount Cotton was established with a special dedicated fund. The moneys which are required for its operation are derived from the sale of personalised numberplates. I often say publicly that by, buying a personalised plate, you can make a worthwhile contribution to road safety in this State.

The Mount Cotton facility is now being operated as a business unit of the Department. It is accountable in terms of its cash flows and any disbursements that it makes, other than for its core operation of driver training, are disbursements which are directed towards promoting road safety in the community. I take your comment that it has received tremendous support in the community both here and overseas because, as I was telling the Parliament recently, a number of major companies that are involved in the movement of dangerous goods and particularly BP—but not exclusively BP—use the facility for their own driver training and for training their trainers. It has been a facility that has been very worth while, a facility which enjoys strong support in the industry, and that notice is now extended internationally with consultant opportunities with North East Asia and South East Asia.

Mr ARDILL: A problem to which our attention was drawn by the Taror report was that many highways and roads are in need of reconstruction. Any driver who gets around this State and Australia

realises this. Amongst these are roads in the Gulf country, which is becoming known as the carpentaria province. I refer to the important Durong link between the Darling Downs and Burnett, which incidentally also carries traffic from Melbourne from route 38 through to north Queensland. I refer also to the section of the Dawson Highway from Moura to Springsure. Obviously, those roads are in need of reconstruction. In many cases, the pavements have failed or subsided. Is sufficient funding being made available in this Budget for an ongoing program to catch up on the neglect and failure of past Governments to reconstruct important secondary highways such as those that I have mentioned?

Mr HAMILL: As to the arterial road network—we are faced with some important challenges. As you would be aware, as a result of decisions taken at the 1991 Premiers Conference, there was an agreement among the States and Commonwealth to untie Federal funding to arterial roads. The consequence of that for Queensland has been as follows. There were certain roads in the State which the Commonwealth had recognised as national arterials. Those funds are now untied and have gone into the State funding pool. Also, the Commonwealth decided last year to expand the designation of national highways. In Queensland, that meant the inclusion of the section of road from Toowoomba to Millmerran and on to Goondiwindi via the Gore Highway, which links up with the Newell Highway. So far, that is okay. That is now part of the national highway network. However, it leaves the State with the responsibility for the other internal highway system.

What had been previously been considered to be a road of national arterial significance—that is, one which drew traffic through from Goondiwindi north and brought it up to Charters Towers—is now fairly and squarely back in the State area for priority funding. If my memory serves me correctly, about \$100m is in the Budget for reconstruction of the State arterial road network. We are getting very good value out of our road reform program. It is allowing us to drive our road dollars further. Sorry, Steve, you asked me not to make any more puns, but there is one. We are getting good value.

As to the Gulf development road—we have been consulting with local authorities in that area. We are spending about \$2m per annum on the upgrading of roads in that area. There is also about \$3m being spent on the Manyung deviation between Kingaroy and Goomeri. Under our Roads Program, the roads have to meet strict criteria. We have a road network strategy. We look at the cost-benefit ratios when investing in a particular section of road, and we look at the social and economic impact of that investment. Whilst it is always very nice to have some more money, I think we are spending the dollars that we have very wisely.

Mr VAUGHAN: On page 81 of Budget Paper No. 4, I note that \$26m is to be allocated for the construction of the standard gauge rail link, which you referred to about four or five questions ago, to the Port of Brisbane. The project will provide dual gauge access to the port via the national rail

network. Could you please advise the Committee of the commensurate benefits of this project and whether its impact on the Queensland economy will ensure that this investment is well spent?

Mr HAMILL: This project is one that has a long history. I recall that, back in about 1988 or 1989, the Port of Brisbane Authority was calling for a standard gauge rail link to facilitate the port's development. The standard gauge rail link project is not only a project of importance to the Port of Brisbane; it is also of national importance. In terms of having a national rail freight network, it is a nonsense when your major trading port—certainly your major container handling port—on the east coast of northern Australia is not linked into that interstate rail network.

This year, \$26m will be spent on the standard gauge project. The project is a tripartite endeavour. Queensland Rail is contributing about \$35m to the project. The Port of Brisbane is putting in \$19m, but it is also putting additional money into the container terminal at the port. From the Commonwealth, we received \$30m in the One Nation package. However, I will put on record my bitter disappointment with the National Rail Corporation. In my view, it has welched on an undertaking from the Commonwealth for a further \$10m to be put towards that project. We have been honest in our belief; we see it as an important strategic project and we have had to find the money to fill that gap.

The project is significant for the following reason. Currently, freight which is landed in the Port of Brisbane which may be destined for southern areas has to be either road freighted or double handled across rail wagons at Acacia Ridge. It is highly inefficient and costly. By having a seamless freight operation, it reduces the handling costs on freight and it gives Brisbane the opportunity to develop itself as the gateway port for north Australia. Already, we have seen the success that the Port of Brisbane has achieved in attracting the motor trade from Nissan. That only occurred because the costs of landing and distributing those vehicles through Brisbane were lower than Sydney and because of the saving in steaming time. I will be very pleased when we are able to commission that standard gauge link. It will alleviate some of our own rail traffic problems in the corridor, because it is dual gauge. My advice is that, although we have had some trouble with wet weather, we will be able to run a container from Brisbane to "Freeo" early next year.

Mr ROBERTSON: I draw your attention to Budget Paper No. 4, in particular to page 80. This reference notes that this year \$850,000 will be allocated under the Operation Facelift Program to upgrade rail stations in Queensland's passenger rail network. You would know that this is a program that interests me greatly, because I have five railway stations in my electorate. Can you advise the Committee about the work program of Operation Facelift in the forthcoming year and what you perceive to be its long-term benefits to passengers in urban and regional Queensland?

Mr HAMILL: Operation Facelift, as I was commenting earlier on, has been an important

program to improve not only the amenity of railway stations but also their safety. Since that program was first instituted, some 49 suburban railway stations have been upgraded. As you would be aware, in your own electorate, Altandi and Kuraby stations have between them seen \$540,000 spent on them under Operation Facelift.

As an overall program, Facelift is about making public transport more attractive, making public transport safer and making public transport a desirable option. To date, \$14m has been spent on the stations in the suburban network. Of those, 38 have had general upgrading. At another 11, new station buildings have been built on site. I went with the member for Nudgee to the Geebung Railway Station, where one of the substantial improvements to safety that were achieved out of Facelift is the crossing point. Some of the railway stations in the urban area were built when far less traffic was on the roads than there is today. We have problems with people not wanting to use overbridges. In some areas, people must access island platforms across the railway tracks. Facelift is also about safety.

Major features of Facelift have been lighting, seating and various security enhancements such as the establishment of emergency phones on stations. This financial year, \$600,000 will be allocated under the program for the upgrading of a number of the country Traveltrain stations, those major provincial city stations which carry a fair passenger load on our long-distance passenger trains.

In relation to enhancement of access—I mentioned the safety gates at Geebung. At Toombul, we instituted a lift. In the design of many of the old railway stations, issues of disability access were never on the agenda. We have put a lot of effort into trying to provide maximum access for people with mobility problems. Lifts, ramps and so on are the sorts of enhancements that we try to provide under the program.

The CHAIRMAN: That is the end of that session of questioning by Government members. The next session for non-Government members will commence with Mr Johnson.

Mr JOHNSON: I refer to page 46 of the estimates of receipts and expenditure for 1994-95, Budget Paper No. 2, where fines and forfeitures for traffic offences are estimated to rise by \$700,000 to \$38.1m from \$37.4m in 1993-94. Actual revenue to the Department of Transport in 1992-93 was \$32.8m. Those figures come from page 81 of the Queensland Department of Transport Annual Report 1992-93. Overall, that represents a projected 14 per cent increase in a two-year period to the point at which the average Queensland motorist now pays some \$19.05 per annum in traffic fines. Can the Minister explain this cost to the Committee, as it appears to be nothing to do with road safety and simply a revenue-collection play.

Mr HAMILL: The premise of the question is quite false. As you would be aware, the Department of Transport does not retain moneys which are paid to the Department of Transport by way of traffic fines. It is simply a collection agency for moneys which flow into consolidated revenue. I know that

estimates of receipts are outside the area of responsibility of the Estimates Committee. The job of the Estimates Committee is to look at estimates of expenditure. However, I should make the point that we should not make any apology for enforcing our traffic law in this State.

Mr JOHNSON: We agree with that.

Mr HAMILL: If motorists take their lives and the lives of other road users lightly, they should be fined and penalised under the provisions of the Traffic Act. Any increase in fines from breaches of the Traffic Act reflects enhanced enforcement of the traffic law in this State, and that is something of which we should all be proud.

Mr JOHNSON: I refer to the income derived from traffic fines in 1993-94 of \$18.70 per motorist in Queensland of which \$1.727m, or 86c per motorist, went back into the Driver Training Fund in 1992-93. The source of those figures is the Queensland Department of Transport Annual Report 1992-93. In view of the 14 per cent increase in fines in the period since 1992-93, will the Minister give an undertaking that more than the 86c per motorist will be spent on driver training, particularly as \$18.70 per motorist is a sizeable sum to be raised from traffic fines?

The CHAIRMAN: Minister, before you answer this question, it is my understanding that that question refers mainly to revenue, but it is up to you whether you wish to answer the question or not.

Mr HAMILL: I answer it by way of my comment on the former question. Estimates of receipts are not part of the scope of this Committee.

The CHAIRMAN: That is correct.

Mr HAMILL: I am not aware of any funds that flow to a driver training fund other than the funds that are collected from the purchase of personalised number plates. Those funds are used for driver training at the Mount Cotton centre. All moneys that are derived from fines flow into Treasury—into consolidated revenue—as part of the general revenue collection.

Mr JOHNSON: The estimate for the Private Road User Subprogram in the program summary of the departmental Estimates statement is \$14,290,000. Now I realise that that subprogram was previously known as Registration and Driver Licensing within the Transport Safety Program. Why has that amount dropped from a Budget estimate of \$17,175,000 and an actual estimate of \$18,651,000 in 1993-94 to the \$14,290,000 estimate for 1994-95?

Mr HAMILL: Whilst that particular program has been moved as you indicated, you are dealing here with the costs of administering the collection of registration. I would have thought that we should all be pleased to see the costs of administering the collection decline. In the movement of that item from one program to another, the driving examiners are still with Safety, are they?

Mr TURNER: They were with Registration and Driver Licensing, but they have gone—

The CHAIRMAN: Would Mr Turner care to elaborate?

Mr HAMILL: I will refer the question to Mr Turner, who is our Director of Finance in the Department of Transport.

Mr TURNER: The actual cost of the driving examiners was a little over \$2m when the Registration and Driver Licensing Program went to the Private Road User Subprogram. Part of that Registration and Driver Licensing Program also went to the client services area. That was about \$2.1m.

Mr JOHNSON: Why was there a reduction in staff of 35 when the program was incorporated into Passenger Transport Services and what services provided then will not be provided now?

Mr HAMILL: I refer you to the answer you were given to the previous question. I refer you to the previous answer.

Mr JOHNSON: I refer to page 337 of Budget Paper No. 3, which states that there is a proposal to introduce a property inquiry fee. A person will be charged a fee to inspect Transport Department resumption proposals in relation to the purchase of real estate or housing. I draw attention to the fact that all banks and building societies require that search before they lend funds, and that cost will fall upon young couples at the time when they can least afford it. Has the Minister considered waiving the fee for first home buyers or instigating different rates for residential versus commercial purchases, bearing in mind that a \$15 fee is charged for normal processing and \$25 is charged for fast-tracking?

Mr HAMILL: The fee that is being instituted is in line with fees that are instituted by other agencies. I would again draw the Committee's attention to the fact that this Committee is constituted to examine departmental Estimates of expenditure, and not to examine the estimates of receipts.

The CHAIRMAN: Thank you, Minister. Mr Johnson?

Mr JOHNSON: I refer to page 342 of Budget Paper No. 3, which states that grants to Queensland Rail for community service obligations to pay for otherwise unprofitable rail transport will be lifted from \$196.2m to \$224.5m—an increase of 14.4 per cent. What will this increase be spent on, and where will it be spent?

Mr HAMILL: As to the CSO payment to Queensland Rail—the payments there refer to the provision of both passenger and freight services in south-east Queensland and indeed right across the State, which is effectively the community service obligations. The detail of that is as follows: it is disbursed across Q-Link operations. Q-Link is a small freight service that is unique in Australia, and it is very important to country Queensland. Whereas other rail systems have ceased providing similar services, we are actually making a good go of it. Of that total, low-volume routes will receive funding to the order of \$53m. The Citytrain and Traveltrain services—that is, the suburban and country long-distance trains—are also funded from that item.

Mr JOHNSON: I refer to page 319 of Budget Paper No. 3, which states that the current works on the standard gauge link to Fisherman Islands are assigned the sum of \$26m in 1994-95. I know that

you have referred to this in a previous answer, but what contribution to this will be made by the new corporatised Port of Brisbane Authority?

Mr HAMILL: I think I have already answered that question, but if you missed it at the time, the figure from the Port of Brisbane Authority is \$19m. In addition to that, the port of Brisbane is responsible for the intermodal terminal, which will, if you like, make the standard gauge project work. There is a major balloon loop at the end of that line, which will enable containers to be moved from the wharves across for rail loading. The port of Brisbane's commitment goes further than simply the \$19m that it has committed to the development of the rail link.

Mr JOHNSON: I note that page 339 of Budget Paper No. 3 states that there will be a transfer of certain inspection responsibilities. However, page 338 of Budget Paper No. 3 does not indicate that random inspections will increase. Indeed, the staffing level of the Freight Transport Services Unit is to fall by five during the year. Given that the Budget Papers say he will do so, what staff increases does the Minister intend to make in the random weight of loads inspectorate?

Mr HAMILL: You are talking about random inspections of vehicles?

Mr JOHNSON: Yes.

Mr HAMILL: In respect of that particular matter, we are seeing the product of a reorganisation of the delivery of that service. The Department has a major commitment to regionalisation. In relation to inspections and also in the passenger transport area of the Department, regionalisation is effecting the location of personnel. We have already canvassed some changes in cost programs or the movement of driver training. In this case, we are seeing a movement of the vehicle inspection capacity out into the regional offices. The staffing levels have yet to be finalised across those districts and regions. We believe it is about eight, but we also believe that, by having a regional focus for those offices, they can better undertake their responsibilities by being closer to the areas where they have the obligation to inspect vehicles for potential breaches of loading laws and other provisions that pertain to heavy vehicle safety.

Mr JOHNSON: I refer to the proposals to reduce the number of inspections undertaken by the Transport Department and to pass this on to accredited inspectors, as outlined at point five on page 339 of Budget Paper No. 3. This is the same type of devolution of safety functions that has been undertaken in the maritime industry. Would it not have been better to wait and see the effects of devolution in the maritime industry rather than pursue the same idea in road transport before a study could be made of the impacts, cost and savings, if any, that pertain to shipping?

Mr HAMILL: It perhaps demonstrates where the Government is coming from in relation to accreditation systems and it shows that the approach that we are taking is one that is strongly supported in the industry. The road transport industry has done considerable work to lift its public image in this

country. The industry itself has taken on more responsibility, both in terms of operators within the industry and also in terms of trying to get the message across that the industry is not just a group of cowboys out there running riot on the highways and byways of the nation.

The thrust that has come from the road transport forum and also the Queensland Road Transport Association has been to develop, in conjunction with my Department, accreditation systems whereby the industry takes responsibility to ensure that individual operators abide by the rules and regulations set down for their vehicle operation. In other words, it is a change of function for the Department. Instead of spending our time trying to ensure that each and every operator is complying all the time, individual operators have to present and have approved the documentation, the schedule for maintenance, the mode of operation and so on of their fleet and achieve accreditation. Thereby, the departmental function becomes one of working with the industry on accreditation and then undertaking random audits to ensure that individual operators are living up to the accreditation that has been afforded to them.

It is a bit like quality assurance. If you are prepared to deliver the quality in terms of the mechanisms within your company or operation, then you will stand by the operation of your service and you will have no problems with the audit process being undertaken across it. That is something that the industry wants; that is something that we want. I think it reflects the maturity of the industry that is strongly supporting us in the delivery of that accreditation system.

Mr JOHNSON: Point two of "Outlook 1994-95" on page 339 of Budget Paper No. 3 says that there will be—

" . . . revised concessions for heavy vehicles from 1 July 1995, which will reduce the financial impact on the Budget . . ."

Is this merely a device to increase the financial impact on the road transport industry? If cost increases are proposed in the revision of concessions, how much will they be?

Mr HAMILL: As you would be aware, Queensland has been a very strong supporter of moves to adopt a national approach to heavy vehicle regulation and operation and, in fact, it disappoints me that other jurisdictions have not taken the same, dare I say, visionary approach to the welfare of a very important part of our transport industry. In that reform package, there are two elements: one element is to ensure that the industry pays a fair contribution to the wear and tear on the road network of the nation; the second element is an obligation that falls on behalf of Governments to stop adding to the cost structures that industry faces and that, in turn, the community faces because of the inefficiencies that often contradictory or inconsistent regulation bring on the industry. Now, we are committed to both elements. As you will see on page 339, we are committed to the introduction of the Road Use Bill. We will be the first jurisdiction in the country to put our hand up and say, "We will do as we said we will

do." We will deliver to the industry the benefits upfront, and the industry understands that and the industry supports us in that endeavour. Likewise, on 1 July 1995, industry will support the implementation of the charging upon heavy vehicles which the National Road Transport Commission has developed. What the dot point to which you refer makes clear is that this Government and I, as Minister, will not back away from the implementation of those charges, nor will we back away from the commitment that I have given to the State's primary producers. Queensland has operated a Primary Producer Registration Concession Scheme which provides substantial benefits to primary producers—75 per cent discount on the registration of their vehicles, their trucks and their prime movers, but there has been no concession on trailers. I have made it clear, and primary producer groups accept the bona fides on this, that we will not use the opportunity afforded us by new heavy vehicle charges to skim off dough from the primary producer sector. We will deliver concessions of the same magnitude, with same revenue forgone, that currently exists, and that is what that undertaking is all about.

The CHAIRMAN: That concludes the session for the questioning by non-Government members. I understand Mr Ardill has some more questions.

Mr ARDILL: I have one more question.

The CHAIRMAN: We will deal with that now. Leave is granted.

Mr ARDILL: Under Budget Paper No. 3 Program Statements, page 344, there is a heading, "Transport Safety" and an amount of \$16.768m. Does this include funding for fatigue management, which is undoubtedly one of the hidden killers on the road and which has been identified by three Travelsafe Committee reports? The Travelsafe Committee—if I can put in a commercial for us—suggested better rest areas and the extension of audible line-markings as two of the areas that could do with attention. Are these being addressed in that allocation?

Mr HAMILL: The simple answer is, "Yes. Can I add to that, though, that audible line-marking has proved very successful for us out there on the highways. If I can relate to you a little story: when we first trialled it in the section near Gin Gin, one of the local service station proprietors thought all his Christmases had come at once because a great many of the motorists thought that their vehicles were ready to fall apart on them when they hit the audible line-marking on the side of the road and they were rolling their vehicles in for what they thought was going to be necessary major repair work. I think that just demonstrates how successful it is in terms of achieving the purpose of audible line-marking, that is, to deal with fatigue. In our network, we have identified certain areas which I guess we call our fatigue zones, when drivers who are undertaking long journeys find themselves maybe drifting off or losing concentration. The audible line-marking is an important part of that. We have also been working with industry in terms of an overall fatigue management strategy. In fact, Mr Johnson was with me—perhaps we were independently both there—at the Livestock Transport Association Conference

recently in Townsville, and the livestock industry are very excited about our Fatigue Management Pilot Study, where we are going to work with a representative sample of industry—again, a bit like the accreditation system that I spoke of earlier in terms of vehicle maintenance and operation—whereby we take a holistic approach to the issue of fatigue. There has been a lot of debate in the country for a long time about driving hours and driving hours' regimes. Our view is that driving hours alone is not going to solve the issue of fatigue on the road, that fatigue is derived from a range of factors. Certainly length of driving is one, but the other factors perhaps can better be described as more lifestyle issues, issues like nutrition, for example, on the part of drivers, exercise on the part of drivers, and that is where our Fatigue Management Program is founded. I am pleased to say that other States have sought some observer status in relation to our pilot study. The National Road Transport Commission has also come on board to observe progress in relation to it and, hopefully, we are going to see a more balanced approach to the issue which is certainly something which I think Travelsafe Committee members would be very pleased to see taken up broadly in the community.

Mr ROBERTSON: Can I take you back to the Queensland Rail Program? Can I refer you to Budget Paper No. 4 at page 80, where I note that Queensland Rail will commence the installation of electronic ticketing in its Citytrain suburban passenger network with the allocation of \$2.2m in the 1994-95 financial year? Could you advise the Committee about the importance of this technology and its importance to Queensland Rail's revenue protection strategy?

Mr HAMILL: The \$2.2m actually is electronic ticketing and Authority-to-Travel vending machines. Both are very important for revenue protection. We believe that it could be as much as some \$3m to \$5m that is not being paid in by those who are getting the advantages of urban rail travel but failing to buy their tickets. That is where the Authority-to-Travel vending machines are important, because it will overcome the excuse that some people use—"I did not have time to get a ticket", or, "No-one was there to sell me a ticket at the time I wanted to board the train". Those machines are not there to replace station staff; in fact, that has been a very clear understanding between Queensland Rail and the relevant rail unions. The machines are there actually to complement the station staff and to make the job easier for on-train ticket sellers and inspection staff. Electronic ticketing has been a commitment of ours now for some time. What has been disappointing, though, is that the company that won the contract has had difficulty in meeting the supply of the software for the project, but I understand that the final system's acceptance is now scheduled for September this year. Certainly, Queensland Rail is going live on its trials in relation to school travel at the end of this month, and electronic ticketing is going to be a very important enhancement to the public transport network because it facilitates the introduction of intermodal ticketing, whereby you will be able to get the one ticket to take you across

buses and trains. The project is currently being supported by my Department, also Queensland Rail and the Transport Department of the Brisbane City Council. We see it as extending into the private bus area as well so that the same amenity can be enjoyed by any would-be passengers in south-east Queensland. Again, I think it makes public transport usage more convenient, more accessible and, therefore, an enhancement to the overall system.

Mr VAUGHAN: I refer to page 81 of Budget Paper No. 4, which refers to security measures such as closed-circuit television surveillance and enhanced car park security, which will be funded under a \$1m allocation to improve the safety of Queensland Rail passengers. Could the Minister advise the Committee of the steps which are being taken to reduce incidents on railway platforms and in trains and commuter car parks? You might also throw in something about graffiti.

Mr HAMILL: The \$1m allocation was a pleasing recognition by the Government that there was a problem there that we needed to address in a concerted manner. Over a period, we have seen some falling off of the use of some of the Park and Ride facilities because patrons have found difficulties in ensuring the security of their vehicles. Some stations are worse than others. I do not think that is a situation that we should tolerate. Those facilities are there to make it easier for people to travel on the system, and we should adopt a strategy which puts people's minds at ease when they leave their vehicles at stations.

The first stage of this will be to provide secure car parking facilities at some of our worst trouble spots on the network. We do not want to get a situation that is out of control. We will look for electronic devices in those car parks to give that security to people's vehicles. On-station security, though, has been a concern which we have been seeking to address out of the Facelift Program by installing emergency phones on platforms and better lighting to remove the nooks and crannies that some of the more antisocial elements in our society like to lurk in and make a nuisance of themselves with rail customers.

We have had a trial at Caboolture where, following some unfortunate incidents there with a group, we have installed on a trial basis some electronic camera surveillance. It has been a very pleasing trial. In fact, there have been no incidents at the Caboolture station since the electronic surveillance was instituted. We were determined to make sure that our suburban railway network remains safe and, therefore, attractive to people to use. These are the sorts of measures that we are putting in place to achieve it.

Mr DOLLIN: I refer you to page 87 of Budget Paper No. 4. There is an allocation towards works on a rail loop at Owanyilla chip-mill near Maryborough. Could the Minister identify the nature of the project and the expected tonnages which are likely to be produced by that mill?

Mr HAMILL: I will answer the bit about tonnages later. The Owanyilla project is important. This is the project whereby I think Sumitomo is

involved with Hynes in establishing an operation. The chip is actually pine chip. It is part of the regional package which was put in place to assist structural adjustment in the Wide Bay area with respect to the Fraser Island issue. We were able to retool. In fact, a very substantial new export industry has grown up as a result.

That woodchip is being exported through Gladstone. The balloon loop is being constructed, and it will be electrified. I should add that to the details of the electrification question I answered earlier. I understand that the total project is due for completion on 31 October this year. I am advised that it is expected that, in the first nine months of the operation, 150 000 tonnes of woodchip will be hauled from Owanilla to Gladstone. I understand that the joint venture between Hynes and Sumitomo—Canterwood—has signed an agreement with Queensland Rail for an estimated haulage of three million tonnes of woodchip over the next 10 years.

When Cabinet was meeting recently in Maryborough, I had the opportunity to speak with some representatives of Hyne and Sons, who praised Queensland Rail for its work in negotiating the deal. I guess my antennae were up, because I thought it may have been that Queensland Rail was too easy on them and that we should have another look at it. However, they assured me that Queensland Rail was not too easy, but it was a very professional negotiation. It is good to see, in the provision of new infrastructure, that a new export industry can be facilitated. I guess that underlines the blending of my responsibilities. If I put on my other hat as Minister Assisting the Premier on Economic and Trade Development, I think it is a clear example of how investment in the transport infrastructure flows to enhanced capacity for us to participate in world markets, particularly in relation to the pricing and sale of our exports.

Mr DOLLIN: I refer to page 80 of Budget Paper No. 4 in which it is identified that \$3.1m is allocated in 1994-95 for the construction of a freight terminal and maintenance facilities at Paget in Mackay, which will complete the relocation of rail facilities in Mackay. The development of the inner-city rail land will also be facilitated in Cairns through the allocation of \$4m for the construction of a new freight terminal and \$10.5m for a new passenger station. Could the Minister inform the Committee of the reasons why such rail yards are being relocated from inner-city areas and the benefits to the regional centres concerned?

Mr HAMILL: Let me take Mackay for a start. It was not that long ago that I opened the new Mackay Railway Station. Before that, it was the major deviation of the main line at Mackay. It is a project that has been worth \$52m. That was one which was agreed to in the life of the previous Government. In Mackay, this is very important because it removes a number of black spots in terms of open level crossings in Mackay. The local community is keen to see the redevelopment of that land in central Mackay. This allocation brings the small freight facilities onto the main line, which makes a lot of

good operational sense in terms of reduced shunting and, therefore, reduced handling costs. I refine my answer in relation to Mackay. The sum of \$48.8m has been the cost of the works in Mackay. There is an opportunity in terms of enhancing the urban community and, at the same time, improving their rail passenger and freight services.

In the case of Cairns—the Budget Papers contain \$12m for a new railway station in Cairns. That has been part of the commercial development which is taking place on the railway land. Again, the freight operations are being relocated out to Portsmith, where the rail maintenance depot is. That means road safety in Spence Street. At present, you have a tangle of railway lines on what is one of the busiest streets in the City of Cairns. It also affords major redevelopment and urban renewal in the inner-city area of Cairns.

The other one is in Townsville. Because of the reasons I have outlined and the modernisation of rail maintenance workshop facilities, we were able to undertake, in conjunction with the local community, the redevelopment of inner-city land which is potentially very valuable—inner-city land the redevelopment of which offers substantial employment opportunities in that community. In fact, the city heart traders in Townsville see it as a real injection of new life for the CBD.

What has been happening in a city such as Townsville is that major suburban shopping centres have drawn away the commercial vigour from the central business district. By enabling the redevelopment in the central business district of new commercial and perhaps residential facilities, you revitalise the central business area. Also, it should be pointed out that by bringing these freight services onto main line operations, the new gantries actually facilitate better freight handling.

Mr VAUGHAN: I direct your attention to Budget Paper No. 4 and the reference on page 87 to Budget allocations totalling \$11.9m towards workshop redevelopment, and \$25.7m invested in the upgrading of rail stock and maintenance facilities around Queensland. Earlier, you mentioned the amount that is being expended at Stuart, just outside of Townsville. Could you advise of the works which will commence with this funding and the importance of such investment in ensuring that workshop and running maintenance services continue to be provided internally in Queensland Rail—and I emphasise the word "internally"?

Mr HAMILL: Yes, I did hear that. I guess I was making the contrast earlier today about what has happened in other places. Westrail is a good example of where it is all being outsourced now in terms of workshops, and that is a very disappointing development.

This is an issue that is dear to my heart, I guess, because in the Ipswich area there are two workshops, at Ipswich and Redbank, and at Banyo in your area, and at Townsville and Rockhampton. There have been two major decisions of the rail board which have had a bearing on this issue. The first has been the decision in relation to workshops. We have already canvassed that. Indeed, I do not

intend to run through that in detail again, suffice to say that the rail board has committed itself to \$55m of investment, and that is commercial investment, it is not out of the Consolidated Fund. They are dollars that the rail board sees as being returned through those investments. In fact, my understanding is that the annual operational saving to Queensland Rail through those new workshop investments is in the order of \$23m a year, something that ought not be sneezed at. It is a very good return for that investment. The first instalment of that is being made available this year in Redbank and in Rockhampton. They are the items to which you have referred, with Redbank \$5.9m and Rockhampton \$3.3m. If you like, they are the first payments. There has been a lot of consultation with local unions on—

The CHAIRMAN: Minister, the time period allocated for questions by Government members has expired. Mr Vaughan may wish to pursue that in the next session. I will now call on Mr Johnson to continue the questioning from non-Government members.

Mr JOHNSON: Page 341 of Budget Paper No. 3 refers to the contract awarded to Brisbane Transport to operate a bus service in lieu of the Pinkenba passenger rail service. This commenced in September 1993. What is the cost to the State Government of this contract and what are the expected future costs?

Mr HAMILL: The rail/bus which has been instituted on the Pinkenba line came about as a result of an analysis of passenger loads on the suburban network and also the work that was being done in developing a new rail timetable for the suburban area in readiness to accommodate the Gold Coast services and have Queensland Rail poised to be able to expand its urban services with the results of the capital investment on the new infrastructure. The contract with Brisbane Transport was a payment of \$445,000. It was a competitive tender, and I might say represents a significant saving to Queensland Rail from the operation that it had previously run in the area, which was a very substandard operation indeed from the point of view that there were no weekend services, that service frequency even on weekdays was poor, that the passenger load on a three-car EMU is about 248 seats, and that even at peak time only a third of that capacity was being utilised. We needed additional capacity in the areas where people were being crammed on trains, particularly on the Caboolture line where there is a lot of growth and a large increase in patronage.

The rail/bus option was adopted to provide better amenity, something which was more fitting in terms of the passenger loads that were available. As well as that, I think it also enhanced safety. One area in which we have actually received a lot of support for the rail/bus has been at the Gateway College of TAFE where the railway station was not approximate to the TAFE college, where there were certainly concerns among some students, those who were finishing classes at night, that they may not have been as secure as they would have liked to have been. The rail/bus option actually delivers those passengers right to the door.

Mr JOHNSON: I refer to the integration of train and bus ticketing in the Brisbane area. In the Department of Transport Estimates, the date for completion is quoted as September 1994. However, in Budget Paper No. 3 on page 341 it is quoted as being July 1994. What is the correct date for this, Minister?

Mr HAMILL: That is the issue that I referred to earlier—the electronic ticketing. We have had real problems with the company concerned. If you say, "Name them, Mr Speaker", I will. ERG Electronics won the contract. They have won other contracts, too. They have won a contract more recently in Victoria. It is a matter of considerable disappointment to me that the promise that was held out in relation to getting this system up and running by now simply has not been achieved, not through any fault of Queensland Rail or Brisbane Transport or, indeed, the Department, but because this particular company has just failed to be able to deliver a working system to us. I have already mentioned that Queensland Rail goes live with the school ticketing aspect of it next week. Nothing would please me more than to see it delivered. As I indicated before, we anticipate now that that will be delivered by ERG Electronics for final system acceptance in September this year.

Mr JOHNSON: The cost of traffic congestion is a serious imposition on our exporters, and the cost per year in Australia is about \$5 billion. As this exceeds the annual Australian expenditure on arterial roads by a billion dollars, what proportion of Queensland's 31c per litre Federal fuel excise is returned to the State for arterial road funding?

Mr HAMILL: I cannot answer a question that is probably more particularly related to the Estimates committee work of the Senate or the House of Representatives, but I certainly can provide you with some information on Commonwealth payments to Queensland in relation to our road network.

For this year, I think in the Budget papers, if my memory serves me correctly, it was estimated at about \$162m. We have been making very strong representations to the Commonwealth about our Roads Program and we are recognised as being very efficient deliverers of the Roads Program. I recently received advice from the Commonwealth Minister that \$171.8m will be received by Queensland this year as part of the funds made available for the National Highway. As I commented before in relation to an earlier question from the Committee, the Commonwealth now has ceased its separate program funding for national arterials, provincial cities and rural highways, and consistent with the decision taken at the Premiers Conference, I think back in 1991, those funds have been untied. So those funds now are made available to the State as part of consolidated revenue.

In Queensland, we have adopted a very different approach. The full quantum of funds, which the Commonwealth has provided us by way of untied grants and which previously would have been road grants, has all flowed to the Department of Transport, and is all being spent on the provision of road infrastructure in the State.

Mr JOHNSON: I refer to Budget Paper No. 3, page 343, and to the outlook for 1994-95, where it is proposed to increase support for transport infrastructure in remote communities. What plans have been made for this? What funding will be provided, and what input will be sought from local government?

Mr HAMILL: Whereabouts is that in the dot points? The last one? Fine. Let us be very clear about the range of support that is available and is made available. I have already mentioned in relation to the railways that the lion's share of those upgrading funds are actually going into country and provincial Queensland. In relation to our Roads Program, if we look at the disbursements under our Roads Program—and it is a massive program, \$725.2m—if you look at it from a regional perspective and take out the development of motorways, which are user-pays facilities—and they are located in south-east Queensland—57 per cent of the road funding is actually delivered into areas of the State other than that area from the Gold Coast to Bundaberg. In other words, it is country and provincial Queensland that gets the benefit.

In relation to our other programs, we have instituted in this Budget a new program, our Transport Infrastructure Development Scheme. Part of those funds will be provided for some of our most remote communities, because it replaces the old LARS project and broadens the opportunities for communities to obtain assistance from the Queensland Government in the provision of their local infrastructure.

It may be that, in some communities, it is not necessarily the road that they need to provide better access. In fact, it may be an airstrip—upgrading an airstrip—many of which now, of course, are owned by the local communities. I might also say that we have put our money where our mouth is in terms of passenger transport services in remote and rural Queensland. No better example of that can be seen than in the ongoing support and the extended network which we are supporting of remote area air services. Indeed, Mr Johnson, in Winton in your electorate, it is now the case that remote area air services are subsidised to the people of Winton both to Townsville and for those who wish to travel to Brisbane. Similar sorts of benefits are being provided now in communities like Boulia and Bedourie, and opportunities have been expanded for people in the south west of the State as well in Mr Hobbs' electorate. They have been very well received by those communities.

So we have been expanding our funding to remote areas of the State, whether that be through our Transport Infrastructure Development Scheme, or through our Roads Program or, indeed, in the area of rail infrastructure development.

Mr JOHNSON: I refer to you page 76 of Budget Paper No. 4, which states that the \$64m for other road programs, including a \$27.8m Transport Infrastructure Development Scheme, is to provide bikeways, roads for remote communities and local authority road subsidies, and \$4m—I know you have made reference to this in answer to the last

question—for natural disaster relief. Would the Minister please provide the allocations for bikeways and where they will be built, the roads for remote communities, and where they will be built or upgraded, the local authority road subsidies, and which local authorities? The real issue here is, with reference to the last question and in regard to roads in particular—and you know the Bedourie-Tobermorey Road well; these sorts of roads—will that \$4m address some of those projects?

Mr HAMILL: It will address some of those projects, but let me make a few points. Just taking the Transport Infrastructure Development Scheme, as I have already indicated, there is widespread support among local authorities for this initiative. I think that can be demonstrated by the large number of applications for funding that we have received. In fact, let me take bikeways for a start. I have with me here bids for bikeway funding which, this year—and I say they are bids—will total \$7.9m. That is, in fact, a clear demonstration of how, right across Queensland, communities have responded well to this Government's commitment in terms of safe bikeways. If I look to the days prior to 1989, under the last years of the National Party Government, the total allocations for bikeways for the year in the whole of the State was about \$300,000. We have now really changed the culture in relation to bikeways and many of these applications are actually from small towns dotted right across the length and breadth of Queensland.

In relation to the remote area infrastructure provision, I have bids here—I say "bids" here—which total \$9.7m for a whole range of infrastructure from jetties, to airports, to road upgradings. The important thing about the Transport Infrastructure Development Scheme is that it is designed to assist local communities. We are enabled, within our legislation, to provide cooperative funding arrangements with local communities to enable them to acquire infrastructure which otherwise they would not be able to afford. As yet, we have to work through these bids to determine the priorities for the allocation of the funds. So to the extent that you have asked me for the details of those particular projects that will be funded, that work is yet to be done because the bids are still coming in from local authorities and from local communities. I can assure you that the funding which has been made available—all told, when we pull together what had been in the LARS fund plus the additional moneys that had been made available this year for this new Infrastructure Development Scheme, the total disbursement will be in excess of \$27m. That will make a very substantial contribution to projects right across the State.

You mentioned specifically the Boulia-Tobermorey Road. I know that you have been running around saying that it ought to be a funding priority. We have been making funds available to the Boulia council. This is a local authority road, as you would be well aware. The council has received funds from us. However, its priority, I think, is the Kennedy Development Road between Boulia and Winton. That

is where the council wants to put its money and that is where it is going to put our money this year.

Mr JOHNSON: I refer you to Budget Paper No. 2, page 36, Table 3.4, 1994-5 and I ask: what is the reason for the 26 per cent increase in the line item, Transport and Traffic Fees? I refer you again to Table 3.4, with respect to the line item Motor Vehicle Registration Fees and note that there is a 5.2 per cent increase from \$408m to \$429m. Would the Minister detail the increases in motor vehicle registrations?

The CHAIRMAN: Before you answer that, Minister, that could be considered a revenue question. It is up to you as to whether you wish to answer the question.

Mr HAMILL: It is a revenue question, obviously, but I might just make the point that movements in motor vehicle registration have been in line with the CPI. Queensland, of course, is becoming a more and more popular destination for Australians to live. The growth in motor vehicle registrations reflects two factors. One is that we, in fact, do have more and more people coming here to live at a rate of a net increase of 1 000 a week, many of whom will then come and register their motor vehicles here. The second point, of course, is that our economy is expanding as well. We have had growth in our economy which exceeds not only the national level of economic growth but also exceeding that which you would account for in terms of general economic growth and the effect that inflation has over and above it. This reflects the buoyancy of the Queensland economy and the popularity of Queensland as a place to live and work, something of which this Government is very proud.

Mr JOHNSON: I refer to page 36 of Budget Paper No. 2. The collections from vehicle registrations amount to \$429m. I also refer to page 76 of Budget Paper No. 4, which identifies that there will be \$419m for State and local roads. On what is the remaining \$10m outlaid?

Mr HAMILL: You are referring to the table on page 36, which lists motor vehicle registration fees as \$429m? You are also looking at the Roads Program in Budget Paper—

Mr JOHNSON: Budget Paper No. 4, page 76.

Mr HAMILL: You have to look at the overall Roads Program. You mentioned \$419m. You have neglected to mention the other \$64m which is going into transport infrastructure development, including the TID Scheme. There is \$420m—give or take—in State road funds. But you also need to take into account the fact that we do not have a hypothecation. Also, moneys raised from Queensland motorists need to go to servicing the road debt, about which you sought to get information earlier.

Had previous administrations followed our policy in relation to infrastructure development, we would not have a debt servicing requirement in relation to the Roads Program. So you need to understand that a certain amount of the money that you and I pay for our vehicle registration does not find its way directly into the development of roads

per se each year but also has to go to pay for the injudicious borrowings of previous administrations for the road development they undertook, which has left a legacy for the motorists of the future.

Mr JOHNSON: I do not think we are talking about previous administrations; we are talking about now.

The CHAIRMAN: The time allocated for questions by non-Government members has expired.

Mr ROBERTSON: I will follow on from a question that Mr Johnson asked you earlier regarding the Roads Program and the Budget allocation, which is outlined on page 75 of Budget Paper No. 4. It states that the Roads Program is allocated some \$725.2m for total roadworks, an increase of some \$15m on the previous financial year. This increase in funding has been achieved in spite of an apparent reduction in Commonwealth road funding to Queensland by some 30.4 per cent to \$166.1m. Would it be possible for the Minister to advise the Committee how this increase that has been budgeted for will be achieved in the context of this reduction in Commonwealth roads funding in the 1994-95 financial year?

Mr HAMILL: I think we need to understand what that \$725.2m represents. It contains those funds which will be used for the purpose of the development of motorways. They are clearly set out in the Budget Papers. I mentioned before that the latest advice from the Commonwealth as to Federal funding for national highways in this State is that there will be \$171.8m. That has come down from the record levels that we received from the Commonwealth at the time of the One Nation program. We have also guaranteed that we would spend the funds which the Commonwealth has made available to us by the untying of road grants on the Roads Program—that is, the \$62m I mentioned before.

However, we have sourced road funds from two other sources. At the time of the last election, the Premier gave a commitment that a \$150m additional package for roads would be delivered over the term of this Government. We are in the second year of that. Funds for that purpose are sourced from the tobacco tax. Also—and I did not want to get onto the revenue side of this—I should mention that the traffic levy has increased in the Budget, as all honourable members would know. The whole of that increase has gone into the Roads Program. It is through those sources that we have been able to deliver a Roads Program which totals \$725.2m.

Mr ROBERTSON: Continuing on with the questions on the Roads Program, I refer the Minister to page 76 of Budget Paper No. 4, and in particular to the budgetary allocations for works on transport links between Brisbane and the Gold Coast. Could the Minister please inform us what steps the Government is taking to ensure that adequate transport infrastructure is put in place to meet the future demands of the region's rapidly growing population?

Mr HAMILL: The Gold Coast region is putting enormous stress and strain on our transport network. You mentioned the roads project, but it is also important to recognise that substantial funding is contained in these Estimates for the Gold Coast rail link. In a little over 12 months' time, we will see trains running from Brisbane to Helensvale, which will take some pressure off the network. In this Budget, we have committed some \$8m for the duplication of the Pacific Highway south of Nerang. Those who know the highway would know that work has been undertaken in the area from Mudgeeraba to Reedy Creek, which is already open for traffic. This further \$8m will duplicate the Pacific Highway between Reedy Creek and Tallebudgera Creek. That is very important for the highway flow.

As well, there are six-laning works in the Springwood area north of the Redland Bay turn-off. One side of the road has already been done. The other side is to be treated. Work worth \$6.4m on an interchange at Yawalpah is also budgeted for. Also contained within the Budget Estimates for 1994-95 is a further commitment of \$16.6m to the eastern corridor. Last year, we allocated \$22m for land acquisition along the eastern corridor. That is continuing. We have been undertaking land acquisition in the Helensvale area in conjunction with the rail corridor project. I see the development of that eastern corridor as being very important for our transportation network in the region.

I do not believe, given that the population growth is focusing on the Albert Shire area in particular, that the Pacific Highway, which is already suffering great stress, will be able to cope long into the future. Certainly, our traffic projections show that, even with the Gold Coast rail link in place and even with six-laning in the Springwood area, the Pacific Highway will have great difficulty accommodating the traffic flow by 1997-98. Given the planning horizons that this Government has put in place in relation to its infrastructure development, we need to be looking to the provision of infrastructure beyond the years 2005 and 2010. When 1 000 people settle in the area each week, the pressure is really on. Our efforts here are designed to meet it. The eastern corridor rail link and the Pacific Highway are all important in doing that.

Mr ROBERTSON: I am sure that you would be disappointed if I did not mention the Southern Brisbane Bypass and ask you a question on that matter.

Mr HAMILL: I cannot imagine why.

Mr ROBERTSON: On page 78 of Budget Paper No. 4, an allocation of some \$40m has been made in the forthcoming financial year for the Southern Brisbane Bypass. Could you provide details on how that allocation will be spent over the forthcoming financial year?

Mr HAMILL: For the information of other Committee members, I point out that the southern bypass is a strategic link between the Gateway Arterial road and the Logan Motorway. Its focus is to alleviate some of the pressure that is being experienced on the Mount Lindesay Highway and in the other areas to the south in the Logan City area.

The Government adopted a preferred corridor for the bypass after extensive community consultation. I acknowledge the work that you did during that process. It was not easy, but then again the provision of infrastructure is not easy. That is one of our great challenges to enable us to plan and build for the future. If we do not do it, we will not be thanked in the future. Oftentimes, we are not necessarily thanked on the way through.

The \$40m in this year's allocation is to facilitate the further land acquisitions that are necessary for the corridor. It is important that the handful of householders who own property there are properly and fairly compensated as early as possible. As you would be aware, there is also a commitment to land acquisition for addition to the Karawatha Forest Park. That is important from a conservation perspective.

The other major works will be the duplication on the Logan Motorway. The overall project saw the Logan Motorway bearing a larger transport task. The Logan Motorway was built as a two-lane facility, which has inhibited its ability to attract traffic in recent years. That is why overtaking lanes have been built by the motorway company to facilitate better vehicle movements on the motorway. The Logan Motorway needs to be developed as a four-lane facility. Certainly, near the Wembley Road interchange to the west, that duplication needs to proceed and those funds will be directed towards those purposes.

Mr VAUGHAN: In reference to the projected roadworks for 1994-95 that you referred to in the question before last—

Mr HAMILL: Sorry, this is the workshop stuff, is it?

Mr VAUGHAN: No, this is the projected roadworks. Could you please inform the Committee of the productivity improvements being achieved under the Queensland Transport Road Reform Program, and what are the real benefits that Queensland road users will receive through the fundamental review of the administration of road funding?

Mr HAMILL: To answer your question, I point out that road reform has been a very important weapon in our armoury to redress substantial neglect of our arterial road network. We identified that the pavement age across the State was increasing and that we had little chance of being able to rehabilitate and reconstruct at a rate that would stop the ageing of the overall road network.

That is why in 1991-92 I secured commitments for additional road funds. I have mentioned those already. The commitment that was given in return was to achieve a 20 per cent productivity improvement in delivery of the road program by December 1995. A 20 per cent productivity improvement over that time is a substantial commitment. I place on record my thanks to the Local Government Association of Queensland, which entered into a protocol with Queensland Transport in delivering the program. The results have been demonstrable.

This year, we have been able to reconstruct, rehabilitate or maintain \$80m worth of additional roads. I brought some of the material with me to give an indication. For example, in Mr Hobbs' electorate, a \$10.2m project—sorry, it is in Mr Johnson's electorate.

Mr JOHNSON: That is better still.

Mr HAMILL: Yes. You should be praising me from the rooftops instead of carping and criticising and being mean and nasty and small-minded around the place. Maybe I can reform you. A \$10.2m project was undertaken for access to the Carnarvon George National Park on the Injune-Rolleston Road. Earlier rehabilitation works west of Emerald have been undertaken and Windorah, Jundah, Bedourie and Boulia have also been beneficiaries of the project.

Eighty million dollars worth of projects is a substantial contribution. Put in very simple terms, this year we will buy an extra \$120m worth for our road program. That enables us to address some of that serious backlog over the network. It is being achieved by bulking up jobs, getting better use of technology, getting better prices for materials and improving, changing and reforming work practices. That is also an important element of the enterprise bargain agreement which is being negotiated with our road work force. All of that improves efficiency in the delivery of the program.

Mr VAUGHAN: Estimates of expenditure provided on page 82 of Budget Paper No. 4 for transport infrastructure and safety refer to Estimates of expenditure for port authorities. Infrastructure spending by the Marine and Ports Division of the Department seems quite small by comparison with the \$162m allocated for transport infrastructure and marine safety. Is there provision elsewhere in the Budget Estimates to boost port authority expenditures with direct contributions from the Budget and, if so, what criteria will be applied to the allocation of funds to port infrastructure and safety directly from the Budget?

Mr HAMILL: We need to clarify this a bit.

Mr VAUGHAN: I will repeat the question.

Mr HAMILL: Do not do that. You will probably overrun your time. The \$162m allocated for port authorities is for capital works that the port authorities themselves are undertaking. That must be distinguished clearly from the allocations that the Department undertakes in terms of its primary responsibilities under the Boating Safety Program, which include the provision of navigational aids along the coast for the port authorities and pilotage services.

Whilst port authorities themselves have a responsibility in terms of the movement of shipping and so on in their ports, the emphasis on safety is delivered from the Department. The Budget Estimates this year contain an item that is all about enhancing the safety focus by Queensland Transport. That Budget item deals with enhancement of pilotage services and navigational aids. Although it may seem a relatively small item in expenditure terms—approximately \$1.5m—it is one part of a 10-year program that will see enhanced pilotage

services through equipment acquisition, which will enhance the safety of shipping and our capacity to deal with marine incidents if and when they occur. I think that helps explain why the departmental allocation is relatively small. It should not be seen in the same context as the very large capital programs that are listed on page 82 of Budget Paper No. 4.

Mr VAUGHAN: Still dealing with ports, on page 82 of Budget Paper No. 4, the estimates of expenditure on transport infrastructure and safety by port authorities is noted as being \$162.32m. The total provides no indication of how such expenditure compares with previous years. It shows the total figure, but I am looking for a comparison with previous years. Could the Minister inform the Committee how the estimated expenditure to which I have referred compares with the expenditure trends in recent years, just to give us an idea of where things are going?

Mr HAMILL: Let us refer back to the answer to that previous question. The allocation of funds towards the enhanced pilotage emergency services package that is being delivered by the Department will continue at that sort of level over the 10-year period. Over the whole of the 10 years, though, it is about \$29m. In future Budget years, there will need to be some negotiations with the Budget committee to attract other funds or reallocate funds. You know what I mean about those negotiations; they are always good fun.

Mr VAUGHAN: You know who your friends are.

Mr HAMILL: Yes, you know who your friends are, and they are not sitting in the room! Nevertheless, that is an ongoing commitment. We have been able to help fund that by savings we have made in the more efficient provision of pilotage services in general. That has been a source of funding to enable that program to be met.

As to our marine safety program—that is being sent across to be handled directly by the Marine and Ports Division. You see the product of that in the advertising campaigns that we run at Christmas time, Easter and other times when people take to our waterways. Boating registrations in the State have been increasing. Those funds, whilst not hypothecated, really provide the basis of the safety program and also the small-scale marine facilities program, which enhances safety in terms of the access of vessels to waterways, boat ramps, small jetties and what have you. Does that answer your question?

Mr VAUGHAN: I was looking for a comparison. The Budget paper states that the amount for 1994-95 is \$162m. I am seeking a comparison of that amount with the way that has built up over the years.

Mr HAMILL: That is the \$162m from the port authorities?

Mr VAUGHAN: Yes.

Mr HAMILL: Are you talking about port infrastructure work?

Mr VAUGHAN: Yes.

Mr HAMILL: Sorry; I was at cross-purposes with you. In terms of port infrastructure work, over the last couple of years there has been——

The CHAIRMAN: Thank you, Minister.

Mr VAUGHAN: I will speak to you about that.

The CHAIRMAN: The time period allocated for questions by Government members has expired. This would be an appropriate time to break for afternoon tea. The Committee hearings will be now suspended for 15 minutes, and we will resume at 3.42 p.m.

The Committee adjourned at 3.27 p.m.

The Committee resumed at 3.42 p.m.

The CHAIRMAN: I now declare this hearing reopened. I ask Mr Vaughan Johnson from the non-Government members to commence the questioning.

Mr JOHNSON: Budget Paper No. 4 at page 76 shows that the \$419m for State and local roads includes a component of \$63m of untied Commonwealth funds. In real terms, this means that the figure that the Queensland Government is putting into roads is \$356m, which is a differentiation of \$73m on the estimated registration collections for 1994-95. What percentage of revenue from registrations is put into the State road system?

Mr HAMILL: As I explained to you earlier, you are not looking at all the items. There is the \$64m from other road programs. I have already outlined the fact that \$63m which is untied Commonwealth funding flows into the State. I make the point also that we have a debt to service in terms of the Roads Program, one for which certainly you are not responsible but for which previous administrations are responsible.

It is interesting to look at the road funding provided in the past. I remember pulling out the figures from the 1980s. You could always tell when an election was coming up. In 1986 and in 1989, there was a leap in road funding which was generally funded by borrowings. That was so that the Government of the day could splash around a bit of money, get the old pork out of the barrel and spread it around a few marginal constituencies. It used to upset me that my constituency never received the benefit of that extra funding, which was probably a reflection more upon the size of the vote——

Mr JOHNSON: But what percentage of the——

Mr HAMILL: The answer to your question is that 100 per cent of the money that is paid by Queensland motorists by way of their vehicle registration goes into the Roads Program. That is a proud achievement of this Government. It is just a pity the same cannot be said for some other places around the country.

Mr JOHNSON: Of all moneys allocated to State roads, what component of the infrastructure program is carried out by private contractors, what percentage is carried out by local authorities, and what percentage is carried out by the Department of Transport?

Mr HAMILL: I think you need to distinguish between certain elements of the delivery of the Roads Program. For example, any construction work on the national highways is subject to competitive tendering. The Department of Transport bids for some of that work, often in conjunction with some local authorities, but, broadly speaking, national highway construction work is done by the private sector.

As to the amount of State arterial roadwork undertaken by local authorities on behalf of the Department—what we are seeing with road reform is a change. Road reform is seeing local authorities doing work more, particularly in relation to rehabilitation and maintenance, rather than undertaking construction work, because the jobs that are being delivered in relation to the Roads Program are becoming bigger jobs—bigger jobs that are often outside of the capacity of individual local authorities to deliver. That is, I guess, qualified by the fact that in some of the more remote areas of the State we have guaranteed local authorities that they will be our preferred supplier of service. Actually, in terms of ordinary maintenance, basically, local authorities are doing 50 per cent of the work—that is about \$120m worth, give or take the odd million—Queensland Transport is doing the other 50 per cent, and there is a little bit in contract, but not much.

As to construction and rehabilitation—as I was saying before, that is an area which is going more and more towards the private sector, with local authorities focusing more and more on rehabilitation. About 58 per cent of that now is open to competitive tendering and, obviously, of that, some would need to be won by local authorities and Queensland Transport. Overall, though, we expect about 40 per cent of that to end up being delivered by private contractors. We are putting in place some mechanisms to ensure that the actual bidding process is absolutely and scrupulously fair, because it is of concern that some private contractors, when they have missed out, like to scream foul. No matter what sort of tenders are let, the disappointment of those who have been unsuccessful is palpable. That is why we are bringing independent people in to be a part of the tender evaluation process: so that we can be seen to be scrupulously fair, and so that there is no conflict of interest between the commercialisation aspects of the operation, that is, trying to bid for contracts, and the other side of the operation, which is about awarding contracts.

Mr JOHNSON: I refer you to page 76 of Budget Paper No. 4. where there is mention of \$78m for toll roads. I also refer to Budget Paper No. 4, page 76. The total costing of these programs amounts to \$65.6m. On page 76, \$78m is itemised. This leaves the figure of \$12.4m unaccounted for—I am not actually saying that it is unaccounted for, but it does not say what it is for. Please explain where the \$12.4m will be used or its purpose?

Mr HAMILL: I think you have to look across at the Estimates of Receipts and Expenditure and I think it is in the Program Statements, where there is actually a clear statement of the \$78m. You have the particular projects specified: Eastern Corridor,

\$16.6m; Southern Bypass, which we have already discussed; Port Corridor, \$5m—that is really about land acquisition—Western Bypass, we have already discussed; Sunshine Motorway Stage II, \$12.4m, which is largely to do with settling in terms of land acquisition. Some of those elements are actually construction costs, as we have already canvassed. The balance there, which is contained on page 85 of the Capital Works Program Budget Paper No. 4, clearly identifies each of those items by which project, and it is all there.

Mr JOHNSON: Page 343 of Budget Paper No. 3 states that in 1993-94 there were specific achievements in the road subprogram which included over \$70m extra work provided through productivity gains. Would you please advise the areas where these gains have been achieved?

Mr HAMILL: I have actually already answered that question and I am happy to advise that it is more like \$80m and that the Budget statement there is a bit conservative. Apart from pouring money into your electorate—

Mr JOHNSON: You can keep doing it.

Mr HAMILL: You should not be greedy because others have to get a little bit, too.

Mr JOHNSON: I am a good representative.

Mr HAMILL: There are three pages here in terms of the State program. Maybe I can just pick out a few examples for you which might satisfy your inquiry. There is a mixture here of highways, local roads such as Clermont-Alpha, St Lawrence to Croydon, Capricorn Highway, Leichhardt Highway, Injune-Rolleston, Peak Downs Highway, Bauhinia-Duaringa, Dingo-Mount Flora, Clermont-Chartres Towers, Yeppoon-Byfield, Eidsvold-Theodore, Burnett Highway, Biloela-Jambin to Dawson Highway, Hay Point Road, Dysart-Middlemount. There has been money made available in terms of Boulia Shire, the Diamantina Shire, Gladstone-Monto Road. It keeps on going—Cooroy-Noosa, Caloundra-Noosa to Tin Can Bay. I can give you a few more, if you like.

Mr JOHNSON: No, that will do.

Mr HAMILL: Mossman-Daintree Road, Peninsula Development Road, Dalby to Jandowae, Kilcoy-Murgon, Maleny-Kenilworth, Gympie-Brooloo—I have had questions about these in the House from time to time—Gulf Development Road again, Gordonvale-Atherton, Warrill View-Peak crossing, Warwick-Allora, Winnetts Road-Beenleigh-Redland Bay Road, California Road-Montessa Street—that is down here in the south-east corner—there is Mount Molloy and work on the Peninsula Development Road. I think I mentioned D'Aguilar Highway before, Palm Beach-Gold Coast Highway, the Crab Farm to Arundel. Some of these projects have been brought forward. They simply would not have been done in the time frames that we had in terms of our existing road program. The beauty of it is that people are getting better value for money. We are not increasing the registration charges to generate the funds, we are getting it out of efficiency. I think this is why it is important that you just do not simply look at the Budget line items

in terms of the allocation, you need to look to see whether the allocation that is there is being delivered efficiently. Road reform is about efficiency, about getting better value for money and it is delivering the goods as far as the road program is concerned in the State, right across the State. I want to thank local government and my departmental officers, who have been able to channel their efforts in this way, and for the private sector cooperation as well.

Mr JOHNSON: What is the amount spent on consultancies? Would you provide a list of consultants, the purpose for which they were engaged and the amount for each?

Mr HAMILL: The answer to the second part of your question is that I do not intend to provide such material because it would just be too great. If you are talking about consultancies of a particular magnitude, I think you have to understand that, in terms of the Roads Program, particularly in the private sector, consultants are used extensively in terms of augmenting the technical capacity of the Department to design work. I will give you a breakdown, though, and I hope it satisfies your curiosity.

This year, we believe that the cost of consultancies to the Department of Transport will be \$12.2m, which is actually \$2m less than for the previous year. One area where consultancies are very important to us, particularly in relation to the TRAILS project, is in information technology. That will account for \$1.7m of the total cost of consultancies for the year.

The other area which is very important—from the comments that I have already made—is professional and technical consultancies. That is worth \$8.9m this year, down from over \$10m last year. You need to understand that when we get a situation of additional funding being made available—and the One Nation program of the Commonwealth is a very good example of this—all of a sudden there is a quantity of funds injected into Budget, and there is an imperative of getting those funds translated into construction works. We cannot be expected to have all those services located in-house. We need to obtain the technical advice, drawings, etc., from the private sector. We actually undertook some design and construct contracts to enable those jobs to be drawn up and undertaken. If you get the impression that \$12m is a lot of money for consultancies—it is important to remember what that represents in terms of the delivery of our capital programs.

Consultancy expenditure for the Department of Transport equates to about 1 per cent of our total Budget and about 8 per cent of the Department's labour-related costs. Our prime recourse is to our internal resources, and I think those figures demonstrate that. If we are going to deliver some programs in a timely fashion, we need to buy the expertise from outside if we do not have adequate resources internally at any given time.

Mr JOHNSON: Would the Minister advise the number of cars and the entire Department's leases from Q-Fleet and the cost of the entire lease, specifically the Q-Link road transport division?

Mr HAMILL: Are you asking two questions here? Are you asking of the Department or are you asking of Queensland Rail, or what? Let me deal with the Department first. A review of the Department's motor vehicle fleet was undertaken in 1990. As you would be aware, the vehicles are leased from Q-Fleet. In fact, one of the benefits of amalgamation of the pre-existing departments— and here we are talking about the old Harbours and Marine, the old Department of Transport and the old Main Roads Department—was that the establishment number of vehicles was reduced by 55 to 1 227. Since that time, there has been further rationalisation. The total establishment number of vehicles for the Department is 1 205. It is also important to note, however, that the vast majority of those vehicles are out there in the regions. The breakdown for that is that 1 027 of those vehicles are allocated to operational regions around the State. The Department of Transport has a very decentralised structure. A total of 178 are allocated to the metropolitan area.

In terms of the overall leasing arrangement of the fleet—they are all leased corporately through Q-Fleet. I will get you the actual figure for the leasing of those vehicles. I understand that Q-Fleet, in determining their hire rates, seeks to recoup from the various departments lease costs, fuel costs, insurance, excess payments and fringe benefits tax. As you will see from the figures that I have given you, there have been substantial savings effected in the vehicle fleet that is operated by the Department of Transport.

Mr JOHNSON: What is the amount outlaid for corporate staff seminars and training schemes?

Mr HAMILL: In relation to corporate training—the actual cost of internal training for 1993 was \$630,500. Total training costs, including external training costs, are just in excess of \$2m. That is very much in line with the requirement that has been placed upon all agencies in the public and private sectors to meet a separate portion of their total budget for staff development and staff training. It extends right through the organisation.

The sorts of areas where internal training is provided in the Department include personal development and managerial development. Obviously, it is important for those who are operating the registration licensing systems. It is very important for our transport technology division in relation to quality. Quality assurance is an important element in the provision of that expertise. Information technology is another, as are driver training, road safety training and infrastructure design and construction industry standards. Overall, it is a worthwhile investment. It is important in a department which has the status as the Government's lead agency when it comes to engineering services that those sorts of funds are committed for the personal development and professional development of officers within the department.

The CHAIRMAN: The time period allocated for questions by non-Government members has expired. I ask Mr Robertson to continue questioning from Government members.

Mr ROBERTSON: I turn your attention to the new passenger transport policy in Budget Paper No. 3 on page 341. Following a question I asked earlier this week in the Chamber during question time—in the Budget Outlook for 1994-95 for the Passenger Transport Services Program, reform of the bus, taxi and private hire vehicle sectors is expected to be achieved through the introduction of performance-based service contracts, operator accreditation and driver accreditation. Could you explain to the Committee what the introduction of each of these requirements will involve and the time frame in which industry will be expected to meet these performance requirements?

Mr HAMILL: Let us deal with them in order. Firstly, in relation to performance-based service contracts—the item on page 341 refers to the new contract arrangements for the provision of passenger transport services, particularly in relation to bus services. There are two types of contracts. There are commercial contracts and there are also non-commercial contracts. The non-commercial contracts are essentially those that are going to be operating more so in the school transport area and more so in country areas. The performance-based contracts will be put together following the passage of the new passenger transport legislation which I foreshadow for the next couple of months in the Parliament. Contained also in that legislation will be the other two issues about which you have commented.

Accreditation systems will be developed with the industry. Here we are dealing with taxis and with buses. Already we are establishing committees to try to develop the sorts of criteria that ought to be contained within an accreditation system. If you are going to run a bus, for example, and you are the operator, you will need to demonstrate your capacity to run that company and to properly maintain your vehicles. You will also be required to employ only people who are authorised drivers. That will be developed over time with the industry. In the meantime, however, we believe that existing operators will be provided with interim accreditation. As they develop their quality systems, as they develop their training, both for their staff and for their own business management practices, they will be able to operate. We are trying to work very cooperatively with the industry in relation to this.

The outcome, though, I think is very important because we shall have an outcome, whether it be for taxis, for buses, or for private hire vehicles, of higher quality and the public can also be confident that the people who are out there operating in those vehicles are people who are not only properly trained but also trained in customer service, which might seem a novel concept when one considers some of the low-quality services meted out by some people in the industry at present. I think that the public will respond very positively to those sorts of initiatives.

Mr VAUGHAN: I refer to Budget Paper No. 3 at page 341 which mentions that the Department will be putting in place "complete regionalisation of operational functions" in the Passenger Transport Division, which is expected to lead to improved services to users and industry. As you know, these

functions have always been centralised. Could you therefore explain to the Committee in more detail the advantages you expect to see from the complete regionalisation of the Department's operational functions in passenger transport?

Mr HAMILL: As I was saying earlier, regionalisation is an important part of the Department's thrust to improve its client services. The sorts of things that we are talking about here are really dealing with local taxi operators, local bus operators, renewing passenger permits and licences and so on. Some of that workload, of course, will disappear with the passenger transport review and its implementation in the new legislation. That is why it makes eminent good sense to also transfer the people who are dealing face to face with the industry out there into our district and regional offices. Currently, what happens is that while we have some enforcement capacity out there in the regions, when you are dealing with issuing, say, hire drivers' licences and show causes, people are not dealing face to face with the people who are making those decisions regarding particular operators.

It also streamlines service delivery because the majority of decisions in relation to passenger transport functions will no longer have to be referred to Brisbane. I think that is something that regional Queensland would strongly support. In fact, just to provide more information because of the reform program here, we envisage there will be about 18 of the staff from the division who will actually be relocated, or their positions will actually be relocated, out there in the regions dealing face to face with the operators.

Mr VAUGHAN: On page 341 of Budget Paper No. 3, the departmental Estimates show that the number of calls from the public to the TRANSINFO hotline has almost doubled from 1 300 calls per day to 2 300 calls per day. That would seem to indicate that TRANSINFO is performing a pretty valuable public service for users of public transport. However, all public services come at a price. I was wondering what steps the Department is taking to ensure that the service is delivered efficiently.

Mr HAMILL: Just to explain what TRANSINFO is about, it is the telephone-based information system to provide details on the availability of passenger transport services. Currently, it is getting in excess of 2 300 calls every weekday, and that translates to about 50 000 to 60 000 calls a month, which I think demonstrates a need for it.

If we go back a little bit in time, the South East Queensland Passenger Transport Study identified information, or the availability of information, as being one of the areas that was particularly lacking when it came to public transport and strongly argued the point that to provide people with better information about services would lead to increased access to public transport systems. In other words, if you are going to go out there and you want to catch the bus and the bus is not there and you have got no way of knowing when it is going to come by, you will probably go and do something else to get yourself to where you want to go. TRANSINFO has really filled the gap there.

We have taken personnel from Queensland Rail and also from Brisbane Transport, the BCC operator, to provide the service. I will give you an indication of where the inquiries are coming from. Almost two-thirds of the inquiries have been related to Brisbane City Council bus services; almost a third about Queensland Rail services; and 4 per cent have been in relation to private operator services. One thing we are concerned about is the cost. Currently, as I said, it is being met in proportion to the agency or the organisation that benefits from the inquiry. So in other words, the overall cost is being met by Brisbane Transport, Queensland Rail and I guess the Department directly. In order to reduce our cost exposure but not reduce the service, what we are doing now is seeking expressions of interest from the private sector to take on the provision of that information service. It is very important. In fact, we have called for expressions of interest as recently as the end of last month and we expect that we will be evaluating those offers in July with a view to, in what I would hope would be an enhanced service, reducing the cost to the inquirer and to the service provider by awarding a new contract some time in August this year.

Mr ROBERTSON: Page 341 of Budget Paper No. 3 notes the successful introduction of the maxi taxi scheme to meet the travel needs of people with disabilities in the Brisbane region. The Passenger Transport Services Program notes that since this service's introduction in July 1993, the number of wheelchair-accessible hirings has more than doubled. I presume that this refers to the increasing number of Toyota Taragos and Hi Aces that the Yellow Cab Company seems to be running around town. Could the Minister inform the Committee whether the scheme is limited to Yellow Cabs, whether it is Government subsidised, and whether the operators of maxi taxis are limited to carrying people with disabilities?

Mr HAMILL: Can I say in relation to disability access that there are two elements here. One has been the taxi subsidy program, which provides a 50 per cent subsidy in relation to taxi fares for eligible people. They are issued with vouchers and they avail themselves of that service. That has been one way of enhancing access to transport services for people who suffer a disability in terms of their mobility. We had a dreadful situation in the metropolitan area of Brisbane with the availability of, if you like, disabled taxis or, indeed, taxis that could be accessed by, say, a person who had a wheelchair. There were a lot of complaints from groups who represented the disabled, and individuals, that the taxi companies themselves simply were not putting enough vehicles out on the road to be able to meet those needs.

That is why, back in July last year, we entered into a five-year contract—after calling for expressions of interest—with Yellow Cabs. We found that the Access Cabs concept, which we had developed previously, was not providing the quality of service that the disabled community were expecting. The result of Yellows' winning expressions of interest has not been a case of subsidising Yellows to provide the service. I might say that the maxi taxis—these Toyota vans that are

being run—can be accessed not just by people with a disability but maybe those who have self-inflicted disabilities after having a big night out on Friday night—I am not saying you personally, because I know that you would not do that sort of thing, but maybe some friends of yours—to bring them home safely and not become a statistic on our roads. Those vehicles could be used for that purpose as well. So they are not exclusively for use by the disabled. They are a bit like running a minibus service.

What was done with Yellows was, in fact, to provide a one-off grant to assist in the marketing of the service, and that was \$75,000. We required, under the contract, that Yellows had a minimum of 24 wheelchair accessible taxis out there in operation by 30 June this year. That has been achieved. We issued 24 non-transferable taxi licences to Yellows, so they cannot make some sort of windfall profit in any sort of transaction on those vehicles. They belong to the company. They are there for a specific purpose. Overall, I think it has worked pretty well.

Mr DOLLIN: Minister, in section 3 of the Department's Estimates covering the Freight Transport Services Program—

Mr HAMILL: Sorry? Which Budget Paper?

Mr DOLLIN: Section 3 of the Department's Estimates covering the Freight Transport Services Program.

Mr HAMILL: Right.

Mr DOLLIN: The issue of regulation is referred to. In particular, the Estimates paper states that one of the performance indicators for the program in 1994-95 will be the extent to which regulation is reduced and/or simplified. While I recognise that there is always plenty of room to cut the amount of red tape affecting industry, regulation has been important in transport, particularly in road freight transport, for controlling abuses of road safety. I would be most concerned if the regulations of the road freight industry were reduced as a general objective of the Department until such time as the industry can demonstrate that its safety record warrants less regulation. Minister, could you explain what the objectives are behind this performance indicator?

Mr HAMILL: As I have previously indicated to the Committee, one of the major objectives that we have before us is to embrace a uniform and national approach to the regulation of the road transport industry. The Road Use Bill, which I will bring to the Queensland Parliament later this year, will achieve that. It will embrace those regulations which have been refined and promulgated by the National Road Transport Commission. We do not believe that we should be running a separate set of regulations in Queensland which are at variance with other jurisdictions, given that the road transport industry is a nationwide industry.

We have also given particular attention to trying to reduce our own regulatory burden which we place upon the industry in Queensland. In fact, if we look over the last two years, the last two Budgets, we have achieved substantial gains in that regard

through the removal of licence to hire fees. We have removed, in this Budget, those fees which pertain to hire cars. That has been reducing the regulatory burden.

It also goes, though, to reducing the cost for industry. Currently, we have got two papers out there in the community, one in relation to tow trucks, one in relation to the driver instruction industry, where there has been a track record of, I think, very pervasive regulation. None of that has necessarily achieved some of the purposes for which it was first established. We are looking seriously at how we can better manage those industries or, indeed, better still, how those industries can better manage themselves within a regulatory framework which recognises that those who operate particular companies ought to have as their No. 1 priority the running of a quality operation.

I might say that, with the abolition of regulatory fees, it has also enabled us to better deploy our resources internally. What we have in the Department is increasing demands upon our customer service facilities in dealing with the general public in terms of their licensing requirements and their vehicle registration requirements. I personally am firmly of the view that I would much prefer to see our resources deployed in dealing with the public in a constructive way rather than effectively pushing paper around the place collecting regulatory fees which in fact pay for the paper shuffler.

Mr VAUGHAN: In section 5 of those same documents—

Mr HAMILL: The program summary?

Mr VAUGHAN: Yes, the program summary. In the program summary for transport infrastructure, the funding for intermodal infrastructure is projected to fall significantly in 1994-95. Given the important role that public transport is going to have to play in coping with the rapid growth of Queensland's population and with the resulting demand for travel, it is disappointing to see that funding for intermodal infrastructure is declining. I understand from Note 2 in that document on that program summary page that the reason for the reduced funding is the cessation of Commonwealth funds for urban public transport projects in 1994-95. Nevertheless, could you outline what steps have been taken to have Commonwealth funding for intermodal infrastructure restored? Also, could you inform the Committee whether any plans have been put in place to improve the level of State funding for this important component of transport infrastructure in future years?

Mr HAMILL: We were talking earlier about a reduction in overall Commonwealth road funding to the State in the context of the national highways program and in the funds that have been made available for general road provision. There have been two other programs which have been axed over the last 12 months. They are the UPT program and the Blackspot program. Both of those programs, from my perspective, were very valuable and, in fact, when it was suggested that they were going to go, I made representations both to the present Commonwealth Transport Minister—

The CHAIRMAN: Thank you, Minister. The time allocated for questions by Government members has expired.

Mr HAMILL: I will write you a letter.

The CHAIRMAN: The non-Government and Government members have each completed an equal number of 20-minute blocks. We have 13 minutes remaining of the time allocated for the Department of Transport Estimates, so each side will have a further six and a half minutes each. I ask the non-Government members to continue with the questioning.

Miss SIMPSON: If I could seek leave of the Chair?

The CHAIRMAN: Leave is granted.

Miss SIMPSON: Mr Minister, Budget Paper No. 4, page 78, with reference to \$2m still to be spent on land acquisition for Stage 2 of the Sunshine Motorway—

Mr HAMILL: Sorry, Budget Paper—

Miss SIMPSON: Budget Paper No. 4, page 78. As this road has been open for business since the beginning of the year, and it is now June, do you believe that it is acceptable that there are land-holders who still have not been paid for their land?

Mr HAMILL: Maybe you were not around the traps during the days when the previous administration was building the Sunshine Motorway Stage 1, or indeed a number of other major road projects. But you ought to be aware that land settlement can take some considerable time, particularly if there is a fundamental disagreement between the Crown and a particular land-holder. I will explain the process involved.

Miss SIMPSON: What is the nature of the problems with this motorway?

Mr HAMILL: Hang on, you can hear my answer first; I need to explain this to you. Under the Acquisition of Land Act, when the Crown deems it appropriate for the provision of infrastructure, a notice is issued and the land in question is acquired by the Crown. The land actually vests in the Crown and the right that remains with a land-holder is the right to compensation. That compensation right is then translated into negotiation between the Crown, or its agency that is acquiring the land, to determine what is fair compensation. Fair compensation is market value.

I do not know whether you have ever been in a bazaar, but I can tell you that sometimes the negotiations can become a bit bizarre, because at times some land-holders have an inflated idea of the worth of their land. Consequently, the parties need to provide valuations. If the Department of Transport is the agency seeking to acquire the land, the Valuer-General is relied upon to provide a valuation for the land in question. As I said, sometimes land-holders have a somewhat inflated view of the worth of the property in question. It is not unusual to find a gulf between their valuation and the valuation of the Valuer-General.

Negotiations proceed between the parties and, more often than not, in those cases where there is a great gulf between the parties agreement is reached on the need for a further independent valuation. Even then, sometimes the land-holder is not keen to accept that valuation. So it then goes to the Land Court. Equity is the basis upon which the Land Court makes its determination. Argument is heard for and against, and an award is made.

Mr LAMING: I refer to section 5 of the departmental Estimates Program Statements of 1994-95. I refer to a tabulation under Area 072 Program 04 Transport Infrastructure. In the fourth section, under the subsection headed "Toll Roads" appears the line entry for the Sunshine Motorway. The estimated actual 1993-94 expenditure is \$16,948,000. Is this the same item estimated by your Department to be \$14,200,000 in November 1993 in answer to a question from me? At the time, you called it the "equity payment". If that is not the same item, are you able to tell me the actual equity payment that will be made to the Sunshine Motorway in 1993-94 and the budgeted amount for 1994-95?

Mr HAMILL: While we are trying to locate the item to which you refer—

The CHAIRMAN: I would like to remind you that we have only about 50 seconds left.

Mr HAMILL: I will do my best.

Mr LAMING: I will put the question on notice.

Mr HAMILL: I want to answer it. The Sunshine Motorway has been one of those problems—one of those poisoned chalices—handed to us by the former Government. As a former National Party Senate candidate on the Sunshine Coast, maybe you were never told by Brian Austin that he told the former Department of Main Roads, "Just spend the money. Don't worry about what it costs or how you are going to collect the dough in the meantime to build the project." Upon coming into office, the great tragedy was that we inherited a substantial debt for the Sunshine Motorway.

Under the agreement that had been entered into by the former Government—and it goes back to those halcyon days prior to 1989—in order to ensure the actual repayments schedule for a loan there was a requirement to inject equity if the receipts were not adequate. Because of the chicanery that went on prior to 1989 about where tolls would and would not be collected, and also because there was a substantial budget overrun from \$45m to about \$68m as of December 1989, it was necessary to effect both elements—that is, to collect toll revenue and also make appropriate capital injections.

I think the first of those capital injections was around \$17m. If my memory serves me correctly, in the year gone by it has gone down substantially to some \$12m. I think that demonstrates that traffic volumes are up, revenue is up and, therefore, the capital injection has to come down.

The CHAIRMAN: The last six and a half minutes of questioning will be handed over to Government members.

Mr DOLLIN: I refer to the Department's Transport Infrastructure Program, section 5 of the Estimates. One of the strategic directions noted in the Department's Transport Infrastructure Program is the provision of enhanced marine pollution control. No doubt this strategy is tied to the introduction of a new marine pollution Bill later this year. However, it is not clear to me whether the strategy is also backed by specific program initiatives. Therefore, could the Minister inform the Committee of the scope of the existing and new programs aimed at enhancing marine pollution control?

Mr HAMILL: I thank the member for the inquiry, because there are a number of elements to this program. This relates to some of the matters that Mr Vaughan was asking me about earlier on in the hearings. As I said, this is a 10-year program. Overall, it will see contracts let for helicopters to provide increased safety for pilot transfers at Hay Point, Mackay, Gladstone, Port Alma, Townsville, Lucinda and Abbot Point. As well, we will see the introduction of vessel traffic management systems to facilitate the safer movement of vessels in and out of our major trading ports, such as Gladstone, Hay Point, Dalrymple Bay, Townsville, Cairns and—surprisingly, one of the busiest little ports on the seaboard—Shute Harbour, which has probably more vessel movements than any other port, albeit mostly by recreational and charter vessels.

As well as that, the initiative is about acquiring additional oil spill equipment and resources from training facilities to supplement the capacity that already exists in our port authorities and that which is provided by the Australian Maritime Safety Authority. We have obligations under the national plan to combat oil pollution. We are living up to them through this initiative. An important part of our capacity to deliver this new initiative are the efficiencies that we have been able to achieve in relation to the provision of piloted services.

I mentioned the enterprise bargain earlier. We are looking forward to its adoption in the Industrial Commission in a couple of weeks' time. It provides substantial operational benefits to the Department, enabling us to deliver this item. As well as that, we have had negotiations with another provider of pilot services, Brisbane Marine Pilots, which has been able to achieve savings in the cost of piloted services in Brisbane, which again have been deployed to providing this enhancement of our safety capacity.

Mr ROBERTSON: Minister, I will bring you back onto land. It is pleasing to see that the Government's bikeways program is being continued as part of the new Transport Infrastructure Development Scheme. Bikeways are, in my view, an essential component of a safe transport network, particularly when so many bike riders are children, who should not be expected to take their chances on busy roads. Funding for bikeways is something that I would like to see from all tiers of Government. Whilst I know that some local councils have a strong commitment to the development of safe bikeways, many do not. Could the Minister inform the Committee how the bikeways program will operate

and whether dollar-for-dollar funding will be used as an incentive to foster interest in bikeways from local councils throughout Queensland?

Mr HAMILL: This follows on from a question that I was asked in Parliament earlier today. The \$15.2m Safe Bikeways Program has been a substantial success. It not only provides employment opportunities but also provides the necessary infrastructure in many communities. As part of our Transport Infrastructure Development Scheme, we are allocating about \$6m in cooperative funding ventures with local government for the provision of bikeways around the State.

As I mentioned earlier in relation to the interest that exists in the community—as I speak, bids totalling almost \$8m have been made by communities seeking funding for bikeways in this coming financial year. Whilst we will not be able to satisfy all of those bids this time, it is pleasing that we have a substantial increase in the funds that are available. Since the Government first took office in 1989, \$19.5m has been provided for bikeway construction around the State. In the two years prior to that, the allocation for bikeways from the State Government was only in the order of \$300,000 per year. We really put our money where our mouth is for bikeway development.

I am pleased that under TIDS local authorities will be prepared to put their hands in their pockets to develop worthwhile community infrastructure, much of which is used by young people, the children in the community, providing them safe access to facilities such as schools.

The CHAIRMAN: Do we have another question from Mr Robertson?

Mr ROBERTSON: During the process of widening to six lanes that section of the Pacific Highway and the South East Freeway that goes through the Underwood area, one of the things that impressed me was the installation of noise attenuation measures, which I know the residents in that area are extremely pleased about. However, in studying the Budget Papers for this year, I could not find a specific program or Budget allocation for it. Very quickly with the time that is left, where do we find that kind of provision?

Mr HAMILL: You find that provision as part of our Roads Program. Plantings, restoration of the environment in that area and enhancements such as noise attenuation are important.

The CHAIRMAN: Thank you, Minister. Time has expired.

Mr HAMILL: Mrs Woodgate, do I have an opportunity at the end to express my thanks to the Committee?

The CHAIRMAN: Thank you.

Mr HAMILL: I thank the Committee for the way in which the hearing has been conducted. I trust that everyone has found it informative. I thank you specifically for the professional way in which you have chaired the proceedings today. In closing, to save some time for the staff in having to formulate the work of the Committee, I will table the answer to

the question on railway electrification that Mr Johnson asked.

The answer that I undertook to find to a question on the cost of leasing vehicles, I can give: \$6.7m. Hopefully, that will satisfy the Committee's work.

The CHAIRMAN: Thank you, Minister. The time allotted for the consideration of the Estimates of expenditure for the Department of Transport has now expired. I do thank the Minister and all officers for their attendance. The next item for consideration is the Administrative Services Department and the time allotted is two hours 40 minutes.

ADMINISTRATIVE SERVICES DEPARTMENT**In Attendance**

Hon. G. Milliner, Minister for Administrative Services

Mr Ross Dunning, Director-General

Mr Mal Grierson, Deputy Director-General, Government Services

Mr Ross Pitt, Deputy Director-General, Commercialised Services

Mr Tony Woodward, Director, Finance and Information Technology

Mr Les Clarence, General Manager, Q-Fleet

Mr Brian Parker, General Manager, CITEC

Mr Rex Ward, General Manager, GOPRINT

The CHAIRMAN: For the information of the new witnesses, the time limit for questions is one minute and for answers is three minutes. A single chime will give a 15-second warning and a double chime will sound at the expiration of those time limits. As set out in the Sessional Orders, the first 20 minutes of questions will be from non-Government members, the next 20 minutes from Government members and so on in rotation. The end of those time periods will be indicated by three chimes. The Sessional Orders also require equal time to be afforded to Government and non-Government members. Therefore, when a time period has been allotted which is less than 40 minutes, that time will be shared equally. For the benefit of Hansard, I ask the departmental officers to identify themselves before they answer a question.

I now declare the proposed expenditure for the Administrative Services Department to be open for examination. The question before the Committee is—

"That the proposed expenditure be agreed to."

Minister, is it your wish to make a short introductory statement, or do you wish to proceed direct to questioning? If you do wish to make a statement, the Committee asks that you limit it to two minutes.

Mr MILLINER: Thank you, Madam Chair. Yes, I do wish to make a short introductory statement. From the outset, may I say that it is a great honour and a great privilege after nearly 17 years in the Parliament to be part of this process that has now greatly reformed the parliamentary process. We will all be better for it.

In 1994-95, my Department will provide goods and services to client departments to the value of \$1.45 billion and will deliver dividends and savings to Governments exceeding \$40m through improved productivity and better management of Government resources. However, it is important that Committee members be aware that the Administrative Services Department has just undergone a major restructure as a result of the recommendations of the recently completed review of the Department by the PSMC.

The main thrust of the PSMC review was a separation of the commercial business units from non-commercial policy, regulatory, advisory and

other public interest activities of the Administrative Services Department. That separation has resulted in a major shift of financial and human resources between programs within the Department and the establishment of a trust fund structure for all business units.

The major program change involves the formation of the Government Services Program, resulting in some 296 staff moving to the new program and the transfer of \$230m to the new program from other programs. Committee members will therefore appreciate that those changes in the program to the departmental structure have significantly reduced the ability for comparison of Estimates and actual expenditure in the 1993-94 Budget and the 1994-95 Budget for programs and items within programs. However, the program changes have not distorted my Department's achievements and drive to produce better value for money in delivery of Government services. The Administrative Services Department has undergone tremendous change and is now a very professional department providing good services to the people of Queensland.

The CHAIRMAN: The first period of questions will commence with non-Government members. I would ask Mr Lingard to open the questioning.

Mr LINGARD: Clearly, your Department is in a state of reorganisation and, in many cases, a state of turmoil. Now we find that Gibson Associates, consultants, have been appointed to examine the future role and the functions of Queensland Purchasing and Supply and GITC Services. Why do you consider this a necessary process, considering that the Department has just completed a lengthy review and restructuring process?

Mr MILLINER: We believe it is important to ensure that we provide the best service delivery to our clients. Obviously, the PSMC looked at the structure of the Department and how best to restructure it to provide the best services to our clients. Obviously, within the Department, we are looking at various sections of the Department with a view to improving their performance. We believe that it is necessary to have the expertise of Gibson Associates to undertake that review of those various sections of the Department.

Mr LINGARD: Is it true that your Director-General has just resigned?

Mr MILLINER: It is true that Mr Dunning has now tendered his resignation. That resignation has been accepted with great regret. Mr Dunning has accepted a position in the private sector. He goes to that job with the best wishes of the Government and me.

Mr LINGARD: I note the creation of the new Government Services Program on the recommendation of the PSMC at a set-up cost of \$4.708m over the next two years. However, there appears to be some substantial duplication of the functions of the subprograms within the new Government Services Program and the functions of the various business units. The reorganisation of the Department and the distribution of responsibility has

not been clearly defined and delegated. Do you believe this is value for money, and how do you substantiate claims of increased efficiency?

Mr MILLINER: I believe the roles of the Department have been clearly defined. I believe the new structure of the Department is working very well. I am not aware of the duplication to which you have referred. I believe that the various subdepartments have a very clear focus on what they have set out to achieve and what they are achieving. I do not accept the assertion that you make that there is duplication within those programs.

Mr LINGARD: Have you appointed any other consultants as well as Gibson Associates?

Mr MILLINER: As you would appreciate, the Administrative Services Department appoints quite a number of consultants. In an area such as Project Services, a lot of work is put out to the private sector. Generally speaking, the Department does engage quite a number of consultants. I can give you a breakdown of the consultancies that the Department has engaged because of the nature of the business that we are involved in. To give you an example, the total amount for Project Services is \$7.5m. If you have a look at the PSMC report, Project Services was doing something like 80 per cent of its work in-house. The PSMC recommended that it do no more than 50 per cent of its work in-house, that the rest be put out to consultants.

We have an obligation to ensure that we assist the private sector, particularly the building sector, in providing it with a constant flow of work. We are probably the largest builder in the State and the largest client in the State, and we have an obligation to ensure that we play our role in assisting the private sector to survive.

Mr LINGARD: The Bevis report is highly critical of the decentralised purchasing model, stating that—

"The explosion in numbers of people involved in buying for Government has led to poor understanding of procurement guidelines. It has led to inadequate monitoring of expenditure. It raises serious concerns about accountability and makes it extremely difficult to properly assess whether any stated policy objectives have been achieved or are being achieved."

The report goes on to state—

"Decentralisation or devolution has allowed those who should be monitoring the efficiency and effectiveness of Government procurement to take comfortable refuge from their responsibilities."

In light of the Bevis report, what actions have you taken to audit the performance and purchasing decisions of purchasing officers?

Mr MILLINER: We have set up a State Purchasing Council to oversee Government purchasing. The State Purchasing Council has private sector involvement and public sector involvement. The State Purchasing Council has 18 or 19 members, of which approximately half are from

the private sector. Its role is to ensure that the policies of the State Purchasing Council are adhered to. The State Purchasing Council also travels extensively throughout the State to educate purchasing officers to ensure that they are complying with the purchasing policies of the Government.

Mr LINGARD: What percentage of purchasing officers have had their actions or their decisions subjected to an audit, and what are the results of those audits?

Mr MILLINER: May I refer that question to Mr Pitt, who is responsible for this area?

Mr PITT: To answer that question—we have three mechanisms in place to make sure that there is a good overview of the quality of purchasing. The first is that we run a complaints service, which is well publicised and which is used by the private sector. If they are unhappy with what they see happening, they can come and talk to a member of the council. If after a threshold investigation we believe there is something worthy of examination, then we assign an officer to have a look at the paperwork, talk to the purchasing officer and undertake a thorough review of what is happening. We have registered over 250 such incidents where we have carried out an investigation. We also have an accreditation scheme for the buyers, whereby they can do a training course and receive a certificate from us, which gives their chief executive officer an assurance that they are capable of operating at one of four levels. Over 100 people have already been certified at levels 3 and 4, which is the critical area, where people are purchasing with amounts over \$100,000.

Mr LINGARD: A recent CJC investigation into tendering practices found evidence of misconduct by senior officers within your Department. A tender to supply vertical blinds was let to a company without quality assurance, and the company's products did not comply with the purchasing policy specifications or the workplace health and safety regulations. How is it that the Department could be breaching the Government's own regulations for up to two years? Why were there no systematic reviews on the qualifications of suppliers and/or checks and balances against the activities of departmental officers? What have you done to rectify this situation?

The CHAIRMAN: Before the Minister answers that question, I point out that these questions should be related to the Estimates of expenditure for 1994 that we have before us in the Budget papers. You have to provide a link between these questions and the Estimates before us, Mr Lingard.

Mr LINGARD: Thank you. I ask: what sort of money have you allocated in this budget to rectify the situation I have outlined?

Mr MILLINER: Obviously, this was an unfortunate incident. However, this matter was eventually referred to the Criminal Justice Commission for investigation. The matter was referred back to the Department for the Department to carry out an internal investigation into the matter. Obviously, the people involved in that incident have

been counselled by the Director-General. As a matter of fact, the CJC sent a letter to the Director-General commending him for the way in which he handled this particular matter. It is probably fair to say that it was injudicious of the officer to act in the way that he did. However, he acted in good faith to resolve this matter in an amicable way. Unfortunately, that was not able to be achieved, and I support the officer in what he has been doing.

Mr LINGARD: The end result is that hundreds of fire bomb vertical blinds have been installed in Government offices throughout the State. What provisions have you made in this year's Budget to replace the blinds?

Mr MILLINER: We will obviously have a look at all those matters, and if those blinds need replacing, we will obviously put in place a program to look at replacing those blinds. You claim that these things are a fire bomb; I am not aware of those allegations. However, we will have a look at those blinds to make sure that they are safe.

Mr LINGARD: Certainly, quality assurance was not guaranteed as regards those blinds, and they are in Government offices at present.

Mr MILLINER: That is correct. As you would appreciate, at this stage, it is not a requirement that all suppliers be quality assured to the Government. I am not aware of the allegations that you made. However, we will obviously investigate them.

Mr LINGARD: So you have no money set aside in this Budget to replace those blinds?

Mr MILLINER: No, but we would obviously look at that, and if there was a need to replace those blinds, we would look at all the circumstances involved in it and, if necessary, we would obviously go and talk to Treasury.

Mr LINGARD: The application of and adherence to the State Purchasing Policy by purchasing officers has been a persistent source of complaint to the extent that in 1992 the Premier was compelled to intervene and request the Minister at the time to review the progress of the policy and ensure that purchasing officers are fulfilling the requirements of the policy. It is recognised that the application of the underlying economic principles relating to industry development, competition and value for money require detailed analysis and extensive training. To date, no significant progress has been made and the industry is still unsatisfied and concerned about inconsistencies in the policy's application. Despite increases in training expenditure, why has the Department failed to make any progress in this area? What amount of money has been spent to date on the training of purchasing officers and how much is allocated for this purpose this financial year?

Mr MILLINER: I do not accept that progress has not been made. Progress quite clearly has been made with the State Purchasing Council. I am satisfied that the State Purchasing Council is doing a very good job in travelling throughout the State and meeting with purchasing officers to ensure that they do in fact comply with the State Purchasing Policy. I

do not accept that things are in the state that you may suggest they are.

Mr LINGARD: Quite obviously, industry believes that this sort of thing is imposed on them but it is not imposed upon the members of the Department. Industry has taken up the quality accreditation challenge, having the greatest percentage of quality accredited business of all the States. What percentage of purchasing officers have formal qualifications or accreditation in assessing quality qualifications and requirements?

Mr MILLINER: There are approximately 2 000 purchasing officers who have the necessary qualifications.

Mr LINGARD: The Bevis report at the Federal level into purchasing functions found that there was an appalling failure of policy administration in terms of making greater use of Australian suppliers. Of the \$1.65 billion worth of goods and services purchased by the State Government per annum, what proportion of this is spent on locally produced goods and services?

Mr MILLINER: Obviously, we have a great commitment to purchasing locally, and the benefits of that are obvious. We are doing everything we possibly can to encourage local producers to deal with the Government. As I said, part of the State Purchasing Council's job on its frequent trips to regional Queensland is to encourage local business to do business with the Government and instruct them on how best to do business with the Government. Obviously, we are moving towards a situation of quality assurance. We are doing a lot within our own Department to ensure that we lead by example and that we in fact have our own business units quality assured. We are taking it to the level that my ministerial office is now in the process of becoming QA so that we can set an example.

Mr LINGARD: I refer to a statement made by the Minister for Business, Industry and Regional Development on 5 June 1994 in which he promotes the Buy Local campaign aimed at getting chief executives of Government departments and local purchasing officers to buy locally to help Queensland business. Mr Elder says that every \$1m spent locally creates around 30 jobs. What is the value of the Statewide removals contract awarded to DAS Removals, an arm of the Federal Department of Administrative Services, which cuts out every Queensland removal business from tendering for State Government removals business?

Mr MILLINER: Unfortunately, you are not correct in saying that the contract for all removals was let to the Commonwealth Government Department of Administrative Services. What happened was that we were faced with a situation where we identified, through some creative quotations, that the Government was losing approximately \$1m a year. As a result of that, we called tenders for a facilitator to facilitate the removal of Government employees. Three organisations, including DAS, tendered for that particular job, and DAS was the successful organisation. As a result of that, they then set about putting in place a situation where the people who were the removalists had the

necessary qualifications to undertake the work. As a result of that, something like 23 firms have now complied with the requirements of the standing offer arrangement for the relocation of Government employees. The major users of that service, being the Police Department and the Education Department, have had significant savings to date as a result of the employment of DAS as the facilitator for the removal of Government employees.

I can give you an example of the requirements of businesses to ensure that they get on the list with DAS so that they can be involved in this process. The first thing that they have to do is to get a bank surety of \$10,000, which costs approximately \$400 the first time and then something like \$160 per annum after that. They need a transit storage area of 186 square metres, which is about the size of a three-bedroom home, and that requirement is negotiable, it is not a firm area. They must have a current transit insurance policy to the value of \$53,000 per consignment. The employer must pay award wages and conditions. All vehicles are to be registered in Queensland and are to be roadworthy. The premises are to be fumigated twice a year and all buildings are to comply with the local government regulations. The company must be a registered business which has been trading for more than 12 months. They must submit a management profile and business plan and they must supply three written references from customers in the last 12 months.

Now, I do not accept that companies are being deliberately kept off that list. I have been advised that there are quite a number of companies that are very happy that this has now been brought into place because it will get the shonks out of the industry.

Mr LINGARD: Unfortunately, a lot of companies have been disadvantaged because of it as well, and I find it disappointing that your Department has not looked after those small people whilst you quote the benefits to the Police and to the Education Department. However, can you detail the areas where the prospect of Statewide contracts are being investigated and/or negotiated and what savings are hoped to be achieved over current arrangements?

Mr MILLINER: I believe that DAS will facilitate the relocation of public servants throughout Queensland. As I indicated to you, there have already been significant savings to the taxpayers of Queensland as a result of having this organisation as the facilitator.

Mr LINGARD: In 1992, one of your deputy director-generals was quoted as saying that some departments, especially those with tight budgets, may still be—

" . . . squeezing suppliers really hard in order to achieve efficiencies."

The Health Department has already made cuts of \$10m for cleaning, laundry and frozen-food contracts. How does the Department, in the negotiation of contracts on behalf of clients, reconcile its industry development function with the

needs to return a non-labour structural efficiency dividend to Treasury?

Mr MILLINER: Obviously, we are looking at the best value we can achieve for the taxpayers of Queensland, and we will continue to do that. Things can be done in various ways and to date we have proven beyond doubt that there are significant savings that can be made right throughout the business units. We have Mr Pitt, who has come on board and has been involved with the commercialisation of the Department. If you want some further detail on that, I am quite happy to ask Mr Pitt to detail to you those savings.

Mr LINGARD: Your flagship project of recent years is 111 George Street. Can you tell the Committee the value of the granite facade that encompasses the building and whether it is Queensland granite or in fact Italian granite? What is the value of the telecommunications system installed in the building and what were the criteria for selecting American company AT & T, who I understand submitted a tender based on wire interfaces rather than the more technologically advanced printed circuit boards offered by several Australian companies?

Mr ROBERTSON: I take a point of order. I am finding it difficult to follow the honourable member in relation to the Estimates for 1994-95. Can he perhaps at least direct my attention to the line item to which he is referring in those Estimates?

Mr LINGARD: I ask the Minister: in light of what has been spent in the Budget, would he answer my question on both?

The CHAIRMAN: It is up to the Minister.

Mr MILLINER: I am quite happy to answer the question. It is well known that the granite on that building is Italian granite. As for the other technical information that you outlined in your question—at the moment, I do not have that information to hand.

Mr LINGARD: I ask you to provide a list of companies that won tenders for supply of goods and services to 111 George Street, listing what those goods and services were and listing both the percentage and dollar value of Australian content of materials supplied to the project.

Mr MILLINER: I am quite happy to provide the information to the member.

Mr LINGARD: The nature of complaints relating to the State Purchasing Policy includes criticism of tender evaluation methods, purchasing procedures, quality assurance specifications, support for local business, competition policy, public disclosure of information and deficiencies of the procurement gazette. These complaints are directed to the State Purchasing Council as the watchdog body. However, there have been considerable complaints from companies regarding the length of time it takes for officers of the State Purchasing Council to respond to complaints and the adequacy of investigations and responses. I ask you to table a list detailing complainants and the nature of their complaints over the past year, the response time of the Department, the length of the investigation, the

number of complaints unresolved and the length of time they have been under dispute.

Mr ROBERTSON: Madam Chairman, I take a point of order. Whilst the Minister is obviously more than prepared to answer these questions, as a member of this Committee I am here to talk about the Estimates for 1994-95. Again, my view would be that this has nothing to do with those Estimates. If the member asking the questions does not have questions relating to the 1994-95 Estimates, I seek your direction in relation to this matter. Perhaps you can advise the honourable member to restrict his questions to that matter. We may well get out of here a bit earlier.

The CHAIRMAN: The time period allocated for questions by non-Government members has expired. It is now time for members on the Government side to ask questions. I will just seek some advice about answering that point of order. Before we pass over to questions from members on the Government side, I must take up that point of order. Whilst the Minister is happy to answer the questions, the questions before the Committee must have a nexus with the 1994-95 Budget Estimates. I am also finding it difficult to connect these questions with the Budget before us.

Mr HOBBS: I would like to make the point that I think it has been the accepted practice through the whole Committee process so far that if the Minister is happy to answer those questions—and really, I think that is the important thing—obviously we do not want to go off the track too far, but I think it is important in relation to gathering information for everybody. I believe that, unless the Minister really objects, there is no reason why we at this table should object to that.

The CHAIRMAN: Thank you Mr Hobbs. I did preface my reply with the statement that it is completely up to the Minister—and it is—but I am taking up the point made by Mr Robertson that it is very difficult for some of the Committee members to see the nexus between this line of questioning and items in the Budget Papers. But you are quite right; it is completely up to the Minister.

Mr MILLINER: I take a point of order. I am quite happy to take these questions.

The CHAIRMAN: Fine. Thank you. We will start the questioning on the Government side with a question from Mr Vaughan.

Mr VAUGHAN: Dealing specifically with the Estimates—Budget Paper No. 2 at page 62 indicates that funding of \$1.5m has been approved for the implementation of an Asbestos Strategic Management Program for Government-owned and occupied buildings. I understand that the Administrative Services Department has been appointed as the Government's managerial authority for that program. Could you advise how the Government's Asbestos Strategic Management Program is to be implemented, and what benefits can be expected from that program?

Mr MILLINER: Obviously, the question of asbestos is a fairly delicate subject. If we knew then what we know now and we went back to the fifties

and sixties, I doubt very much whether we would have built in the way that we did. Unfortunately, in the forties, fifties and sixties we used quite a deal of asbestos in the buildings that we undertook. We now know that this particular substance, under certain circumstances, can be dangerous to health. The Government has recognised that and has put aside \$1.5m for the Asbestos Strategic Management Program.

As you quite rightly pointed out, Cabinet did appoint the Administrative Services Department as the Government authority to look after this particular problem. We intend to have a look at and assess the situation with asbestos. To that extent, we have employed an external consultant to confirm the existence of many substances of potential exposure to asbestos and the need for a management plan for that. As you can appreciate, it is a fairly complex problem identifying what asbestos is around the place and how best to deal with it.

Unfortunately, there is a bit of emotion about asbestos and the potential danger of it. In most cases, asbestos left undisturbed is not dangerous to people in the near vicinity of it. However, in some cases, you can get unsightly roofs, particularly on school buildings. You may paint the school building, but you will have a very unsightly roof. Unfortunately, if that roof has been constructed using asbestos, the advice is that that roof should not be disturbed. As a result, cleaning of the roof cannot be undertaken. However, the Government is aware of its obligations of duty of care under the Workplace Health and Safety Act. We are taking this matter very seriously to ensure that we have in place a proper management plan so that we can go about it in a systematic way to ensure that asbestos is removed in the appropriate way.

The \$1.5m in the 1994-95 Budget will be spent on the establishment of the Asbestos Management Unit; \$0.7m will be for the training of audit personnel, the development of a building management plan and the urgent remedial work which is to be carried out to a value of \$0.2m. We view this matter very seriously, and we are working to overcome the problems with asbestos.

Mr VAUGHAN: On page 83 of Budget Paper No. 3, in relation to the Maintenance and Operations Services Program for the Department, there is a reference to apprentices. The outlook for 1994-95 in this document says that Maintenance and Operations Services will charge competitive hourly rates for apprentices. Could you advise of further details of the apprenticeship scheme in maintenance and operations? In particular, could you advise the relevance of that particular apprenticeship scheme to the Queensland building industry and its relevance to training of youths in Queensland generally?

Mr MILLINER: The training of apprentices is a very important issue. Unfortunately, in recent times we have witnessed a downturn in the economy. One of the areas to suffer in that downturn was the employment of apprentices. We have recognised that we have an obligation not only to training people but also to the industry to ensure that we train adequate young people so that, as we come out of

the recession, there are tradespeople available to fulfil the important duties that they will be required to fulfil in ensuring that we come out of this recession in an orderly manner.

As you can appreciate—with your previous involvement in the building industry—traditionally it has been an industry of a boom and bust nature. One of the contributing factors to that is the unavailability of trained staff. So we at Government level recognised that there was a need for us to employ additional apprentices to ensure that we did have adequate apprentices coming through.

The Department engaged 88 apprentices in 1995; 88 in 1991; 89 in 1992; 90 in 1993; and 90 in 1994. At the moment, we have a ratio of apprentices to tradespeople of less than two to five. When you compare that to the general employment of apprentices throughout Queensland, you will find that Q-Build is the largest employer of apprentices in the State. It is obviously a fairly costly process to undertake, but we believe that we have that community service obligation to the community to offer that training to young people to ensure that we do have adequate tradespeople to fulfil their role in helping Australia come out of the recession in an orderly way and help the building industry at the same time.

One of the problems we have found is that, generally speaking, the building industry has not employed apprentices to the extent that we obviously would have liked to have seen them employed, and there are various reasons for that. Our Accelerated Capital Works Program was one way in which we were able to assist the building industry, and we obviously encourage them to employ apprentices on their projects. Overall, it has been a very successful program in providing for young people these opportunities that normally would not otherwise be available to them.

Mr ROBERTSON: The State Government, via the Administrative Services Department, has purchased a number of central business district office buildings from Suncorp at a price in excess of \$90m, and this is referred to in the departmental Estimates statement on page 42. Could the Minister advise me why the Administrative Services Department has purchased these buildings, what alternative buildings were considered in what I understand is currently a buyer's market, and can Administrative Services demonstrate that the purchase price represents good value to the State Government? Also, in view of the recent announcement by the Treasurer that Suncorp is to be corporatised, can you give assurances that these arrangements represent a truly commercial arm's length transaction and are not merely a justification for an injection of capital to assist Suncorp?

Mr MILLINER: That is a very important question. Yes, we did engage in a program of the purchase of a number of buildings that were financed in various ways. If you look at the financing of these buildings you will find that some of the buildings were financed from Suncorp and others were financed from organisations such as the Workers Compensation Board. We believe it is appropriate

that the Government own as much accommodation as it possibly can, particularly in these major buildings.

The buildings that were purchased from Suncorp were Railway 1B, 1C and 1D in Edward Street, the Government Precincts development Stage 1 at 80 George Street, which is the home of the Administrative Services Department, and the Government Precincts development Stage 2, which is the Executive Annexe. As well as buying those buildings from Suncorp, we also bought the Executive Building, which I understand was owned by the Workers Compensation Board. We believe it is desirable for a whole range of reasons that those buildings be owned by the Government and not owned by Government instrumentalities.

At the same time, it has returned to those organisations, obviously, an injection of funds, particularly to the Workers Compensation Board. We believe that the funds of that board should be expended in that area and that they should not be expended on real estate. I believe that everybody has received value for money. We have bought some very good buildings that are now under our control and the organisations have had returned to them funds that they can employ in other areas. I think that all in all it has been a very good deal for the taxpayers of Queensland. The purchase price of some \$91.7m represents a saving to the Government of approximately \$4.5m. I think it is common sense that the Government own those buildings.

Mr ROBERTSON: Minister, I note in Budget Paper No. 3 on page 89 a reference to a program for the untying of Project Services clients "for whom it is currently mandatory to use the services of the business unit in the delivery of the capital program". Could the Minister advise if there are any other areas where Administrative Services Department clients must use Administrative Services Department commercialised business unit services, and what are the advantages to the Government in such an arrangement? Could the Minister also advise instances of where ASD clients might be free to use private sector providers?

Mr MILLINER: Again, this is a very important question. Obviously we are in the very early stages of the commercialisation of the Department and we are moving very much towards a business-oriented Department and we are looking at returns, and we have to approach this with caution. There are some things that really should remain with Government.

At the moment, we have the PSMC report, which has had a look at tying and untying of various areas of the Government. However, there are a number of areas that are still tied as far as purchasing is concerned. The areas that are still tied are Q-Fleet for the leasing of vehicles. However, departments still have some flexibility if they are leasing vehicles on a short term. Obviously, if they want them for a couple of days, they can lease them through some of the hire companies. In the main, Government departments have been untied from Goprint except for a number of fairly important things, including legislation, parliamentary reports, Cabinet documents and the printing of betting tickets. The mind boggles

if we let that loose and allow people to run around printing betting tickets. There is also the maintenance and operation of building maintenance, property management for the leasing of office accommodation in major centres, and the security of building services in the Brisbane CBD and some other locations. Obviously if you are looking at leasing Government buildings, it is really desirable that you have some control over that, and that it is not let out to departments to race off and do their own thing. We think it is very important that, as far as Government office accommodation is concerned, that is controlled in one area.

Also, as far as Project Services are concerned, there is still tying for the up-front end of building design. It is an interesting area of Government operations as to whether organisations should be tied or untied. Yes, there is some criticism from Government departments indicating that if they were untied they could do better deals. I do not accept that. I think we have a professional organisation that is moving very quickly to become very competitive in a number of areas. As a matter of fact, in some places where they are competing with the private sector they are actually beating the private sector as far as prices are concerned. As for tying those areas that I have indicated, I have obviously got to look long and hard at those areas to ensure that they are providing value for money and that the clients are getting a very good service. As far as that is concerned, our service delivery is very important. The feedback that I get from departments and particularly school principals is that they are very satisfied with the service they are getting from those departments.

Mr ROBERTSON: One area that I am particularly interested in is referred to in Budget Paper No. 4 on page 31 in the 1994-95 Capital Works Program for the Administrative Services Department. There is an item that provides for a sum of some \$700,000 for anti-discrimination compliance in various buildings. In fact, I think it is \$710,000, to be accurate. Could the Minister advise me of the current status of Government-owned office buildings in complying with the anti-discrimination legislation? Can the Minister also advise what measures are being taken to identify buildings which do not comply? Finally, what action will be taken to ensure that non-complying buildings are upgraded to a suitable standard, and how long will it take to complete any such upgradings?

Mr MILLINER: Disabled access is a very important matter. For far too long, there has been discrimination against people, particularly disabled people. As you can appreciate, the Government has something like 240 office buildings in the portfolio and they range from the latest acquisition, which is 111 George Street, to small regional buildings, some of which were built before the turn of the century. Obviously, providing access to those buildings in some cases is extremely difficult. We try to ensure that all of those buildings comply with the Building Code of Australia, but there are some difficulties in relation to heritage-listed buildings in ensuring that you do not in any way alter the integrity of the building by providing that access to disabled people.

As I said, it is a difficult area. We are obviously doing everything we possibly can to ensure that we are not discriminating against any person, particularly disabled persons.

In the construction of the new Convention and Exhibition Centre in South Brisbane we went to extensive lengths to ensure that disabled people did have access via a lift to ensure that they would have ready access to that building. It is desirable that they have access to buildings the same as any other person. They are not discriminated against in so far as they have to seek entry to buildings that would not be available to other persons, and they are not discriminated against in that way. However, it is not always possible to do that. As I said, we are doing everything we possibly can to ensure that we comply with all the relevant legislation and that we do provide access for disabled people and do not discriminate against any person.

Mr ROBERTSON: Just very briefly, what does the \$710,000 go to in relation to that program?

Mr MILLINER: That obviously goes to having a look at all the buildings and doing assessments on them. As I said, we have 240 buildings within the portfolio and there is a need to assess those buildings and look at what needs to be done. Those funds are going towards doing an assessment on those buildings.

Mr VAUGHAN: Minister, I notice in your departmental Estimates statement on page 3 that your Department plans to deliver a dividend of \$18.302m from your commercialised business units and whole-of-Government savings of \$28.2m in the 1994-95 financial year. Could you advise me why business units need to operate on a commercial basis? Do these business units really need to charge for these services and generate an enormous dividend at the expense of services provided to the public in the areas of education, health and law and order?

Mr MILLINER: The question of dividends really touches on the fundamental question of cost effectiveness of delivery of services by the Administrative Services Department and the need for clients to include the full cost of the service delivery within their programs. All too often we find that people are not taking into account the full costs of the services that are being provided. Under commercialisation, you are obviously operating within a commercial environment and, therefore, must take into account all the costs associated with providing that service.

The adoption of the commercialisation model has allowed for the devolution of funds which encourages agencies to be economical in their level of demand for services. We believe it is very important for departments and clients to be economical. The ASD business units are able to measure and assess their performance against pre-determined performance indicators. It is very important when one is operating in a commercial environment to have some type of performance indicators to ensure that the business is operating in accordance with the industry's best practices and

operating in the manner in which one wants to operate.

As I indicated, the program reflects the full cost of the services—bearing in mind that we are looking at accrual accounting—to ensure that we are looking at the total cost of the service. We get a greater appreciation of what it costs to provide services to our client departments. The dividends that are provided to Treasury in the year 1994-95 are as follows: Q Fleet will provide \$4.95m; Project Services will provide \$1.8m; Property Management, \$0.8m; Maintenance and Operation, \$0.8m; CITEC, \$2.5m; Goprint, \$0.3m; and Sales and Distribution, \$0.05m. It is important for us to operate in a commercial environment. To do that, we must be successful. One of the best successes one can have is to encourage people to operate profitably.

The CHAIRMAN: The time period allocated for questions by the Government members has expired. I ask Mr Lingard to continue with the questions.

Mr LINGARD: Minister, I observe that on page 64 of the departmental Estimates statement, the key objectives for CITEC for the period 1994-95 include "upgrading of data communications network to better support the regional operations of Departments." What specific funds have been earmarked for the support of the regional communications operations of Departments? What Departments will be the recipients of the funds that have been allocated for this support? Are you able to provide details of any specific projects that will receive support under this key objective of CITEC?

Mr MILLINER: Obviously, technology is changing fairly dramatically, as you would appreciate. We have an obligation as far as CITEC is concerned to provide the best service available and the most up-to-date technology for Government Departments to be able to operate. As for the specific information that you require, unfortunately, I do not have that at hand. However, I will undertake to provide that information to you.

Mr LINGARD: Mr Minister, I refer to the Capricornia School of Distance Education and specifically to the Emerald campus of the school in relation to the difficulties that have been experienced with the communications equipment which was installed and overseen by CITEC technicians last year. The problems with the communications network which was installed originate from the speed with which the contractors were forced to install the equipment. This did not allow for the finetuning of the purpose-built high technology equipment that was installed, or to allow for the debugging of the software-driven and controlled equipment.

There has been extensive Government promotion of the concept of commercialisation across the entire public sector and within CITEC. Under the principles of commercialisation, you are meant to deliver service to the customer through high quality client-focused service which you just outlined. However, in this instance, the fundamental principle of commercialisation has not been effected and the customer has been completely let down. Why has the Department not ensured that CITEC

oversaw the project to its successful completion and final stage?

Mr MILLINER: I believe that this project was installed with the best intent by everybody. I acknowledge that there are problems with the system; however, those problems are being overcome. The problems related to the limited technical resources within the Education Department. The technical problems associated with the installed equipment and the equipment's failure due to unexpected environmental conditions are now being overcome. Those problems were unforeseen at the time that this project was commenced. However, I believe that in the not-too-distant future, with the technicians working as quickly as they possibly can, the system will begin operating as it was designed to do.

Mr LINGARD: I refer again to the Capricornia School of Distance Education and to my request for specific examples of CITEC funding which you were unable to give at that stage. However, my examination of the Budget papers for the Department of Administrative Services has failed to locate any specific allocation of funds within CITEC for the investigation and/or rectification of the School of the Air's communications problems that have been experienced over the past year. It has been indicated that CITEC has been most reluctant to act as a coordinating body in attempts made by the private contractors to rectify the situation and that the Education Minister has indicated that legal action may be brought against the contractors. Why did you not allocate funds within CITEC to remedy the communications problems that have occurred in the School of the Air and which have caused parents to withdraw students from the Distance Education Program?

Mr MILLINER: Thank you, Mr Lingard. The responsibility for the maintenance of that specialised equipment rests with the Department of Education. I am advised that expressions of interest were called by the Department of Education and closed on 7 June 1994. They were called to engage a consultant to design additional equipment associated with the microwave link. It is anticipated that this will be installed prior to the commencement of the second semester, pending the availability of the equipment. I think that the problem is being addressed. The reason why the funds are not contained within CITEC's budget is that it is the responsibility of the Education Department.

Mr LINGARD: Minister, you would have to admit that students had to be withdrawn from classes of the School of Distance Education before either you or the Minister for Education worked out whose responsibility it was.

Mr MILLINER: I do not accept that. All along, the equipment has been the responsibility of the Department of Education, but as I indicated to you, we are working as quickly as we possibly can to ensure that this problem is overcome.

Mr LINGARD: Minister, how can it be the responsibility of the Minister for Education when CITEC was responsible for paying for the installation of the equipment?

Mr MILLINER: CITEC undertook the project management of the broadcasting equipment. As the project managers, it was the Department that was responsible for it. It was not CITEC. It was the project manager who was responsible for it.

Mr LINGARD: Clearly, as project manager, you are responsible for seeing that the equipment worked correctly. The equipment was not working correctly and, clearly, students had to be withdrawn from classes.

Mr MILLINER: That is correct. We are not denying that there were problems with the equipment. However, I am indicating to you that we are working as quickly as possible, with the cooperation of the Education Department, to overcome the problem that may be there. There are technicians on site and, as I indicated to you previously, we are employing a consultant to provide additional equipment to ensure that the services and the delivery of the services are achieved as required.

Mr LINGARD: I refer to page 6 of the departmental Estimates statement and specifically to the CITEC rent subsidy of \$671,000 for 1994-95. I observe that CITEC occupies Government-owned premises in the Brisbane CBD and that the total floor space leased is extra to the current operational needs of the unit, and I ask: how much of the estimated allocation of \$671,000 is to be expended on the unused and underutilised floor space currently leased by CITEC? What steps are intended to be implemented to rectify this situation?

Mr MILLINER: With technology, as you can probably appreciate, Mr Lingard, and the advances in technology, you will find that the equipment is getting more compact and, therefore, there is not the requirement for the space that was previously occupied by that type of equipment. That has been the case with CITEC and, yes, there is a deal of accommodation that may be surplus to requirements. But I believe that that will be overcome. To give you a more detailed answer about that, I will defer to Mr Grierson, the Deputy Director-General.

Mr GRIERSON: That office accommodation in the CITEC building is currently being reviewed by the Government Services Office Accommodation branch. As recently as last week, we were looking at tenants such as the Casino Control Division, the Machine Gaming Division—which will be moving out of a lease at Coronation Drive in the next 12 months—and we also have the Electoral Commissioner, who must get out of Railway 1B because Railway 1B has been sold to the Railway Department. So that accommodation will be occupied very soon by Government agencies.

Mr LINGARD: But do you admit that part of that \$671,000 is being spent on money for unused area?

Mr MILLINER: At the moment, it is, but as Mr Grierson indicated to you, Mr Lingard, that office accommodation will be taken up and, hopefully, it will be taken up in the not-too-distant future.

Mr LINGARD: I refer to page 61 of the departmental Estimates statement document and to the forward Estimates for 1994-95 in regard to

administration costs for the operations of CITEC. There is to be an increase of almost \$4.5m on Estimated actuals for 1993-94, and I ask the following: are you able to give details of the increase in this area and to outline exactly how much is proposed to be expended on short-term contract staff during the 1994-95 period? Is the employment of these short-term contract staff included in the overall establishment figure of the public service?

Mr MILLINER: I do not believe they will. You are talking about the administrative costs going from \$4.3m to—

Mr LINGARD: \$4.5m—an increase of almost \$4.5m.

Mr MILLINER: From \$4.3m to \$8.7m. This increase in the transfer of TSN11 to CITEC and the development of backup facilities will allow computer systems maintained by CITEC to continue to operate in the event of a disaster. Obviously, as we are moving more and more towards electronic data, it is important that we look at all contingencies and ensure that we have that information available to us at all times. Obviously, if you are looking at that, you must take into account things like natural disasters, and we are making provisions for that.

Mr LINGARD: I refer once again to page 61 of the departmental Estimates statement and to the CITEC Trust Fund. The estimated actuals for 1993-94 for public access information was \$5.7m. In 1994-95, the figure is \$11.2m. With the explanation provided in the variances between 1994-95 estimated actuals and 1994-95 stating "substantially increased business is targeted in 1994-95", could you explain where the additional \$5.5m is to be expended and what returns are envisaged through the provision of such an allocation to public access information?

Mr MILLINER: Public access to CITEC is very important. The increased business relates to the additional facilities on the existing database, such as the Australian Securities Commission and the computer inventory of survey plans, and also the new databases under negotiation, for example, the lands tax and the Victorian business names, and the 40-year effect of the existing databases including the traffic incident recording system and the automated titling system. The public access system at CITEC is used extensively. It is recognised nationally as being a leader in this field. It was developed, as I understand, for the former Corporate Affairs Office. As a result of that, and the work that was undertaken by CITEC in developing that system for the Corporate Affairs Office, they have attracted interest throughout Australia to become part of the public access network.

I think it is a very valuable asset to CITEC and I believe that there is great potential there for that facility to be developed to an extent where I believe that it will eventually return substantial gains to the taxpayers of Queensland.

Mr LINGARD: I refer to your answer and to page 64. It is stated that the emergence of a national competition policy will create an environment conducive to further efficiency gains and enhance

the market focus for CITEC. Could you provide details of just what further efficiency gains and enhanced market-focus opportunities may be provided as a consequence of a national competition policy?

Mr MILLINER: Mr Lingard, I am not aware of that at the moment. However, I would ask Mr Parker, the manager of CITEC, to come forward and answer that question.

Mr PARKER: Mr Brian Parker, General Manager of CITEC. I am sorry, I missed the last part of that question.

Mr LINGARD: Can you provide details of just what further efficiency gains and enhanced market-focus opportunities may be provided as a consequence of a national competition policy?

Mr PARKER: As the international competition policy is introduced, more Government departments, both State and Federal, will be commercialising their business units. CITEC, under its current charter, is able to provide services to them. That, therefore, creates increased business opportunities in our particular field.

Mr LINGARD: Over to you, Minister, or Mr Parker. I refer, therefore, to the Hilmer report and ask whether services provided by CITEC will be open to competition from private enterprise in the future?

Mr MILLINER: I believe that a number of those services will be open to competition by the private sector. However, I am very confident that, with the reputation that CITEC is enjoying not only throughout the public sector but also throughout the private sector, I believe that they will be a very successful organisation.

Mr LINGARD: I go back to page 8 of the departmental Estimates. It refers to debt-servicing provisions and it refers to \$13.59m to the Queensland Treasury Corporation funded from consolidated revenue for the purchase of various Government buildings. Can you, as Minister, outline the total debt liability applicable to the purchase of the buildings and the rate of interest payable to the QTC?

Mr MILLINER: Yes. As indicated before, I believe that it is an advantage to the Government to purchase those Government buildings and have them within the Government buildings portfolio. Obviously, there was a requirement for funding to facilitate those borrowings and, as a result of that, I can give you some information of the outstanding amounts on the purchase of some of those buildings. If you look at the purchase of Woolloongabba Towers, it was \$3.325m; the purchase of the Executive Building, Mineral House and the Gympie forestry building were \$28.4m; the purchase of the Cairns Port Office site and the erection of the new office building for the port authority was \$2.550m; and the second instalment to complete that purchase was \$0.950m. The Suncorp revisionary loans for railway buildings 1B, 1C, 1D, 80 George Street and the Executive Annexe were \$91.830m.

Mr LINGARD: Thank you, Minister. However, I do ask: can you give a total debt liability which that \$13.59m services?

Mr MILLINER: The total summary is \$144.18m.

Mr LINGARD: Thank you, Minister. I refer to departmental Estimates statement page 51, and refer to Q Fleet. I refer to the Trust Fund and refer to motor vehicles and equipment. The estimated actuals for 1993-94 amounted to \$86m, and it is reported that the fleet under Q Fleet's management will be approximately 8 240 as at 30 June 1994. The budget allocation for motor vehicles and equipment for 1994-95 is a massive \$110.6m—an increase of some \$24m or, in fact, 25 per cent. Are you able to explain and justify such an alarming allocation for the purchase of motor vehicles and equipment separate from the cost of insurance increases? What is the projected size of the fleet in 1994-95?

Mr MILLINER: I thank you very much for asking that question, because Q-Fleet is one of the outstanding successes of this Department in the delivery of services. The increase in motor vehicles and equipment is due to the increase in the vehicle acquisition program, principally relating to the 1994-95 replacement of vehicles. In addition, there has been a slowdown in the vehicle replacement program in 1993-94. This slowdown is the result of delays in obtaining vehicles from manufacturers caused by a significant increase in the demand from private and fleet buyers.

The total fleet at the moment is 8 330 vehicles. That was the figure as at yesterday, 16 June 1994. I can give you a breakdown of the types of vehicles, the vehicle manufacturers, and the composition of the fleet, and the engine capacity of those vehicles.

Mr LINGARD: No, thank you. Can you explain the difference between the REVS system and the TORQUE system and whether the REVS system is working efficiently?

Mr MILLINER: That sounds like a technical question. I am not a revhead. I would ask Mr Clarence to give us an answer to that question.

Mr CLARENCE: The system we have now, called REVS, is an upgrade and a revamp of what used to be TORQUE. We had problems with that system. We obtained the source code. The changes as a result of that have meant that the problems with TORQUE—for example, with data, response times and reporting—have all been resolved.

Mr MILLINER: I thought they were technical terms—REVS and TORQUE; they are motor vehicle terms.

Mr LINGARD: I refer to paragraph 2 on page 85 of Budget Paper No. 3, which states—

"The changing economic environment and its impact on the vehicle industry presented significant challenges during 1993-94. The capital cost of vehicles, particularly imported light commercial and four wheel drive vehicles, increased significantly. Through its acquisitions program, Q-Fleet has been able to minimise the increase in the capital cost of vehicles."

I ask: are you able to provide an example of how Q-Fleet, through its acquisitions program, actually minimises the increase of the capital cost of vehicles?

Mr MILLINER: Q-Fleet, through its buying ability and the number of vehicles that it is purchasing, is able to purchase on very favourable terms and conditions from the manufacturers. For example, recently Q-Fleet was able to purchase quite a number of GMH products at a substantially reduced price simply because of the buying power of the organisation. At the moment, Q-Fleet does not have under its control all Government vehicles. Vehicles associated with the Police Service are still not under Q-Fleet's control. We are confident about our negotiations with the police. The more organisations and vehicles that we have obviously gives us greater leverage in the purchasing of vehicles. I am very satisfied with the way in which Q-Fleet has operated. It has been of tremendous benefit to the organisation and also to its client departments.

Since July 1991, Q-Fleet has returned some \$16.34m to the departments through dividend payments. It has also brought forward by two years its payment to the Government in lieu of taxation and will pay the Treasury a return of \$3.528m in 1993-94 and a projected return of \$6.237m in 1994-95.

The CHAIRMAN: The time allocated for questions by non-Government members has expired.

Mr VAUGHAN: I notice on page 82 of Budget Paper No. 3, under the program headed "Maintenance and Operations Services", that Q-Build Maintenance and Operations provides building maintenance management and planned and emergency maintenance services for Government. Could you please explain exactly what the Government's maintenance program undertaken by Maintenance and Operations entails? Could you also advise me what measures your Department has put in place to improve the efficiency of the maintenance services. I understand that your Department is not responsible at the present time for maintenance of all Government facilities, only those within the inner-Budget circle. Could you also outline any initiatives planned to improve the maintenance of Government buildings?

Mr MILLINER: Obviously, we maintain Government buildings to ensure that the Government's assets are kept in the best possible condition. Therefore, Maintenance and Operations plays a very important role in achieving those objectives. At the moment, being a service delivery department, we are reliant primarily on the advice given to us by our client departments as to the maintenance required on Government buildings. However, that maintenance is achieved in a timely manner. We are always looking at ways and means by which we can improve our delivery of service to ensure that, firstly, we maintain the asset in the best way we possibly can; and, secondly, being a business unit, we also acknowledge that we have an obligation to provide the service to the client.

As a result of that, we now have some 74 fully maintained maintenance vans that are fully stocked to cover all practical situations. Those vans are in constant communication via state-of-the-art equipment. They are even using mobile telephones.

That has been highly successful in providing urgent maintenance to the client departments.

We have also introduced the Queensland Government credit card. That has been given to tradespeople in those maintenance vans. As a business unit, we want to operate efficiently. We have had cases where maintenance people have attended to a job only to find that they did not have the necessary materials to complete it. They have had to drive back to the depot to retrieve the materials and then go back to complete it. That is very costly and inefficient. That is why we introduced the Queensland Government credit card for the people in the maintenance vans. In the case of urgent purchases, they can purchase goods from the nearest available outlet, which therefore saves time and energy.

The maintenance operation is performing very well. They are also striving to achieve full accreditation to Australian Standard AS3902 by the end of the next financial year. A further refinement to our maintenance information system is also envisaged to ensure that we are at the forefront to provide the necessary service to our client departments and ensure that the Government's assets are maintained in the best possible condition.

Mr DOLLIN: I refer you to pages 10 and 15 of your departmental Estimates statement, in particular to the Government's Information Technology Conditions, or CITEC. I understand that for the past two years your Department has required suppliers of computer equipment and other information technology and telecommunications goods and services to sign a standard contract before they can deal with the Government. On pages 10 and 15 of the Department's Estimates statement, this contract is referred to as the Government's Information Technology Conditions, or CITEC. Can the Minister please advise me how CITEC operates? What is it designed to achieve and why has the Administrative Services Department undertaken such an arrangement?

Mr MILLINER: The GITC is part of an Australia-wide micro-economic reform program introduced in 1990 aimed at streamlining the Government's buying of information technology and telecommunications products and services. It is the result of an ongoing consultative process with industry and matches the needs of industry and Government for their business dealings. It is also a cooperative arrangement between the Commonwealth, State and Territory Governments.

Obviously, in this area of telecommunications and technology, which is advancing rapidly, it is fairly difficult to keep up with what is happening in the marketplace. Obviously, we wanted to do something to ensure that we bought the best products at the best available prices. As a result of that, we decided that the process needed to be streamlined. That is recognised by other jurisdictions—other Governments, both Commonwealth and State—to ensure that we carry out the best practice when we buy information technology and telecommunications products and services.

It is an exciting area in which tremendous developments are happening. One need look only at the types of equipment that we as members of Parliament now enjoy. Seventeen years ago, who would have thought that we would have had mobile telephones, pagers and that sort of equipment available to us? If one looks at where the industry is going in the very near future with digital services becoming available, one realises that it is imperative that a mechanism be in place to ensure that Governments enjoy the best services available to them.

As a result of that, we believe that this will provide the necessary micro-economic reform. At the moment, some 450 suppliers, resellers and dealers are signed to a GITC with the Queensland Government. We think that is a significant step forward in micro-economic reform and will provide to the Queensland Government the best technology and telecommunications services available to us.

Mr DOLLIN: I believe that the entity described as Q-Build Industries which is mentioned on page 83 in Budget Paper No. 3 is a new commercial name for the old Ipswich Road workshop next to the PA Hospital. Is that name change superficial or has Q-Build Industries changed its operations? I would also like the Honourable Minister to outline what the Government can expect in the future from Q-Build Industries.

Mr MILLINER: "Q-Build Industries" is not a superficial name change for an organisation. It is correct that it was the old Ipswich Road workshop that was established in 1917 on its current site and has for many years provided valuable support for the Government in joinery and furniture manufacture. It has a very proud history. For a number of years, all the Government furniture that was required was manufactured at Ipswich Road. That organisation has a great history.

However, as I indicated and as I have said so many times in the past, in the 1990s we cannot continue to do what we did in the 1950s and the 1960s. We must become efficient or we will not survive. That was the case with the old Ipswich Road workshop. It is now a very professional organisation that provides very good service to the Government. It is QA accredited. In addition to being very professional in its operation, it has been at the forefront in designing particular applications of office interiors. In recent years, it has had a tremendous uplift in its activities. At the same time, it has also fulfilled its obligation to the industry and the community and has 16 apprentices in a total production work force of 98 people.

The future for Q-Build Industries is extremely good. All of the products produced at Q-Build Industries have the maximum possible input of Queensland-sourced materials. As such, the organisation supports delivery of Government programs and assists Queensland industry. It is a clear indication of the professionalism of the Administrative Services Department in bringing an organisation such as the old Ipswich Road workshops into an a modern environment called Q-Build Industries.

Recently, I visited the organisation to present it with its certificate of accreditation. I was very impressed with the work force and some of the things that it has achieved. The future of the organisation is extremely good, not because of its historical significance but because of the service that it provides.

The CHAIRMAN: It is fairly close to 6 o'clock, so the first period of time allotted for the examination of the Budget Estimates for the Administrative Services Department has now expired. The hearings are now suspended for dinner. We will resume at 6.27 p.m. to continue examining the Budget Estimates for the Administrative Services Department.

The Committee adjourned at 5.57 p.m.

The Committee resumed at 6.27 p.m.

The CHAIRMAN: The hearings of Estimates Committee F are now resumed and the examination of the Budget Estimates for the Administrative Services Department will recommence. I remind the Minister and his departmental officers that the time allotted for the Administrative Services Department will expire at 7.45 p.m. I remind departmental witnesses that they should identify themselves, including the position they hold, before they proceed to answer a question. The current period of questions will now continue, with questions from Government members.

Mr DOLLIN: I refer to page 9 of Budget Paper No. 3, which refers to general leasing. I have often seen articles in the property sections of the *Courier-Mail* and the *Australian Financial Review* which detail lease arrangements between Q-Build Property Management and private sector building owners. In particular, an article in the *Australian Financial Review* in January of this year detailed a lease negotiated by Q-Build Property Management on behalf of the Queensland Police Service. Could the Minister please advise me of the general policy on leasing space from the private sector and give me some detail as to the extent of such leasing? Further, it seems that the Administrative Services Department adopts a central role in leasing and I am interested to know whether such a role is necessary and whether the involvement of the Administrative Services Department adds any value to the process.

Mr MILLINER: Thank you very much, Mr Dollin. You are quite right. The Department accepts a central role in the leasing of Government accommodation. As I pointed out earlier in answer to a question, it is appropriate that we take that central role in the leasing of office accommodation. Being such a large organisation, the Government must do the best deals that it possibly can to ensure that we have adequate accommodation for Government departments.

At the moment, the ratio between Government-owned accommodation and private accommodation is that 65 per cent of the office space is controlled by the Administrative Services Department and the balance of 35 per cent of the space is leased from the private sector. That percentage varies but it usually sits between about

65 and 70 per cent for owned buildings. That is not a bad mix between the private sector and the public sector.

Currently, Q-Build Property Management leases approximately 159 000 square metres in the Brisbane central business district and approximately 150 000 square metres in other centres throughout the State. We have a standard lease, which gives protection to the Government departments. In issues such as rent review and airconditioning, it is very beneficial for us to have that standard lease.

During the 1992-93 financial year, we negotiated leases, initiatives and reductions of asking rents totalling \$21.6m. At the end of April this year, we had totalled \$14.1m. That is taking advantage of the property market that was depressed following the downturn in the economy. Obviously, with the number of vacancies that existed, particularly in the CBD, the owners of those buildings were fairly keen to attract long-term, stable tenants. As a result of that, we were able to negotiate some very good deals on the leasing of accommodation.

There has been some criticism of the standard lease. However, after refinement of that lease after discussions with BOMA, we believe that the lease is now very fair to both parties. In this day and age, if you can achieve that, you are doing fairly well. The standard lease has some tremendous advantages for Government, in that we lease a lot of privately owned property. The standard lease is a fairly major achievement for Q-Build Property Management.

Mr DOLLIN: On page 39 of Budget Paper No. 4 under the 1994-95 Capital Works Program for the Department of Justice and Attorney-General, there is an item that relates to the provision of airconditioning of the Maryborough Court House to the value of \$220,000. This is of particular interest to me, because that building is in excess of 100 years of age. Could the Minister please advise me whether the airconditioning installation will be in keeping with the age of the building and when the work will be completed?

Mr MILLINER: Thanks very much for that question. Coming from the wonderful city of Maryborough, I know that you have a very close interest in this particular matter. The courthouse at Maryborough is a very historical and a very beautiful building. I have had the pleasure of visiting it on a number of occasions. As you indicated, it is approximately 100 years old. With many of the buildings in that age category, we experience difficulties when installing facilities such as airconditioning. There have been complaints from the judiciary about that building. In summer, the building becomes very hot, and that makes working conditions very difficult. Windows and doors have had to be left open to allow for ventilation. As a result, some of the trials in progress have been disrupted. In one case, a trial was aborted because of the problems experienced at the courthouse.

The Department of Justice and Attorney-General decided to rectify those problems. It decided to aircondition that building. A tender for \$172,000 was submitted and accepted in early April

this year. We are very confident that that work will be completed by the end of August 1994. I believe that that project will be of major benefit to the users of that building. Obviously, when installing airconditioning in a heritage building, we must ensure that we do not interfere with the integrity of the building. It is a very delicate matter. However, I believe that the installation of airconditioning will overcome most of the problems associated with that building.

I referred earlier to a trial that was aborted. That occurred not because of the climatic conditions within the building but because of a thunderstorm that created excessive noise on the roof. I do not think we can overcome that problem at this stage. However, I believe that the installation of airconditioning will make this a functional building for many years to come. It will be a valuable asset to Maryborough.

Mr ROBERTSON: I turn your attention to the Neighbourhood Safety Audit Program, a program with which I have been very involved in my own electorate. In 1993, the Neighbourhood Safety Audit Unit—which is mentioned at page 273 of Budget Paper No. 3—was established in the Administrative Services Department to administer and coordinate the Neighbourhood Safety Audit Program. Of course, that program encourages local residents to identify and report potential safety risks in their area. Although I appreciate that it would be difficult to identify the cost of that program in terms of expenditure, because no doubt it would spread over many programs, can the Minister advise me of the current progress of this initiative and what benefits the program has offered to the people of Queensland?

Mr MILLINER: Thank you very much for that question, because this is a very important program in terms of reducing crime. The Fitzgerald report indicated that there was a need for the community to work with local police, local authority representatives and other interested people in the fight against crime. The program has been outstandingly successful. It has been an adjunct to the Neighbourhood Watch Program. I believe that it has dovetailed very successfully with that program. In this budget, there is a further allocation of \$500,000 for the project. I regularly sign letters addressed to people who are embarking on this project. Some of the grants are for amounts as low as \$50 or \$100. The committee determines the requirement for a particular area.

The CHAIRMAN: Thank you, Minister. The time period allocated for questions by Government members has expired. I ask Mr Lingard to continue with the questions.

Mr LINGARD: I refer to the widespread removal of playground equipment from State schools throughout Queensland, which was part of a program to make safe school playground equipment. I ask: given that this has occurred throughout the State, has there been any specific budget allocation within the Administrative Services Department for the replacement of this equipment? Are you as Minister

prepared to guarantee the complete replacement of the equipment that was removed?

Mr MILLINER: The Administrative Services Department is a service department, and we take instructions from clients. I am aware of the issue that you have identified relating to the replacement of school playground equipment. I have already had discussions with my colleague Mr Comben about the provision of adequate resources to replace that equipment.

When this problem was first identified, we thought that the replacement of the equipment would cost in the vicinity of \$3m or \$4m. Some of the funding for the School Refurbishment Program was dedicated to replacing that playground equipment. Subsequently, it was determined that it would cost about \$12m or \$13m to replace the equipment Statewide. We are talking to the Education Department about providing the necessary funds. I am very confident that those discussions will be fruitful.

We were placed in a situation in which safety officers from the Education Department had examined this particular playground equipment and had determined that it did not conform with the Workplace Health and Safety Act and, therefore, there was a requirement to remove it from schools immediately. We had a look at it and saw whether we could do it over a staged period. However, legal advice indicated that once the equipment was identified as not complying with the relevant legislation, we had a duty of care to be aware of and to adhere to, and the playground equipment had to be removed as quickly as possible. In most cases, the equipment has been removed, but I am very confident that in discussions with Mr Comben we will be able to replace that equipment this financial year.

Mr LINGARD: We are talking about playgrounds which have been taken away from children. Why do you not see the replacement as an absolute priority and therefore allocate funds in the Budget from the sale of assets so that this project can be completed immediately?

Mr MILLINER: The provision of funds for this particular program would come from the Education Department. I do not think you can relate the sale of assets to the replacement of school playground equipment. As I indicated to you, I have had discussions with my ministerial colleague and I am very confident that we will be able to resolve that problem this financial year.

Mr LINGARD: So you are saying all schools within this financial year?

Mr MILLINER: I am suggesting that we are working very closely with the Education Department to ensure that that program is completed.

Mr LINGARD: But not within this financial year?

Mr MILLINER: We are working to have it completed this financial year. Obviously, the allocation of funds is a matter for the Education Department, but Mr Comben is very sympathetic, he understands the problem, and we are very keen to ensure that it is all replaced this year. I can give you

an assurance that we will work very closely with Mr Comben to achieve that objective.

Mr LINGARD: And those P & C organisations that have paid for the replacement themselves; will you refund those costs?

Mr MILLINER: We will have to have a look at that. We have worked very closely with P & Cs in the removal of some of this playground equipment. In some cases we have had the P & Cs as subcontractors to remove the playground equipment with a view to giving them a financial injection to allow them to provide extra facilities at the schools. We acknowledge it is a problem; it is a problem that is being addressed.

Mr LINGARD: I refer to the Government's ongoing disposal of taxpayer-owned assets where the Assets Management Branch in particular has played an integral part. The Government intends to raise some \$92m this financial year from the sale of real assets. Can you supply a list of the properties that are under review for sale this year, what the market valuation is on each of the properties and the department they originate from? Do you believe that the systematic grinding down of the State's asset base to fund recurring expenditure is a sound economic policy? Why cannot the Government fund the development of housing infrastructure through normal budgetary means?

Mr MILLINER: I do not accept that we are grinding down the asset base of the Government. I totally reject that. We are now, for the first time, into an asset management of the State's assets. We are identifying assets that are surplus to requirements and disposing of those assets. To give you an example, we have had some outstanding successes in disposing of assets that are deemed to be surplus to requirements. We had three houses at Bilinga on the Gold Coast that were previously occupied by the tick inspectors who no longer operate on the border between New South Wales and Queensland. Those three properties were put on the market and they returned something like \$1.6m to the taxpayers of Queensland. We had a block of land at Port Douglas that was originally the residence of the police sergeant at Port Douglas. When the new police station was constructed, the residents went away from this particular site and the Police Department had it earmarked for a radio transmitter. We discussed that matter with them and that property, a vacant 800 square metre block of land at Port Douglas, was deemed to be surplus to requirements; it was put on the market and it returned to the taxpayers of Queensland some \$1.2m.

We have this process of identifying properties that are surplus to requirements. This is not something new; it has happened over many years. We are putting those assets on the market to ensure the best possible return to the taxpayers of Queensland. In Cairns, we have had a number of valuable properties. The old police station/courthouse complex on the Esplanade was deemed surplus to requirements. It was put on the market and a successful sale has been negotiated. The previous Government again embarked on a process of disposing of surplus assets and they put

on the market the Cairns railway site. At that stage, they were unsuccessful in removing that property. However, we have been successful in negotiating a situation where we now have a preferred tenderer for that site, and I am very confident that that will be disposed of in the not-too-distant future.

Mr LINGARD: Is it true that you are also reviewing 151 ambulance houses and over 60 Education Department houses?

Mr MILLINER: We are examining a number of properties that are being identified by departments as maybe being surplus to requirements. As far as the Emergency Services were concerned, Q-Build Property Management was engaged by the Emergency Services Department to do a property portfolio for that particular department to determine exactly what properties they had and what the usage of those properties was so that they themselves could sit down and do an asset management of those particular assets to determine what was required for their purposes and what was surplus to their requirements. Any properties that are deemed to be surplus to requirements are deemed to be surplus to requirements by that department, not by Q-Build.

Mr LINGARD: I refer to your comments about properties that are surplus to requirement. I refer to the rezoning by the Minister for Housing, Local Government and Planning at the Bethania commercial housing redevelopment, the one that has caused the public uproar. It appears that the ministerial rezonings and rezoning applications to local authorities have been a feature of the Government's asset disposal program. Clearly, the rezoning will net the Government a cash windfall, even though the rezoning is against the wishes of the local community and the shire council. Ministerial rezoning is obviously necessary for infrastructure development projects such as roads, railways and public utilities. How do you justify this type of rezoning made on the basis of a cash gain for the Budget?

Mr MILLINER: Rezoning of properties is not the responsibility of the Administrative Services Department. However, I can say that when we look at a property for disposal, we have discussions with the local authority to look at what the potential use of that property may be, and in the case of the Cairns Courthouse, which was zoned as a Police and Justice precinct, as I understand it, heads of agreement were entered into with the local authority to allow us to market that property and ensure the maximum return to the taxpayers of Queensland. But as far as the rezoning of properties—that is the responsibility of the Minister for Local Government, not a responsibility of this Department.

Mr LINGARD: But you are talking about a process of discussions with the shire councils and also with the local area. Clearly, when they disagree, the outcome is that there is rezoning and there is rezoning for a capital gain. Do you not believe that is incorrect?

Mr MILLINER: I believe that we have a responsibility to dispose of assets in the best possible way for the maximum return that we can achieve for the taxpayers of Queensland in

consultation with all groups. As I said, the ultimate responsibility of rezoning is not that of this Department or me.

Mr LINGARD: But when it goes against the wishes of the local government and the people of that area, do you not believe their wishes should be adhered to?

Mr MILLINER: That is something that the Minister for Local Government would take into account; it is not something that I or this Department would take into account.

Mr LINGARD: In relation to the Government's disposal of assets, from which the Government raised some \$69m last year—

Mr ROBERTSON: I take a point of order.

The CHAIRMAN: What is your point of order, Mr Robertson?

Mr ROBERTSON: Madam Chair, I think the honourable member is really testing the patience of other members of this Committee with respect to this line of questioning about the raising of revenue via disposable assets. I seek your advice as to whether this line of questioning should be continued to be allowed.

Mr LINGARD: I take a point of order. I have only just started this particular question. The Minister has answered the question previously. I ask that I be allowed to continue this question so you can judge.

Mr MILLINER: If it may help the Committee, I am still quite happy to take this line of questioning from the member.

The CHAIRMAN: Regarding Mr Robertson's point of order, I do take his point of order that this line of questioning is about the raising of revenue but, under the Standing Orders, if the Minister wishes to answer the question, he is quite at liberty to do so.

Mr LINGARD: In relation to the Government's disposal of assets, from which the Government raised some \$69m last year, and to the statements made by the Minister that the funds raised will be used for the replenishment of housing stocks for public servants, particularly in rural and remote areas, can you detail how much money was spent on Government employee housing schemes and where the differential was spent?

Mr MILLINER: At this stage, I do not have that information available at hand. We will undertake to provide that information to you. What we are doing is ensuring that we provide the necessary resources in those areas where they are required. This does in fact cover all of the departments, but as far as the disposal of those assets is concerned, when we dispose of them, we are providing the necessary accommodation at the request of client departments. We are not putting all the money that we receive from the disposal of the assets back into that particular program because, as I said, we are constructing public sector housing for public servants at the request of departments and we are not necessarily just doing a straight swap between the disposable asset and that being returned into that program.

Mr LINGARD: Clearly, it raises the question: once the assets are sold, where will the Government get extra funding for these Government employee housing schemes?

Mr MILLINER: As I indicated to you, we anticipate that this financial year we will dispose of assets and receive more for the disposal of those assets than we have requests at this stage to build employee housing. I believe that this program will be beneficial because it will provide the necessary public sector housing to those Crown employees in areas where they are being requested by the client Departments.

Mr LINGARD: You do not believe the assets will eventually be sold out?

Mr MILLINER: No, I do not. As I indicated, for the first time we are engaging in some asset management and identifying assets that are surplus to requirements. The examples that I gave you are just a couple of examples of properties that were surplus to requirements and have been disposed of. In many cases, the particular properties being disposed of are vacant land. If I remember rightly, most of the disposal of assets to date has been vacant land, although a few houses have been sold. We are treating these two issues separately. We are disposing of those surplus assets and then building the required accommodation at the request of client Departments.

Mr LINGARD: I return to Q-Fleet. I refer to page 54 of the Department's Estimates statement and the objective performance criteria for Q-Fleet. Are you able to provide some indication of what strategic management initiatives will be employed by the Q-Fleet Risk Committee in the risk management factors associated with fleet management, and are you able to supply an estimate of what funds are envisaged that the committee will save over the next period?

Mr MILLINER: I will defer that question to Mr Clarence, the Manager of Q-Fleet, who can give you a more detailed answer as to their process of risk management.

Mr CLARENCE: Les Clarence, General Manager, Q-Fleet. The Risk Committee referred to in the document is an internal committee that we have formed to review and determine the future values of vehicles and the maintenance components of vehicles so that when we set our lease rates we are looking at what the industry is doing and where the industry is heading, so that we are setting lease rates that are viable.

Mr LINGARD: I refer to the vehicle divisions of Q-Fleet. Has there been any provision made in the fund allocations to Q-Fleet for the relocation or co-location of its facilities which may lead to improved performance of the business unit and, specifically, the Zillmere site of the Vehicle Services Division, which is considered inconveniently located for access by many clients?

Mr MILLINER: There was some suggestion some time ago that there may be an opportunity to relocate the Zillmere complex, but at this stage it is not on our agenda to relocate it. We find that it is

sufficient for the purposes. There is also a facility in Colchester Street, close to the central business district, and clients of Q-Fleet can avail themselves of those facilities at that location.

Mr LINGARD: I refer to the reported poor financial performance of this particular unit over the past several years. I believe that the Vehicle Services Division has a debt of \$2m. What is the current level of that debt on which a moratorium was placed until July 1993? How has the Vehicle Services Division been servicing this debt since July 1993—if, in fact, it has been servicing the debt? Are there any specific proposals in this year's Budget to lower the level of this debt?

Mr MILLINER: Obviously, when Q-Fleet came into existence in the early 1990s, we started from scratch and a very low base. We have been attempting to build this organisation into a very profitable and well respected business unit. So far as debt servicing—I again refer to Mr Clarence, who can give you a more detailed answer.

Mr CLARENCE: The debt that the Q-Fleet workshop has is \$2.5m. It was there basically before Q-Fleet took over the workshop, which was then called the Government Motor Garage. Since Q-Fleet has had the management of the workshop, we have improved its performance to the point at which, in 1993-94, we are expecting it to make an operating profit of \$89,000. We have plans to pay the debt back to Treasury in July this year.

Mr LINGARD: I refer to page 54 of the departmental Estimates statement and the topic of commercialisation. Are you able to provide details of what actual benefits of enterprise bargaining for the business units are envisaged in relation to Q-Fleet, and what steps have so far been undertaken in the investigation of the feasibility of opening up Q-Fleet to competition in light of the belief that Q-Fleet would lose about one-third of its market when this occurs?

Mr MILLINER: I do not believe Q-Fleet will lose one-third of its market. I believe Q-Fleet is placing itself into a position of being a very competitive organisation. I think the results achieved to date would indicate that it is a highly respected organisation.

As to enterprise bargaining—we are in the process of enterprise bargaining, and those negotiations are continuing. I believe that Q-Fleet has a very good future. I believe it is providing cost-effective management of the asset, that being the Government motor vehicle fleet. I am very confident that, in the years to come, Q-Fleet will be seen as one of the leading organisations within Government.

Mr LINGARD: It is mentioned that Q-Fleet will adopt strategies to build strong alliances with clients and suppliers that maintain long-term, mutually beneficial business relationships, and I ask: what strategies do you intend to implement to build these strong alliances resulting in mutually beneficial business relationships, and what areas have been specifically targeted for attention?

Mr MILLINER: We have in place at Q-Fleet a system where we have client committees which examine the operation of Q-Fleet and give us feedback on the performance of the organisation. Q-Fleet has been very pro-active in going out and dealing with its clients to ensure that the level of service that Q-Fleet is providing is satisfactory to meet the needs of the client department.

As I said, Q-Fleet came into existence in the early 1990s. I think it has made tremendous strides in putting together a very profitable business unit that is becoming very well respected. When one looks at the number of other organisations that are now looking to use the services of Q-Fleet, I think that we will see Q-Fleet really held in very high esteem not only by Government departments but by other organisations throughout the community that are seeking to use the services of Q-Fleet. As I said, Q-Fleet has been very pro-active in ensuring that the level of service that they provide is to the satisfaction of the client department. I have no doubt that they will continue that client business relationship to ensure that there is that satisfaction to the client departments.

The CHAIRMAN: The time period allocated for questions by non-Government members has expired. I now ask Mr Robertson to continue with the questioning from Government members.

Mr ROBERTSON: I have a question relevant to the 1994-95 Budget Estimates for the Department of Administrative Services. I refer to Program Statement 015 General Services. With respect to the saving of \$14m, indicated in Budget Paper No. 3, page 79, which was achieved by Queensland Telecommunications, or Q-TEL, through the facilities management agreement. I note that in the outlook for 1994-95, Q-TEL is hoping to enlist all eligible State Government agencies in the Telecommunications Facilities Management Scheme by August 1994. Can the Minister advise how this agreement came about, with whom it was signed and the anticipated savings for 1994-95? Could the Minister also advise if any other benefits have been produced as a result of this agreement?

Mr MILLINER: It is very important to examine the performance of Q-TEL and the dividend that it is returning to the State Government. In 1989, when we won Government, we were not able to find out what the telephone bill was. In an organisation such as the Government, that is fairly worrying. At that stage, the Government received some 7 000 telephone accounts from Telecom relating to all Government agencies and departments. We had a look at that and thought about what we could do to improve the service. As a result of a committee meeting, it was determined to put in place a telecommunications facilitator that would negotiate the Government's telecommunications needs with the suppliers. Pacific Star, which is a consortium of the Bell Telephone Company of the United States and New Zealand Telecom, were successful in gaining the contract as the telecommunications facilitator.

As a result of that, they have achieved significant savings to the Government, as outlined in your question, of some \$14m so far. At the same

time, there is also a benefit to Telecom. As I indicated, some 7 000 telephone accounts were distributed to State Government departments. Telecom now sends one telephone account to Pacific Star, and Pacific Star sends some several hundred accounts to the various Government departments. Also, they manage the telecommunications of the Government. To give you a very good illustration of the savings that have been able to be achieved, there were some 4 000 telephone lines where the people had left the workplace, and those telephone lines had never been disconnected from Telecom. We were paying something like \$1.2m for telephone lines that were not being used.

Pacific Star, as our telecommunications facilitator and manager, has now been able to bring under control those sorts of circumstances that led to a gross waste of public money. The telecommunications facilitator has been an outstanding success and we are very confident that in the 1994-95 financial year there will be a saving of some \$18.2m to the taxpayers of Queensland by putting in place an efficient management system of the Government's telecommunications. We are obviously looking at ways and means that we can employ the best telecommunications equipment and the best telecommunications facilities at the best available price, and the best way to do that is from an honest broker being the facilitator of those services.

Mr ROBERTSON: You have answered questions on this matter before, but I am seeking further clarification in terms of ensuring that the expenditure anticipated in the forthcoming financial year is done so efficiently. My question is in relation to the rationalisation of Government property assets. As you have already said today, the State Government is the biggest owner of real property in Queensland, and as part of this the Administrative Services Department is a major owner of commercial property which it uses to accommodate Government departments as outlined in Budget Paper No. 3 on page 91. Getting back to my opening comment, can the Minister advise me what methods and procedures are in place to ensure that these assets are being correctly used and, when no longer required, how such assets are sold off for the best return for the Government?

Mr MILLINER: This is a very important area of the administration of this Department, and that is the area of portfolio management of the asset base of the Government. At the moment, as you quite clearly indicated, we are a very large portfolio owner and approximately 450 000 square metres of space is involved in the portfolio management. We are obviously looking at systems to be put in place to develop the portfolio management and we are putting in place systems that parallel those run by the private sector institutions. This includes the assessment of operational performance, the cost to control, the minimisation of vacancies and ensuring that capital works for upgrading, etc., are most effectively applied, which overall is subject to the review of the Government Office Accommodation Committee.

We put in place the Government Office Accommodation Committee to oversee the entire Government asset to ensure that we were getting value for money. That committee meets on a regular basis to determine the best use of the properties and the best mix within the property portfolio. This committee has also identified some major properties that have been surplus to requirements. They have been to the other departments to find whether there is a usage for those particular properties. If there is not a usage there, they are disposed of. Some of the properties that are in the process of being sold, or which have in fact been sold, include the old Coal Board property in Brisbane, the Bardon Professional Centre, the old courthouse building and police complex in Cairns, the old railway site in Cairns, the Port Office building in Mary Street, Brisbane, and approximately 100 residential properties.

As I indicated in my previous answer, most of those are basically vacant land that is no longer required. That has been another outstanding success in controlling Government assets. We have found that it has been very beneficial to clients to have a Government Office Accommodation Committee to which they can go and discuss their needs, and that committee can take an overall view, a whole-of-Government approach, to the provision of accommodation for Government Departments. It can look at what vacancies exist and what may be the potential use for a vacancy, having an overall perspective of the Government's needs.

Mr DOLLIN: On page 6 of the departmental Estimates statement there is a special provision in the Government Services section for RCTS subsidies. The amount of this subsidy is \$1.129m. I understand this subsidy relates to support for commercial television services in remote areas of the State. Can the Minister please explain for me why we are involved in helping provide commercial television services, the value of this subsidy, and the future for television services in these areas?

Mr MILLINER: That is a very important question for rural and provincial Queensland. As a Government, I think we all have an obligation to provide services to people right throughout the length and breadth of this State. If we find an instance where some people are being denied services that are generally available to the rest of the community, I think it is a responsibility of Government to become involved in assisting to provide those services to remote and rural Queensland.

As a result of that, there was a Remote Commercial Television Service established to provide television coverage that would not otherwise be available to these people. It covers about 80 per cent of the land area of Queensland and is the only commercial television service able to be received by about 100 000 people in rural and remote areas, and these areas include regions such as Roma, Longreach, Charleville, Winton, Barcaldine, Blackall, Cloncurry, Hughenden and Cooktown. In more than 45 communities across the State small transmitters have been put in by the local councils or the community to distribute the signal. There are also

about 10 000 individual dishes on homesteads and stations.

Although it is not a lot of money—it is \$1.129m—that we are spending on this program, I think it is vitally important for people living in remote and rural Queensland to be able to receive television services that you and I, living in, major metropolitan areas and provincial cities take for granted. It would be terrible if people living in those sorts of places could not witness Queensland winning the State of Origin game next Monday night.

Mr DOLLIN: I notice in Budget Paper No. 3 in the 1994-95 Program Statements for the Administrative Services Department that there is an item there which relates to excellent results being achieved by the School Security Program. I understand that this program was probably piloted in Maryborough, where there was a spate of fires in schools and Government buildings. Could the Minister advise me of the nature and scope of the School Security Program mentioned on page 91 of Budget Paper No. 3? On what basis are schools selected to be put on the program? What types of security are provided? What is the cost of the program, and what does it include? Are there any statistics available with respect to offences against schools in the program, including arson, on which the success of the program can be evaluated? Are there any figures available to indicate the number of alleged offenders who have been dealt with by police for offences involving schools in the program? Can the Minister advise as to what is planned for the future with respect to school security?

Mr MILLINER: The School Security Program has been a tremendous success in providing security at schools. Each and every one of us has been sickened by the wanton acts of vandalism and arson that we regularly see carried out at schools. Although there is the destruction of valuable resources, I do not think that anybody can really measure the trauma that is created for both students and staff working in that school when the school has been vandalised or destroyed by fire.

As a result of the problem caused by vandalism and arson within our schools, we decided to put in place a school security system to try to cut down on the amount of vandalism and arson that was occurring within the schools. At the moment, it involves some 323 State schools throughout this State. Of those, 298 are fitted with electronic detection equipment which is monitored by the State protective security people here in Brisbane in their central operations room. They also provide patrol services and response support to 144 of the schools. These are patrol officers who work in consultation with the central office to provide a rapid response, should an alarm go off at those schools. Of the remaining 179 schools, most of those are situated in remote areas and are patrolled by policemen when the alarms are activated.

The schools are identified as being at risk by the Education Department and we work very closely with the Education Department on this program to identify the schools that are at risk, and then we put

the state-of-the-art alarm systems in those schools. It is fairly expensive. In a primary school, the cost is in the vicinity of \$25,000 to install the alarm system and in a high school, it costs about \$40,000-odd. It is not cheap, but it is state-of-the-art equipment. We believe that the return to the taxpayer has really been worth it because there has been a 70 per cent reduction in the costs to Government resulting from offences against schools that have been in the program. We are monitoring the effectiveness of this particular program.

We have also been able to stop some 39 arson attacks at schools. We estimate that had those fires been successfully lit, the damage would have been to the value of some \$8.15m. We have also caught 1 365 unauthorised people on school properties. It really is a great initiative of the Department and of the Government to get rid of that problem.

The CHAIRMAN: Thank you, Minister. I will ask Mr Vaughan if he has any questions.

Mr VAUGHAN: Minister, of late, there has been a fair amount of publicity and market speculation surrounding the sale of the Smellies/Port Office Hotel precinct which is located between the corner of Margaret and Edward Streets and the corner of Edward and Alice Streets opposite the Heritage Hotel. On page 91 in Budget Paper No. 3 in the 1994-95 Program Statements from your Department, there is a reference to the ongoing development of strategic property management plans. As a consequence of undertaking these plans, Q-Build's Property Management anticipates facilitating commercial property disposals worth in excess of \$22m this financial year.

Could you please advise me of the significance of the disposal of the Smellies/Port Office Hotel precinct in the overall achievement of projected commercial property disposals? Could you tell me why the property was earmarked for disposal? What is generally planned for the site? Do the proposals for redevelopment take into consideration the heritage nature of the precinct?

Mr MILLINER: They do take very much into account the heritage significance of those properties because four of the six buildings within that precinct are heritage-listed, those four being the Port Office Hotel, Smellies warehouse, the old Mineral House and the Alice Street works depot. It is a relatively large inner-city site but, again, it was deemed to be surplus to requirements for Government purposes. Therefore, a decision was taken to dispose of the properties. They were put out to tender to attract parties to tender for the purchase of those particular properties. Some 22 parties wished to purchase the property. I am very confident that in the near future, a successful contract will be negotiated. We are in the process of evaluating the tenders and we are very close to entering into a contract with a potential buyer for those particular properties.

Obviously, being heritage-listed can impact on the properties because the heritage listing of those buildings can restrict the potential use of the particular site. I have visited the site and have had discussions with Q-Build Property Management, and I think those properties lend themselves to some

form of residential development, restaurants or that type of environment. They are difficult to market because of the heritage value but, obviously, we have to preserve the heritage of the city and the State. As I said, we are very confident that the successful negotiations will result in the sale of those properties.

Mr VAUGHAN: I notice from page 91 of Budget Paper No. 3 and various newspaper articles and property industry magazines that the Administrative Services Department has introduced a standard lease agreement. This was referred to earlier in answer to a previous question. As I understand it, some landlords and property managers—I think you have also alluded to this—appear to think that your standard lease is somewhat innovative, and others seem to feel that it is an appropriate approach. I am also told that it contains some new initiatives that are not normally found in commercial leases. A number of these things have disturbed landlords, and I imagine that your lease negotiators would have difficulty in getting landlords to accept them. Therefore, could you give the Committee a brief outline of the main features of the standard lease together with the philosophy behind it? Could you also let us know how you got away with it?

Mr MILLINER: Obviously, Q-Build Property Management is involved in leasing private sector property to a large degree, so it was desirable to have a standard lease so that there would be standardisation across the leasing of those properties. Some two years ago, we had our solicitors, the Public Trustee, draw a draft of this standard lease. Obviously, when we did that, it immediately attracted the interest of the Building Owners and Managers Association—BOMA—which expressed some concern about some of the provisions contained within that lease.

However, we were able to successfully negotiate with BOMA and work through the problems that they had with it. We now have this standard lease which has been pretty well accepted throughout the industry now that we have sorted out those problems that we initially had with the lease. Some 90 per cent of all leases that we are entering into have this standard lease used in them. The sorts of terms contained in the lease are four-year terms with two by two year options and a fully gross rent which dramatically reduces lease management costs. Each of the parties has to pay his or her own legal fees, which has resulted in a large saving in legal expenses.

The CHAIRMAN: The time allocated for questions by Government members has expired. The non-Government and the Government members have each completed an equal number of 20 minute blocks. We have 27 minutes of allocated time remaining for the Administrative Services Department Estimates, so we will say that there will be 14 minutes for the non-Government members and 13 minutes for the Government members.

Mr LINGARD: I do not wish to take a point of order, but I personally think that when eight lots of 20-minute periods are allocated, that is what it should

be. I think in the future we should look at our own Standing Orders. If it is the case that we take 10 minutes for the Minister's comments at the start and for Ministers to change over, there should not be an impediment by bringing it back down to 13.5 or 14 minutes. I do not wish to take a point of order at this stage. I think we should look at our own Standing Orders.

The CHAIRMAN: I will take your comments on board, Mr Lingard, and we will discuss that later.

Mr LINGARD: I refer to the role that the Department of Administrative Services performs in the capital works component of other departments. I refer specifically to the role that the Department plays on behalf of the Education Department and the Health Department, and their respective works projects. The Education Department has experienced considerable delays in the number of capital works projects, and in some instances it has taken more than 12 months from the handing of a brief to Q-Build to achieve final approval from the Department. This often results in unfinished projects and large amounts of capital works allocations to be rolled over into the following Budgets. What reviews has the Department implemented to overcome these delays and inefficiencies?

Mr MILLINER: The Department is always constantly reviewing its performance to ensure that we have satisfactory performance standards within the departments. I do not accept that there are the problems outlined by yourself. We are a service department and we rely on the information and briefs given to us by clients. However, there are delays, sometimes, in the completion of work, and those delays can be generally attributed to things like the weather, which is totally out of our control, and also in some of the more remote areas, it is more difficult to transport materials into those particular places to complete the work.

However, with major capital works as far as Education is concerned, I believe that we are delivering those projects on time and within budget. I regularly speak with my ministerial colleague Mr Comben about the performance of our units within our Department, and as far as capital works are concerned—and I am talking about major capital works—generally speaking, we are very competitive when you consider us with the rest of Australia. To give you an example, when a new school is given to us, we can generally complete that entire project from first receiving notification from Education to preparing the tender documents, calling tenders and having the project completed, within 12 months to 15 months. When you compare that to other States, it in some cases takes them several years from when first identifying the need for resources to be placed in various locations. I think that we are providing a very valuable service and a very timely service to our client departments.

To give you an example of the sorts of delays that can occur—at the Mooloolaba State School, we had some 100 millimetres of rain, which was experienced between January and April, and that allowed for only five working days within that period

of time. So yes, sometimes, projects are delayed, but the circumstances are out of our control.

Mr LINGARD: Minister, are you able to supply some indication of the figure that has been rolled over in the capital works allocation due to the departmental administration processes?

Mr MILLINER: Which department are you talking about? You must understand that we are a service department and those funds are, in some cases, within other departments.

Mr LINGARD: I take your point, but clearly Education is one where there has been a rollover of funds.

Mr MILLINER: It is in the Education budget, but I am quite happy to provide that figure for you.

Mr LINGARD: Have there been any staff reductions from this unit and, if there have, can you explain why?

Mr MILLINER: Which unit are you talking about? Are you talking about Project Services?

Mr LINGARD: Yes I am—the whole Department.

Mr MILLINER: If you look at the PSMC report, quite clearly it indicated that, in their belief, Project Services were completing something like 80 per cent of Government work in-house. For the reasons I outlined before, it is desirable to reduce that figure to some 50 per cent to assist the professions in the private sector. As a result of that, there has been a downsizing of Project Services to facilitate that.

What I have to tell you is that those people who have basically left that particular business unit have been professionals who have been readily employed outside. I think we have been fairly lucky because, in a period of difficulty during the recession when there was not a lot of work in the private sector, many of these people were employed in the Government sector. Now, as we are coming out of the recession and the building industry is picking up, there is a greater pick-up and there is a greater involvement of the private sector and the private sector professions in the provision of providing those services to the private sector. So we have been very lucky that we have been able to downsize at a very advantageous time and those people who have left us have been able to pick up employment in the private sector. But there has been a downsize in that particular business unit.

Mr LINGARD: But clearly, if there is a downsize in Project Services, you would have to admit that it favours you because the delays could cause more money to be rolled over. I mean, how do you answer that criticism, which is clearly a criticism of your Department recently?

Mr MILLINER: I do not accept that, because many projects, for argument's sake in Health, are now being completed by the private sector. I think that it is probably fair to say that most of the Education projects are being handled by Project Services, but I do not accept that any delays are as a result of the downsizing of that particular business unit. I think that 50 per cent is a fair balance between in-house work and putting out to consultants. We do have an

obligation to ensure that we stimulate the private sector to put in place a system where graduates, particularly from university, can gain valuable experience in the private sector. If we can do that, I think we have achieved quite a number of things to the benefit of everybody.

Mr LINGARD: Let me turn quickly to Goprint. I refer to page 47 of the departmental Estimates statements and to the salaries and related costs of Goprint. I observe that there is a \$171,000 decrease in the expenditure of this cost, and I note that the benefits of early retirements and reductions in work force size will be reaped in 1994-95. I ask: are you able to provide further details of the following—what has been the actual cost of the early retirements for the period 1993-94? What is the envisaged cost for 1994-95? What increases in productivity and profitability are expected from the overall reduction in the work force size during 1994-95?

Mr MILLINER: Goprint, having been established as a business unit, obviously had to look at its operation and look at its overheads and costs. Part of that examination identified that there was a capacity to reduce the staff in that particular organisation to get it into a competitive situation. So far, there has been a reduction of some 70 personnel at that particular organisation, and the total for that has been \$2.4m to achieve that particular reduction in that work force.

Goprint is operating as a very efficient business unit with the staff that were identified as being surplus to requirements now leaving. Goprint is now engaged in negotiating an enterprise agreement with its workers, and I am very confident that that will be very successful and that you will see, yet again, increased productivity from Goprint.

When Goprint was set up as a business unit, the departments were untied from Goprint for quite a number of printing requirements, which meant that Goprint had to become competitive. Goprint now is returning a profit to the Government. It made a net profit last year, and we believe that it will go from a net profit of some \$190,000 to a net profit of \$300,000 in the 1994-95 year.

Mr LINGARD: I take your word for the increase in productivity, but who monitors from outside what increase in productivity and profitability there has been within Goprint?

Mr MILLINER: Sorry?

Mr LINGARD: Who else monitors that, and what other surveys are done to ensure that there is an increase in productivity and profitability?

Mr MILLINER: Obviously, Goprint is an organisation that is audited. This Department has internal auditors to monitor the performance of that particular organisation. One only needs to look at the performance of Goprint over the last couple of years to see the outstanding progress that has been made in turning that particular organisation around from being a Budget-dependent organisation to an organisation that, today, is returning to the taxpayers a profit in a competitive environment.

When departments are untied from Goprint and are allowed to seek and to obtain their services from

the private sector, I think that it is encouraging that a public sector organisation such as Goprint can compete in the commercial environment, bearing in mind that Goprint is probably restricted in its operation in so far as it has to provide some products that are unprofitable simply because there is a requirement—things like *Hansard* and a number of those sorts of things where there is a requirement to provide them. If you were operating in a purely commercial environment, you would probably get rid of that sort of product very quickly. But they have a statutory obligation to provide those sorts of things, and they also provide a free list.

I think that Goprint is an outstanding success. I am very confident that, with the management of Goprint, with the employees who are there and the spirit of cooperation that has been entered into with the negotiating of the enterprise agreement, Goprint will again be a shining example of the professionalism of this Department.

Mr LINGARD: The dividend paid to Treasury was \$100,000 for 1993-94 but will rise to \$300,000 for 1994-95. I ask: why has there been a \$200,000 rise in the dividend paid to Treasury? What rental subsidy used to be utilised by Goprint in this Budget? Are you able to provide some indication of the floor space currently being rented by Goprint that is not being used?

Mr MILLINER: Again, the increase in the dividend to Treasury is a clear indication of the success of this organisation. I am very confident that those sorts of figures will be achieved. As to your more detailed questions about floor space—unfortunately, I do not have that information to hand, but I would ask the Government Printer, Mr Ward, to give you a more detailed answer.

Mr WARD: There is about 3 000 square metres of spare space at Goprint. This has come about because of technology and a reduction in the work force.

Mr LINGARD: Are all of the printing requests forwarded to Goprint by the Government undertaken by Goprint, or are some jobs contracted to outside enterprise?

Mr MILLINER: As a commercial unit, Goprint does outsource and also brings work in. Mr Ward may be able to give a more detailed answer.

Mr WARD: We used to be into outsourcing, as a contract printer on behalf of the Government, but we found that that was not profitable, so we got out of that business. The Government departments now have the discretion as to how they place their work. If they want us to place work for a specific project we will, but normally we will only produce what is either given to us or won by quotation.

Mr LINGARD: Who oversees the tender processes and what procedural guidelines are followed?

Mr MILLINER: Normally, that is done by quotation. If a particular department wishes to engage a private sector organisation to complete work, those sorts of quotations are invited from a number of private sector organisations.

Mr LINGARD: The untying of Government agencies from Goprint has resulted in a decline in sales in general printing. Overall revenue growth of 5 per cent is projected for 1994-95, with a continuation of sales growth currently being achieved in other areas. I ask: what are these other areas of sales growth that will contribute to the projected revenue growth of 5 per cent, and what management and marketing strategies are being employed within these areas?

The CHAIRMAN: The time allocated for questions by non-Government members has expired.

Mr ROBERTSON: On page 79 of Budget Paper No. 3, mention is made of the Queensland State Archives and the savings that have been incurred as a result of reducing expenditure on Government inner city storage with the relocation of the archives to Runcorn, which incidentally happens to be in the electorate of Sunnybank. Could the Minister please advise me about the quantity of material being transferred into the new archives facility at Runcorn, and are there any concerns about a processing backlog? If so, what are those concerns, and what is being done to address them?

Mr MILLINER: Again, this is an important question because it deals with the preservation of the historical records of the State. Because of the new building at Runcorn, a tremendous influx of material is being received at the State Archives. At the Archive's previous location, it was not possible to store the relevant records. With the new building, there has been an increase in the storage capacity of that organisation. That has meant that Government departments have been able to remove records from very expensive inner city space to the new facility at Runcorn.

Obviously, with this great influx of material into the State Archives, it has created a situation where there is a fairly large backlog of documentation. Firstly, this material must be assessed and then decisions taken as to what will be done with those records. As a result of the backlog in the material to be processed at the Archives, it has been necessary to provide funds in the Budget to employ a number of temporary staff.

This financial year, we will be employing an additional five staff to process that backlog. We will monitor the performance of the staff at the Archives. Obviously, we will have to give consideration to extending the funding at the Archives into the next financial year to ensure that the records are being processed. The Archives do play a very valuable role in preserving the material and the records of the State. The new building was long overdue.

But, again, I must give the warning that, with the present influx of material to the Archives, if we are not successful in processing this backlog of material, we will very quickly find ourselves in a situation where we will again become short of space. We are very conscious of the requirements of the archivists and the staff at the Archives. We will be doing everything we possibly can to ensure that the backlog in material at the Archives is processed as quickly and as thoroughly as possible to ensure that

the records of the State are preserved and maintained in the appropriate manner.

Mr VAUGHAN: On page 79 of Budget Paper No. 3, I note that the review of the Administrative Services Department by the PSMC recommended that a review of the State Government Telephone Network, SGTN, be carried out with particular emphasis on options for the future. Could you please advise me whether the review was carried out and, if so, by whom? What recommendations were made? I would also like to know whether the recommendations have been actioned and whether, as a result of these actions, there has been any impact on ASD staff or the budgets of departments. I would also like to know what is planned for any savings that have been achieved through the initiatives of the Department and how these savings are to be distributed.

Mr MILLINER: Once again, the advances in telecommunications technology are mind-boggling. Some years ago, the State Government designed and built a State Government telephone network. That was very successful and met the needs of the day. However, with the advances in telecommunications and following the PSMC review, it was necessary to examine the telecommunications facilities that the Government had. As a result, officers from Q-TEL and Pacific Star carried out that review in December 1993.

As a result of that review, a recommendation was made to replace some 20 000 State Government telephone network extensions in the Brisbane area with a Telecom CENTREX service, called Spectrum Gold. That will be completed over the next 18 months. CENTREX is a telephone system provided by the telecommunications carriers Telecom and Optus and is an alternative to customers buying and operating private telephone equipment located in their own premises. As the name implies, CENTREX equipment is located centrally at the carriers' exchange, instead of at the customers' premises. This allows the carriers to provide, maintain and operate their equipment more cost effectively, utilising staff already in place at the exchange.

We sold the old telephone network to Telecom as part of the deal. As a result of putting in place this CENTREX contract, the Government is expected to save in the order of \$7m on the telecommunications network in the State. As I indicated, Telecom did purchase the old State Government Telephone Network equipment for some \$5.5m. The remaining network will continue in service in provincial cities. Fifteen Administrative Services Department personnel were employed in operating the State Government telephone network. They were located at the Pacific Star premises. With the introduction of CENTREX, those personnel will continue to be employed at Pacific Star to manage the remaining State Government telephone network equipment and to maintain the CENTREX equipment. They will form the core group, which will ensure that the Government retains its core services should the contract with the Pacific Star organisation be terminated. We are very fortunate that we have been able to manage the Government's

telecommunications facilities in the way that we have. Significant savings were to be gained in that area. We are doing everything possible to ensure that those savings are maximised.

050 **Mr VAUGHAN:** In past years, significant failures in the building industry have had a severe impact on subcontractors and have resulted in some cases in significant delays in project procurements and substantial increases in the cost of capital works. That is referred to on page 79 of Budget Paper No. 3. Could you please advise the Committee what steps are being taken by the Government to avoid such project delays and cost escalations due to contractor failures and what is being done to provide security of payment, which is a very important issue, particularly for subcontractors working in the building and construction industries?

Mr MILLINER: Again, that is a very important question. All too often, we see the failure of a major building contractor causing subsequent problems for subcontractors. It is probably fair to say that jurisdictions around the world have wrestled with that problem of security of payment to subcontractors. It is a very difficult problem. Three years ago, we looked very closely at that problem and tried to do everything we possibly could to overcome the problem of security of payment, particularly to subcontractors.

Although it is an extremely difficult area, we in Queensland, in particular the Administrative Services Department, have been playing a leading role in it. For example, following the publication of Australian Standard 2124, on 28 June Cabinet decided to incorporate within the State Purchasing Policy the initiatives taken by my Department to adopt the Australian Standard 2124 general conditions of contract and accompanying special conditions which ensure a large measure of security of payment for subcontractors.

By virtue of incorporation in the State Purchasing Policy, the use of those conditions was extended across the whole of Government from 1 October 1993. One of the key elements of that is a system for the proof of payment of subcontractors. The head contractor must give proof of payment to the Government before that head contractor is paid, therefore ensuring that the subcontractor has some recourse should the principal contractor fail.

I know that has not worked in all cases. One thing that one cannot take out of these things is the human element. We are obviously very concerned about the security of payment to subcontractors, and we will continue to do everything that we possibly can within contracts administered by my Department to ensure that subcontractors receive as much protection as they possibly can. I know that it would be very nice if we lived in utopia and we could offer them total protection. However, that is unrealistic.

I can say to the Committee that we in the Department will ensure that we do everything possible to protect the position of subcontractors in the event of the failure of a major contractor. Again, I

say that it is not a perfect system and we do not pretend that it is a perfect system, but at least we are doing something to endeavour to protect subcontractors.

Mr DOLLIN: If I can take the Minister to my home town, Maryborough, and refer him to page 31 of Budget Paper No. 4, the Capital Works Program—that project refers to new Government offices in Maryborough, which will meet longstanding needs of the departmental officers in Maryborough for appropriate accommodation. Could the Honourable Minister please advise the Committee: when will the building project be completed? What are the costs involved? Who will occupy the building? What impact will it have on the local community?

Mr MILLINER: A very important question for the good citizens of Maryborough.

Mr DOLLIN: For a very important building.

Mr MILLINER: It is. We undertook that initiative when we identified a shortage of office accommodation in the Maryborough region and a demand from client departments to supply accommodation in that region. As a result of that, the Government made a decision to build a Government building in Maryborough. Construction of the new building commenced in March 1994. Along with Mr Dollin, I had the pleasure of going up there and turning the first sod before construction of the building. It is anticipated that the building will be completed in October this year.

The building is valued at \$2.9m. All the indications I have are that the building is on time and within budget. I am very confident that that will continue. The occupants of the new building will be the Education Department and the Environment and Heritage Department, which will move from the former Telecom building. The building will be a major asset to the Maryborough area. Previously, some concern was raised about the impact that the building would have on the private sector.

The CHAIRMAN: The time allotted for the consideration of the Estimates of expenditure for the Administrative Services Department has now expired. I do thank the Minister and his officers for their attendance. The next item for consideration is the Department of Lands. The time allotted is four hours. I take on board Mr Lingard's comments about us losing time, so we will commence the Estimates for the Lands Department in exactly five minutes from now to allow for the changeover. We will cut down our 15-minute break later to 10 minutes.

The Committee adjourned at 7.45 p.m.

The Committee resumed at 7.50 p.m.

DEPARTMENT OF LANDS

In Attendance

Hon. G. Smith, Minister for Lands
 Mr Bruce Wilson, Director-General
 Mr Rob Freeman, Executive Director, Planning and Policy Group
 Mr Keith Watts, Executive Director, Corporate Services Group
 Dr Neil Divett, Executive Director, Programs
 Mr Dennis Long, Cabinet Legislation and Liaison Officer
 Mr Malcolm Cremer, Director, Operational Review Unit/Acting Program Director, Land Valuation Program
 Mr Peter Philipson, Director, Finance Branch
 Mr Bob Lack, Program Director, Land Use Program
 Mr Loren Leader, Program Director, Land Titles Program
 Mr Dave Forrest, Program Director, Land Boundaries Program
 Ms Margaret Berenyi, Program Director, Land Information Program
 Mr Dominic McGann, Program Director, Aboriginal and Torres Strait Islander Land Interests Program
 Mr Russell Molloy, Manager, Budget, Finance Branch
 Dr Ian Galloway, Director, Land Sustainability Subprogram, Land Use Program

The CHAIRMAN: For the information of the new witnesses, the time limit for questions is one minute and for answers is three minutes. A single chime will give a 15-second warning, and a double chime will sound at the expiration of these time limits. As set out in the Sessional Orders, the first 20 minutes of questions will be from non-Government members, the next 20 minutes from Government members, and so on in rotation. The end of these time periods will be indicated by three chimes. The Sessional Orders also require equal time to be afforded to Government and non-Government members. Therefore, when a time period has been allotted which is less than 40 minutes, that time will be shared equally. For the benefit of Hansard, I ask all departmental officers to identify themselves before they answer a question.

I now declare the proposed expenditure for the Department of Lands to be open for examination. The question before the Committee is—

"That the proposed expenditure be agreed to."

Minister, is it your wish to make a short introductory statement, or do you wish to proceed direct to questioning? If you do wish to make a statement, the Committee asks that you limit it to two minutes.

Mr SMITH: I would like to make a short introductory statement. Tonight is the first time that the Queensland Parliament has had the opportunity to examine the budget of the Lands Department within the forum of an Estimates Committee. It is an historic moment, and I certainly welcome the opportunity to be the first Lands Minister in the firing line.

The Lands Department is a relatively new department in its current form. When this Government came to power in December 1989, one of the tasks before it was to clear up the confusion and inefficiencies of the public sector that had been left to us. One of the most significant changes was the bringing together of what had been four separate agencies dealing with land matters into a single integrated Department of Lands. Together with that change, we have established a network of 34 offices across the State where the Department's products and services are on offer.

I draw the Committee's attention to the departmental overview at the beginning of the departmental Estimates statement, where the Department's corporate mission, its objectives and its activities are outlined. The 1994-95 budget for the Department of Lands is \$135,084,000—an increase of \$12.81m, or nearly 10 per cent, over the estimated actual expenditure for the current financial year. I now invite questions on the budget for 1994-95. In doing so, I would ask particularly that Committee members refer to the specific page in either the Budget Papers or the departmental Estimates statement when asking their questions.

The CHAIRMAN: Thank you, Minister. The first period of questions will commence with questions from the non-Government members. Mr Hobbs?

Mr HOBBS: My first question relates to page 63 of the Budget Estimates document. I refer to the replacement of the MIPS computers, and I ask: will the new computer system be GOSIP compliant?

Mr SMITH: I understand that it is. I need to look up the details of that particular acquisition. As you would understand, the existing business systems provide services for a wide cross-section of clients, including all levels of Government, professional groups, property developers, rural industry, land-holders, etc. The Tenure Administration System and the Computer Inventory of Survey Plans are key databases forming major components within the Queensland Land Information System. Of course, these will be the systems catered for by the replacement computers.

Some of you will be aware that the Tenure Administration System manages all leases and deeds administered by the Department, including the assessment of applications to lease or purchase State land. The Computer Inventory of Survey Plans provides a method of validating the lot plan identifier in major departmental databases. It is an integral part of the basic land information network. The purchase of the two computers will allow the Department to maintain separate hardware environments for both of those two major business systems. The benefits of those systems will include improved reliability of

technology, reduced maintenance costs and, more importantly, the standardisation of systems to what is known as the Ingres Version 6 system. It will have the capability of on-line linkages between all major departmental systems. In all, it is quite an extensive lift in the state of technology used for the systems.

Mr HOBBS: I presume that you are saying that it does have the on-line linkages?

Mr SMITH: I said that.

Mr HOBBS: Yes. I would like you to be aware that the GOSIP policy has been declared a waste of money and was recently abandoned as a strategy by the US Government following an extensive cost-benefit analysis. I wonder why the Government is persisting with this wasteful practice?

Mr SMITH: In Queensland, we have an information policy board. It was one of the initiatives of this Government when it came to office to get away from the colossal waste of money that had occurred under the previous Government. We discovered that we had a range of different computer systems from department to department and even within CITEC which bore no relation to one another and which were completely incompatible. Basically, it was very much an ad hoc system. I know something of this issue, because it fell within my portfolio area during the first six months of my period as Minister for Business, Industry and Regional Development—or Manufacturing and Commerce, as the portfolio was then named. A great deal of time, effort and expertise has gone into putting together the information board and ensuring that the decisions taken by Government are appropriate.

It would be fair to say that included on the information policy board are people who are recognised leaders of the industry, and of course recognised leaders in Government and the private sector. The decisions taken by that board are not taken lightly and are certainly taken utilising the best expertise available.

Mr HOBBS: I presume that you are referring to the GITC—the Government Information Technology Contract. Are you saying that, following advice from that group, this system would be purchased under that contract?

Mr SMITH: The information policy board established by the Government reviews all purchases and all systems that are to be put in place. That selection would be made in the light of the recommendation of that board.

Mr HOBBS: How old are the MIPS computers that are to be replaced?

Mr SMITH: It is not a question of how old they are; the fact is that the manufacturer will no longer support the systems. In fact, spares are unavailable. I think that parts and components will cease to be available in about 12 or 18 months' time—it is certainly a very short period of time. We have no choice but to move to a new hardware platform and, as I said before, the new system will use the Ingres Version 6 system, again a very much updated software package and one which is more compatible with other systems within the Department and Government. There is no choice in respect to

replacing the computers. It is just like a model that has come to the end of its run and parts are no longer available.

Mr HOBBS: The reason I asked that question is that I understand that at the time of purchase there were a lot of other very suitable brands around that would have still been able to supply parts and equipment now. I believe that at the time advice was taken from the Information Policy Board and others bodies to buy the MIPS computers. Will we see a repeat of that mistake?

Mr SMITH: Actually, what you are talking about is something that occurred long before the commencement of this Government, when the MIPS computers were purchased. So I am certainly in no position to comment on the reasons why they were purchased. However, I am here to say that I have every confidence in the decision-making process that has been put in place to select the equipment that is proposed to take over from that equipment which is presently in place.

Mr HOBBS: I refer now to page 69 of the departmental Estimates statement where there is mention of SEQ 2001. In relation to the broad core areas, there is suggested a linking of corridors to provide a framework for an adequate Regional Open Space System. I note that information has been related to property boundaries in order to establish the extent of property ownership. How is such land determined and have such private property owners been consulted about the possible inclusion of their land in such open space corridors and, if not, when will they be advised and what avenues will they have to object to such inclusion if that is their wish?

Mr SMITH: I am just trying to work out where to start on that. Obviously, this is a very recent decision. As you are aware, it was only announced a few days ago, so it is hardly possible that consultation would have taken place. I think the important thing to remember about SEQ 2001 and the Regional Open Space System is this: we are seeking to have natural corridors. Unfortunately, it is a process that should have started many years ago.

When this concept was first presented to me, I had some reservations about it myself. I was uncertain how it would work and what the advantages might be. I took the opportunity to go to Melbourne where such a system had been put in place by a thoughtful Government some 20-odd years ago, and to see what has been achieved in the Melbourne area, which has a much greater population density than Brisbane or, for that matter, south-east Queensland, was certainly an education for me. I came back very much enthused about that particular program. It is not intended to be a heavy-handed program; it is one that I would have thought people who have an interest in the rural sector or the rural industries would have welcomed because, in part, it will hopefully prevent what is useful production land being turned over to growing houses on agricultural land. I would have thought that is something that most conscientious members of Parliament would have appreciated.

Now, there are a whole range of things that we could look at in respect of this. It does not mean that

we have to go out and lock this country up. There are a whole range of things that can be done that can include nature conservation agreements, which need not in any way interfere with the productive capacity of the land. There may be agreements, for instance, reached with someone who has open land which is in production to simply keep that land as productive land under the appropriate zoning and it could be negotiated that the property might become available for two or three days, or whatever period, during the year to provide some kind of public access to give urban people an experience of the agricultural side of life which they might not otherwise see. In terms of acquisition, the consultation and negotiation will be the cornerstone of that program—

The CHAIRMAN: Thank you, Minister.

Mr HOBBS: On the same subject, I refer to your indication in the Estimates documents that 75 per cent of the additional land required for a ROSS would be secured by strengthened planning controls and another non-purchase instruments. What limitations will be placed on the subject land? You mentioned a while ago that they were identified, but what limitations will be placed on the subject land and will owners of such land be compensated for any such restrictions?

Mr SMITH: Again, it can be a whole range of different vehicles. First of all, I should start off by saying that the general thrust of where these corridors will occur will first of all be negotiated with the steering committee of the local governments that are involved, and there are a number of them. So there is an overarching committee that will select the general direction and general location of those areas and only then will we start looking at what particular properties might be required. Undoubtedly, and I was about to say this before when I ran out of time, with a Budget of \$4m, if you consider how much land you can buy in south-east Queensland in freehold title for \$4m, it is not very much, so the scheme is going to be very dependent on cooperation with existing land-holders. Those purchases will only occur where there is in fact no other option. All the other vehicles, as I said before—nature conservation agreements, access agreements—could be put in place. The emphasis certainly will be on a voluntary association, a voluntary contribution and maximum consultation.

Mr HOBBS: If land owners object to such planning restrictions, what avenues will be open for them to object and will there be any flexibility for them in the system if they really do not want to be in it?

Mr SMITH: They have an entitlement to all the instruments of law in respect to planning and zoning that they have at the present time. There is no proposed legislation to overturn the existing rights of any land-holder. Should that question arise, it would follow the normal processes. However, that does not leave out the availability of Government requiring, by way of compulsory acquisition should it become absolutely critical, a particular parcel of land. As I indicated to you before, I am very hopeful—and it would be the objective of the ROSS committee—that that will be very much the

exception. The emphasis will be to get the cooperation and agreement of land-holders and local governments to a regime that will be in the interests of all concerned.

Mr HOBBS: Would you think, though, that probably the best way out of the whole thing would be if the Government could in fact purchase the required land outright?

Mr SMITH: That would be a great solution if the Government had that sort of money, but I have made the point that we have a limited amount of money. We have started very much too late; we should have started 20 years ago. Quite frankly, the prospect of buying high-price land is out of the question. Some of the land that people might regard as being pristine and highly desirable for such a scheme is most likely going to be out of the range of the financial capacity of the program.

Should it be bought outright? We would think that is not necessarily so, particularly flood plains which may be used for grazing and that sort of thing. They can be very important in terms of natural filtration. There is no particular reason why it should be bought. In that situation, the owner would probably be very glad of some sort of an assurance or agreement to keep that land in its existing state.

Mr HOBBS: I refer to page 11 of the Estimates in relation to land sustainability. I also refer to biological control measures for insects and pests. What funding is allowed in 1994-95 for overseas research programs on biological controls?

Mr SMITH: I think you are probably talking about the fact that the North American station was closed. You may be saying, "How much money have you got to carry out similar activities?" The fact is that the allocation for this year is about \$150,000. The costs of operating the North American station had increased to a point where alternative arrangements had to be investigated. It was not cost effective. It was not possible to maintain that station, considering the potential results that were likely.

A very valuable professional network has been set up between our offices and the CSIRO's Mexican centre. That was one of the reasons we decided to close the station and replace it with a more formalised, professional network. That is the sort of thing that happens in many spheres. You do not necessarily have to have people on the ground.

My attention has been drawn to the fact that I have understated that. In fact, the money available for plant research on a worldwide basis—not just in America—is now \$250,000. The American station was obviously taking up a very large component of that money, and we can do better. We have people working with professionals in other places around the world. It is not totally dependent on the results of the North American station.

I am told that the particular network that has been put in place for North America, which will still provide about 80 per cent of what we were getting by having our own staff in place, will come down to a cost of \$50,000, freeing up money for other programs and research.

Mr HOBBS: I note that the total funding for land sustainability is \$22.2m. In view of the fact that a reduction in real terms over a number of years has seriously eroded the effectiveness of the Rural Lands Protection Board, and while an additional \$700,000 is welcomed in this Budget, do you recognise the need for additional funding over and above that amount to keep pace with existing and added responsibilities of the Rural Lands Protection Board?

Mr SMITH: Every Minister would like more money for his or her particular program. There is an aspect of that Budget. It is not \$22m. There is a particular accounting procedure which is across all programs. It means that certain money is almost double counted, but it is of the order of \$18m.

I and every other Minister would like more money, but that has to be considered on the basis of how much money has gone into the rural sector, particularly over the last three years during a period of heavy drought. It runs into many millions of dollars. I am very appreciative of the considerations I have been accorded for this program, especially when the \$600,000 a year special initiative has been maintained.

The CHAIRMAN: The time period allocated for questions by non-Government members has expired. I invite questions from Government members. I ask Mr Vaughan to lead off with the questions.

Mr VAUGHAN: You will recall that I was able to accompany you on an inspection of the dingo barrier fence operations last year. It was a very good experience, I can assure you. Those operations were impressive and, according to those land-holders who benefit from them and whom I met in Quilpie, of strategic importance.

The benefits to those who operate within the fence are clearly reflected in the generally higher prices paid for dingo-protected land. I draw your attention to the Budget allocation for your Department's Land Sustainability Program at page 242 of Budget Paper No. 3, and I ask: what is the allocation in 1994-95 for the dingo barrier fence? How does that allocation compare with expenditure this year? Could you detail how that allocation will be spent?

Mr SMITH: I have a quite vivid recollection of that trip. It was certainly an eye-opener to me and other members of the committee who had not had the opportunity of seeing that part of the country. We had the opportunity of enjoying some of the social life that occurs in those locations.

There has been a significant increase. In fact, it represents a 15 per cent increase of some \$156,000, which will take the funding from \$1.024m for 1993-94 to \$1.180 for 1995. I am sure that you are aware of this, but some members may not be aware that the barrier fence operations are funded by local government precepts and consolidated revenue provided through the Rural Lands Protection Fund. The precept component of the barrier fence had actually decreased by \$13,000 from 1993-94 to 1994-95 due to lower stock numbers, which were

reflected in the formula used to calculate the precept. It is quite complicated. The decrease will be offset by additional Government funding.

The precept system is interesting. I might ask one of my officers to make some comments on that at a later stage. The local government precept payments have been determined by the Commonwealth Grants Commission to be effort positive. Local governments are therefore eligible for a significant reimbursement. What that really means is that they make their contribution to the Rural Lands Protection Fund. They are then reimbursed for their outlays—and appropriately so. There is flexibility in the system. On top of that, the Federal Government then reimburses the local government to the extent of 84 per cent of their outlays; so the local government really gets a lot of value for the money that they actually expend.

Mr VAUGHAN: I draw your attention to page 251 of Budget Paper No. 3 where mention is made of an allocation this financial year of \$500,000 to be provided for the maintenance of Crown land. I understand that this is a new initiative of the Government and is part of a comprehensive performance-based management system for uncommitted Crown land. Could you outline this initiative and provide some detail of the sort of benefits we might expect from it during the coming year?

Mr SMITH: It is a new initiative which is very much overdue. I recall in Opposition often being approached by constituents who had concerns about overgrown Government properties. We had to start somewhere, and I am very pleased that this Government has made the effort.

Essentially, there is provision within the Budget by way of an incentive arrangement whereby the Lands Department gets a percentage of money resulting from sales between certain values. I will not go into that. We have a strong expectation—in fact, we are very confident—that we will be able to generate something like \$500,000 for the financial year. That will allow us to look, on a priority basis, at where those funds should be addressed. Sure, I would like \$5m rather than \$500,000. With that sort of money, it will demonstrate to other landholders that the Government is at least prepared to address problems on a priority basis, and I am sure that will result in cooperation from land-holders.

There are some priorities, I might mention, which will have to be addressed very early. They include the decontamination of something like 100 drums of material stored on the wharves around the Brisbane River and it will require the erection of security fencing around the Hamilton cold stores. There is also the matter of decontamination of waste materials on the Southport Spit. They are things that people might not generally think about, but it all comes within that area.

It can also be used to some extent for revegetation programs. Another example might be the lopping of dangerous trees adjacent to private properties. The Bribie Island area would be a typical area. I am hoping that there will be some funds available to assist in that very important exercise of

reducing the threat posed to the grazing industry, particularly in the Richmond and Hughenden areas. That of course would be very much in the mind of people familiar with rural industries. In addition, we have the stock routes which in recent years have proved to be so valuable and in need of maintenance. Some of the funds will go in that direction.

Mr VAUGHAN: Minister, I would like to ask you a question about the Government's fight against pest plants, the many declared and noxious plants which continue to constitute a threat to our State's farming industries and our environment. I take on board what you said about the Richmond and Hughenden areas and the pest out there. I take notice that on page 243 of Budget Paper No. 3 the Government has provided a further \$600,000 in this financial year as part of its strategic and preventative control initiative. In addition, I see that another \$700,000 will be provided to fund increasing pest management activity this financial year, and I presume that that funding covers both plant and animal pests. Could you detail the program of activity that the Department expects to undertake next year in the fight against those pest plants which threaten the State?

Mr SMITH: As you mentioned before, Mr Vaughan, the \$600,000 special initiative was commenced two years ago. This is the third year. Together with that \$700,000, it certainly means that quite a lot of money can be applied to the problem. It is going to result in increased activities, control and research and extension, for example. Mesquite control will be increased by \$10,000. There is \$30,000 for the control of prickly acacia. Significantly, the amount for the control of parthenium is up to \$67,000. There will also be the reappointment of an economist at the Tropical Weeds Research Station at Charters Towers. That economist is quite vital for that program.

Another significant aspect would be the availability of some \$50,000 for the purchase of herbicides for both parthenium and mesquite control. We of course expect that the local government people will also increase their efforts in this area. We always expect that. There has to be a partnership. We believe that the demonstration of the application of those additional funds will encourage local government to also join in the effort. As you know, there are many other organisations, particularly landcare groups, which want to become involved. It is probably a matter of the Government showing some leadership. You could really consider this money as providing a catalyst for a very important program.

Mr ROBERTSON: Minister, can I turn your attention to Budget Paper No. 3, page 241, referring to the proposed expenditure on the Land Court. I would like to ask a question about the impact of rental appeals on the Land Court. When the new system of Crown lease rentals was introduced this financial year on the recommendation of the Wolfe report, there were those who claimed that there would be a clogging of the Land Court processes and heavy expense to the taxpayer in dealing with

what they claimed would be a high level of objections to the new rentals. Given that there appears at page 241 of Budget Paper No. 3 to be no additional funding provided to the Land Court in 1994-95 for this area of activity, could the Minister explain just what is the situation of Crown lease rental objections at present and what you expect the situation to be next financial year?

Mr SMITH: We have been quite surprised that the number of appeals has in fact been quite small. It has in fact only amounted to a total of 129, and that figure, of course, is substantially lower than was anticipated in some quarters. The volume of lease-related appeals to the Land Court for the current year is comparable with the number of rental determinations under the previous legislation. The valuation appeals have been primarily in two areas. That is not to say they were only in two areas, but there has been a concentration in two areas. One area is Dalrymple and the other is in the Richmond Shire. I suspect that the reason for the Dalrymple area is that there are lots of people who have bought relatively small holdings which are not very far away from the major city of Townsville, and I think to some extent they have paid too much money for them. In terms of their economic value it is a bit of a problem and over time, I guess, those values will level out.

I cannot be sure, but I suspect that in the Richmond area it may be that the prickly acacia, which is very evident in that area, may have reduced the value of the lands or the productive capacity of the lands, and it could be for that reason that people are generally concerned about the level of rent. I cannot be sure about that, but that is my expectation. I would say to date that the impact of the new lease rental system on the Land Court caseload appears to be neutral, given that it was only a small increase in volume which probably will decline over time.

The number of appeals lodged in other areas of the court's jurisdiction has remained fairly consistent with the previous years. However, it could be noted that the quantum of the claims in compensation matters now referred to the court has increased to the extent that claims of \$1m are quite common. As a general rule, the hearings are also becoming longer for major cases, and that will have some consequence on the ongoing management of the court's caseload.

As a matter of interest, at the moment there are outstanding or before the court 26 cases for compensation, and only 54 for rent determination—

Mr ROBERTSON: Can I turn your attention now to Budget Paper No. 3, page 251. You have recently been assigned ministerial responsibility for the Native Title (Queensland) Act of 1993 and your Department given the role of lead agency. I note that your Department's Aboriginal and Torres Strait Islander land interest program provides a number of services in that area which include examining the need to adjust existing statutes and administrative practices to ensure compliance with the native title legislation, ensuring that State and local government officers are informed of the impact and implications

of native title, and providing a tenure history investigation service. Could the Minister explain more fully the 1994-95 allocation which, as I mentioned, is at page 251 of Budget Paper No. 3 where \$4.4m has been allocated for that program?

Mr SMITH: First of all, I should say that the native title legislation will have a substantial impact on the management of the State's resources, in particular on land management. It was for that reason that the Department of Lands has been afforded the role of lead agency on native title matters. This will ensure the most efficient use of resources by removing the need to establish native title units across those Government agencies that deal in land or natural resources such as minerals. However, all departments and statutory authorities will still need to consider the implications of native title for their own initiatives.

The role of the Department of Lands will be to undertake the adjustment of a very broad range of existing statutes and administrative practice to ensure compliance with those new laws; the coordination of a consistent approach across Queensland Government Departments and agencies; and the establishment of new structures and machinery to assist such adjustment and coordination. The actual budget allocations, as you suggest, come down to \$4.4m, but just to give you an idea of the break-up, the Program Directorate will go to \$283,000; land identification will be almost half a million—\$493,000, to be exact; the registry will go to \$618,000; coordination, \$381,000; and the Tenure History Unit, which is a very important unit, will take on additional numbers to ensure that the tenure histories are carried out quickly and accurately, and that will be \$800,000. Throughout the regions, there will be a little over \$1m and there are some other matters such as superannuation which bring the whole thing up to \$4.4m.

I would like to make the point that, as yet, there is no existing legislation which has had to be amended to take account of native title considerations. When the Queensland Native Title Act 1993 is proclaimed, that Act will amend the Aboriginal Land Act 1991, the Torres Strait Island Act 1991, the Land Act 1962, the Acts Interpretation Act 1954, and the Statutory Instruments Act 1992 to accommodate a number of native title issues. Furthermore, all proposed legislation, which is at various stages of the drafting process, is scrutinised for the existence of native title issues and compliance with the Native Title Act 1993 and the Queensland Native Title Act 1993.

Mr DOLLIN: I draw the Minister's attention to the Land Boundaries Program budget of \$18.46m at pages 244 and 245 in Budget Paper No. 3. I notice that within that program, among other activities, the Digital Cadastral Data Base's primary capture was completed earlier this year. In 1994-95, funds have been allocated for the DCDB development plan which is due for completion in August and which will identify development issues and address future systems requirements. Can the Minister explain how the DCDB could be expanded in 1994-95 and which

clients might be expected to benefit from that expansion?

Mr SMITH: The capture and validation of the State's 131 local governments was completed in December last year. Line work and descriptive data for 1.5 million land property parcels is now available to the public. Based on the resources applied in the private sector and in the Government, the DCDB represents a total investment of approximately \$50m in current terms.

The accuracy of the DCDB depends on the source map from which it is derived and varies between 1:2 500 and 1:10 000 in urban areas and 1:250 000 in remote western areas. I might just mention that 1:2 500 represents an acceptable basal accuracy for urban areas. The member mentioned clients, and the client survey carried out by the Department in March 1994 identified—

The CHAIRMAN: Thank you, Minister. We will have to leave it there. The time period allocated for questions by the Government members has expired and I now invite more questions from Mr Hobbs.

Mr HOBBS: Thank you, Madam Chairman. Minister, I refer to page 43, Land Titles. Will you provide to this Committee details as to the costs associated and the methods employed in selection of the current registrar?

Mr SMITH: Would you repeat the question?

Mr HOBBS: Will you provide to this Committee details as to the costs associated and the methods employed in selection of the current registrar?

Mr SMITH: I understand what you are saying. I do not have that sort of information, nor do I think it is appropriate to provide it. However, I make the point that the sort of people who have the skills to implement a very advanced program, such as the automated title system, are very few. The fact is that very few people have those skills, both technical and administrative. Before Mr Loren Leader was appointed, the position was advertised on three occasions.

I have been corrected. I understand that Mr Leader in fact applied and was interviewed by the use of a video conference technique. I think that says something for the Department in that it was able to conduct such an interview in a way which would have been a relatively low-cost way of doing it.

I further understand that inquiries were made of people who had knowledge of Mr Leader, and he was subsequently brought out and interviewed. Sure, there may have been travel costs which could have been higher, certainly, than the costs for someone who had been recruited locally, although if we had appointed someone from Western Australia, I doubt very much that the travel costs involved would have been much lower. I understand that the total cost of the exercise, including advertising, interviewing and appointing Mr Leader, was of the order of \$21,000. Might I also say that that is an investment that has been very well rewarded. As far as I am concerned, the judgment of the Chief Executive who made the decision to appoint that particular officer has been vindicated by the

expertise, knowledge and leadership that he brought to that position.

Mr HOBBS: Was the position advertised Australia-wide, internationally, or was the registrar headhunted?

Mr SMITH: It was certainly advertised Australia-wide, as all senior positions are. Whether or not it was advertised internationally, I will have to take advice. Would you like to answer that, Bruce?

Mr WILSON: Yes. The position was advertised Australia-wide, as the Minister mentioned. I think that Torrens Titling Systems are not unique to Australia as it is commonly thought. There are some provinces in Canada that operate Torrens Titling Systems as well. The network among those involved with Torrens Titling is fairly effective on an international basis, and my understanding is that that is how the Australia-wide advertisement came to Mr Leader's attention.

Mr HOBBS: In light of the fact that such a system has operated in New South Wales since 1983, were any applications from New South Wales considered?

Mr SMITH: I am not certain of the details of the applicants, but I would point out that the system that has been put in place in Queensland is a system which is, from a technological point of view, ahead of any other system in Australia. I mentioned to you before that it is very difficult to get people with that sort of expertise. If a suitable person had been available in Australia, that person would most certainly have been appointed.

Mr HOBBS: I raise this point in light of the fact that New South Wales officers are currently advising departments in Japan on the implementation of such a system there. Will the Minister also advise the Committee of the cost of replacing defective computer discs containing appropriate forms that were provided to solicitors and banks? I believe that the failure rate of the discs was 50 per cent. What was the cost involved?

Mr SMITH: I will ask Mr Leader to answer that. I have no knowledge of that. In fact, I am most surprised. I would be interested in Mr Leader's response.

The CHAIRMAN: Just state your name and your position.

Mr LEADER: Loren Leader, Registrar of Titles, Program Director of Land Titles. I am sorry, I am not aware of that failure rate. The actual marketing of the disks was performed by the marketing arm of the Department of Lands. I have not been told by any of the people who we sold the disks to that there was a failure rate. So I would have to take that on advisement to find out if there was a failure rate.

Mr SMITH: I would just like to say something about this. In the absence of hard evidence to that effect, while I am not doubting the sincerity of your statement, I think that I am entitled to consider that there has to be a considerable doubt about that figure. It seems to me remarkable that if such a failure rate occurred, that it would not have been brought to the attention of the Program Director and, ultimately,

to myself. I am sure you would appreciate that when things do not work out as they should, there is usually communication to the Director-General, the Program Director or me as Minister to advise me of any shortcoming or failure. It seems quite remarkable that I have not had one complaint, and that the Director-General is totally unaware of it. So I would need to see some pretty hard evidence of the matter you raised before I could accept the accuracy of it.

Mr HOBBS: Basically, what you are saying is that you believe that the failure rate was not there and that you believe that everything I am saying—

Mr SMITH: What I am saying is that in the absence of hard data to support the claim, I have to treat it with some considerable scepticism.

Mr HOBBS: I understand that advisers to the Department were able to confirm that, but I will move on. What has—

Mr SMITH: No, hang on, I would like to respond to that. You may understand that, but I would be very surprised if the senior officers of this Department and myself would be not aware of it if that, in fact, were true.

Mr HOBBS: The thing is that that was raised with me and it was my duty to bring it up at this Budget hearing. Where costs are associated with it, I think the Committee should be—

Mr SMITH: But you also have a responsibility to check the accuracy of information given to you. You should, before you bring it here, have made other inquiries to see if there was any verification of the sort of information that was given to you, considering that it is most unlikely to be accurate.

Mr HOBBS: I think the point is this, that I believe that the information that I have is correct and if you can check on it—

Mr SMITH: I would ask you to do a bit of checking as well.

Mr HOBBS: Why has the cost of duplicate certificates of title been set at \$40, when the cost of such a title in New South Wales is \$3.80? Will the Minister agree that the introduction of the scheme has been a bit of a shambles?

Mr SMITH: No, I would not agree that it has been a bit of a shambles. In fact, when you had the opportunity of looking at what was to happen, I think that you were suitably impressed and, unfortunately, you have seized the opportunity to make some mileage out of what I believe to be unfounded concerns.

The new system relies on the principle of storage of information on a very sophisticated and reliable computer system. I detailed to the Parliament the other day the security of the system and the fact that the storage of the title on the computer base is, in fact, much safer than the old paper base. I have also, on a number of occasions, indicated that there is no particular reason why duplicates should issue. Something that I think is not understood is that we are not in any way interfering with the Torrens titling system; we are strengthening the Torrens titling system. I might add that when it was introduced in South Australia, I think some 131 years ago, the

author—if I might use that term—of the system did not propose that there ought to be a duplicate. But, anyway, it happened because some people want a piece of paper in their hands.

Again, for those people who have not heard it before, at a meeting of the registrars of all States of Australia held in October last year, the registrars unanimously decided to work towards the elimination of the duplicate title in all States. The Queensland people have been congratulated on the initiative they have taken and other States have now expressed regret that they did not, in fact, go down that path in the first instance.

In terms of identification, when people register a property now, they get a registration confirmation notice which, in fact, supplies all the information that would normally exist on a deed. It is, in fact, a copy of a search. If they want to bank that, if they want to store it, if they need to refer to it for some security reasons, that is all they need. If they wish, they can get a title. They can get a duplicate title. It is called a certificate of title and, as you say, it is \$40. That \$40 is the cost of a replacement certificate under the previous regime. What you should be aware of, of course, is that once that certificate of title is drawn, then it has to be produced before any further dealings could occur with that property.

Mr HOBBS: Just referring a bit more to that charge, is it not true that the charges for the issuance of a duplicate certificate of title, whether that be another tax or whatever, bears no relationship whatever to the real cost of simply printing the copy of a document which is stored in the computers? We have documentary evidence that the real cost of this transaction, for which the taxpayers are made to pay \$40, is 6c. Would the Minister care to explain where the additional \$39.94 goes?

Mr SMITH: I am very interested in the proposition of a cost of 6c. Of course, once you put in place a system that requires registration and certification it is, of course, much more than simply printing out something off a computer, or a photocopy, as someone has suggested. It requires a signature; it requires additional registration. In fact, the administration cost for the recognition of the existence of that title would be a considerable administrative expense.

Quite frankly, there is no valid reason for the issue of that title because of what I have explained to you before. I have explained to you that the major financial institutions of this country do not want paper. They are more than happy to have the title registered and residing within the computer system. So there is certainly no call from 80 per cent of the rightful owners of property for that piece of paper. In fact, historically, no more than 20 per cent of properties are held by individuals in an unencumbered situation.

What I do think is causing some concern, and I can acknowledge it, is that some people who may have been paying off a property for a period of time, or have had some relationship with a property that has been in the family for a long time, may feel some historical sense of association with the old title deed and they may want that for some historical purpose,

or sentiment, or whatever it might be. Because of that, we have arranged that people who require those titles—and they are all old titles; there will not be any new ones issued—there are 1.5 million of them out there at the present time and they are all available and if people did require them, it will be noted that they are cancelled. They will be perforated to minimise the risk of fraud, but they will certainly be available.

To come back to your question about the \$40 charge, I will not say that it is a disincentive, but it is certainly not a charge that people need to incur because there is absolutely no need whatsoever for that certificate of title to be acquired.

Mr HOBBS: I am concerned that the budget may not adequately have covered funding for this area. I refer to a—

Mr SMITH: For what area?

Mr HOBBS: For searching titles, and so on. For example, I have a letter from the Heritage Building Society. On four occasions, it requested by telephone and by facsimile—and the dates and times are listed—

Mr SMITH: Would you like to give us those dates and times?

Mr HOBBS: Yes, I can give you all of those. Some clients of the society were trying to obtain some funding and, because of delays, they were unable to secure that funding. I say again that I have some great concerns in relation to your Budget Estimates. It would not surprise me at all if it goes over. Do you feel confident that the funding allowed for this year is enough?

Mr SMITH: There has been a Treasury enhancement to cover the cost associated with the introduction of the new system. The Director-General has just pointed out to me that those additional funds amount to some \$2.2m. Those funds are not primarily used for the day-to-day running of the system but for the capture of the old titles data to allow the documentation associated with existing registrations to go on the computer base.

But you were going to give me those dates. I am very interested. If, in fact, you are talking about some alleged failure of the ATS system, I would refer you to the most unfortunate example brought forward by the Leader of the Opposition the other day.

Mr HOBBS: You have said that your system is good and that you are very confident in it. With regard to the group titles and strata titles plans, would you supply a complete list of all dealings from 1 January 1994 to the present—that is, within the southern region only—to be inclusive of the dealing number, plan number, lodgment date, lodger, owner, surveyor, date of requisition, date of compliance with requisition, date of issue of title, and the relevant title reference. It has been stated—and you mentioned this—that Queensland has the best computer titling system there is. So I do not believe that there should be a problem to produce the information.

Mr SMITH: I regard that as an unreasonable request and a very expensive request.

Mr HOBBS: If you cannot supply that—

Mr SMITH: I did not say I that I cannot; I said that I regard it as an unreasonable request.

Mr HOBBS: Would you supply the information if I shortened my request to a plan number, date of lodgment and date of issue of titles?

Mr ROBERTSON: I take a point of order. Madam Chairman, I refer to your ruling on what is an allowable question to a Minister during the previous departmental questioning. You made it quite clear, when I took a point of order about a series of questions that were outside the scope of the Estimates for 1994-95—

Mr HOBBS: I take a point of order.

Mr ROBERTSON: Can I finish first, please?

Mr HOBBS: If you want to waste time.

The CHAIRMAN: Mr Hobbs, allow the member to finish, please.

Mr ROBERTSON: You made it quite clear that it was up to the Minister to say whether he would accept a question. On this occasion, the Minister has clearly said, "No", because it is not a matter with respect to the 1994-95 Estimates. Madam Chairman, perhaps you should be providing some guidance to the honourable member with respect to further questions on this matter.

The CHAIRMAN: I will repeat what I stated in the previous Budget hearings. Whether the questions are answered is a matter for the Minister. I do believe that a couple of the previous questions are not relevant to the Estimates, but it is up to the Minister whether he wishes to answer the question. Mr Hobbs, do you have a point of order?

Mr HOBBS: I did revise that question. The Minister refused to answer my first question and I revised it. I have not heard an answer to that question yet.

Mr SMITH: I think I have been quite relaxed. If I wished to stick exactly to the official purposes of this debate—looking at the forward Estimates—there are a number of questions that have been raised that I would not have answered. Up to this point, I have been prepared in the spirit of this debate to answer questions generally. You have asked me something very much of an historic nature. I am not prepared to involve the Department in that sort of detail. I am prepared to ask the Director-General to give a further explanation about the funds involved with the operation of this system for the next financial year.

Mr WILSON: In relation to the question about funding for titles operations generally, the \$2.2m the Minister referred to is additional operating funding which is over and above the cost of introducing the ATS system, which is separately identified.

The CHAIRMAN: The time allocated for questions by non-Government members has expired.

Mr ROBERTSON: I wish to ask a question relevant to the 1994-95 Budget Estimates. I have a series of questions related to the Automated Titles System. I refer to pages 43 and 45 of the Lands

Department Estimates. Under the Land Titles Program, \$2.2m has been provided to meet the additional costs associated with business growth and the high level of demand for services. This was a matter raised by my friend on my left. This high level of demand is obviously a good thing for Queensland because it means that the economy is obviously strong and growing. However, it is important that home buyers are not disadvantaged by this extra demand on the system. What will your Department be doing to ensure that service delivery is at normal, acceptable levels, given the extraordinary growth that is occurring in Queensland at present and will occur into the future?

Mr SMITH: You have touched on a very interesting point. The fact is that the previous boom in this State—or what was regarded as a boom; I think it was at the time—resulted in dealings with the Brisbane Titles Office of some 1 500 registrations per day. Fairly recently—and certainly into 1994—those registrations reached 1 800 per day. I would like to place on record, as an example of how this State is booming, that that figure reached 2 700 per day last week. So the State is really moving along.

It is a matter of concern that reasonable service times can be maintained. But it was a fact that, even with those greatly increased lodgments, times were brought back. At about the end of May, we had reached an historic low in terms of outstanding documents. That was wound back and—I certainly admit that it was done with considerable overtime. There has been some blow-out while the new system has been brought on-line. But the indication is that the service delivery times will be highly consistent with the sort of standard that one would expect.

The Rockhampton office, which was commissioned before the new office in Townsville some seven weeks ago, is now operating at a rate considerably in excess of its production rate prior to the introduction of ATS. My expectation is that the other two major locations of Townsville and Brisbane will start to pick up. I am very confident that in the coming months we will see service delivery times which will be vastly improved on the traditional levels. Moving further down the track into 1995, we will have a system that will provide service delivery times which have not been experienced in this State previously.

Mr ROBERTSON: Following on from that—and again referring to a statistic you gave us before about 1.7 million live titles existing in this State—on page 47 of the Department's Estimates statement, one of the performance targets for 1994-95 is the capture of 80 per cent of titles on the Automated Titles System. With 1.7 million live titles in this State, this is obviously a mammoth task. So can the Minister please tell us how this will be achieved? When the capture is completed, it will mean that the ATS database and system will be fully functional. When the ATS is fully on-line, what improvements will Queenslanders see in service delivery times in the titles system generally? I appreciate that you touched on this earlier.

Mr SMITH: To some extent, your question relates to an answer that was given by the Director-General. Considerable funds are being applied to catching up with titles that are not currently active. We are using contractors to capture the data. The important thing is that, to bring the database of the ATS up to a usable level, we must accelerate the rate at which the information can be captured. The department has employed contractors to do that. We must consider not only the 1.7 million live titles—when I say "live", I mean that the titles are current and could be used at any point in time—but also the 1.3 million remaining titles that provide historic information that also must be captured.

The full benefit of the ATS system will not be realised until the great majority of those titles are captured. For the time being, the ATS will not be able to handle certain types of registrations. As you suggest, the ATS will handle 80 per cent of the material that is offered for registration by the end of 1994-95. Although enhancements to the system will allow an even higher percentage, that will take some time.

Mr ROBERTSON: Over the past four years, the Department of Lands has been progressively and successfully regionalised in Queensland. That has meant improved service to clients, easier access to Lands Department facilities and better quality of decisions and services, as functions are now performed in local offices. You will recall our trip to Roma last year, where we saw that first-hand. The implementation of the automated titles system has meant greater access to the titles system than was ever possible under the old paper-based system. Page 44 of the Lands Department Estimates statement refers to the implementation of the automated titles system. Would the Minister please explain the benefits of the computerised titles system with greater levels of accessibility, particularly in regional offices, throughout Queensland?

Mr SMITH: It is an interesting proposition. As you know, the registries have traditionally been located in Brisbane, Townsville and Rockhampton. In an up-to-date document dealing with the month of May, the figures for lodgment were: Cairns, 714; Townsville, 5 376; Mackay, 630; Rockhampton, 1 827; Maryborough, 540; Bundaberg, 525; Caboolture, 246; Nambour, 399; Brisbane, 39 144; Ipswich, 441; Beenleigh, 42; Bundall, 1 659; Toowoomba, 504; and Roma, 34.

That simply illustrates that it does not all happen in Brisbane and a very significant number of clients outside the Brisbane area need access to that type of system. The advantage for those clients who live in places such as Cairns and Mackay that presently do not have a registry like the ones in Townsville and Rockhampton is that registration can take place from those service centres. That will be of very significant benefit, particularly for private individuals and small firms.

Unfortunately, it is also true that the major financial institutions tend to centralise their lodgments in Brisbane for reasons of economy. The new system also has an advantage to them in that,

although they may not lodge at those regional centres, they will have the very important ability to search. That is where a lot of time can be wasted. Previously, agents were employed to search the registry at either Rockhampton, Brisbane or Townsville. Now people can do that from individual Lands Service Centres. Those people who have up till now acted as agents may well install their own modems and do the searching from their own offices, which will provide a cheaper and more effective service for clients in regional areas.

Mr ROBERTSON: Page 43 of the Lands Department Estimates statement refers to the decision to lease rather than to purchase the computer equipment for the automated titles system. That has resulted in \$1.571m being carried over from last year's Budget allocation. That amount, together with a further \$811,000, has been provided for the implementation of the ATS. What are the benefits of leasing the computer equipment compared with purchasing it, and are Queenslanders getting value for money from such a decision?

Mr SMITH: Yes. In this circumstance, the Budget contained an allowance for the purchase of equipment. That would be the normal business proposition put up to Treasury for the acquisition of that type of equipment. The deal that was negotiated and that resulted in the leasing of the equipment also resulted in significant cost savings and assisted the cash flow of the Department's Budget.

As you know, computer systems become obsolete over a relatively short period. The particular advantage of leasing is that the Department has the opportunity of staying with state of the art equipment. At the end of the lease, we would have the opportunity of purchasing that equipment at a relatively low residual value or going on to a new generation of equipment. In many circumstances, that is the correct way to go.

Mr DOLLIN: I would like to ask the Minister a question about the state's geodetic network. Page 49 of the departmental Estimates statement shows an allocation of \$7,521,000 in 1994-95 for general geodetic data activities. I am aware that the State's geodetic network forms part of the national network which in turn is part of the international global network. Could the Minister detail further the estimated expenditure on that network during 1994-95 and explain the benefits that we might expect from that expenditure?

Mr SMITH: The amount of additional funds to go into that program will be \$612,000, which represents a 12 per cent increase. Some overheads are not included in that money. Along with all other States and the defence forces, Queensland will change to a geodetic reference system in the year 2000. That has been given some publicity. The new reference system will allow satellite positioning methods called global positioning systems, or GPSs, to be used with improved efficiency.

I am sure that some of you, including people who enjoy field trips or even boating activities, are now becoming quite familiar with GPS technology. What is known as the 100-kilometre network is currently being measured across the State. That is an

essential prerequisite for the change that will occur in the year 2000. It will also provide the framework for local control required by local authorities. In fact, the geodetic network could be described as the skeleton of all surveying. It supports all other elements associated with that profession. This skeleton will be completed in 1996 or 1997.

Observations with GPS of the 500 kilometre Australian National Network are now complete. Observations for the super tide gauges, which provide very accurate measurements for greenhouse sea-level monitoring, have been installed at Cape Cleveland near Townsville—I recently had the opportunity to inspect that site—and Rosslyn Bay near Rockhampton. Those sites are connected to the geodetic network. The purpose of that equipment is to measure the long-term rise and fall of the oceans with great accuracy.

Since 1991-92, departmental regions have been establishing GPS networks over urban areas through the State, and they are quite easy to identify. Local authorities have been working from these networks to manage their capture of utilities information. A significant percentage of that work has already been carried out. Significantly, the great bulk of that work has been contracted out to the private sector.

Mr DOLLIN: I am aware that the Department of Lands, in line with all other Government agencies under this Government, has sought to better focus on client service delivery, on the efficiencies and effectiveness of its usable resource and on its business activities. Could the Minister expand on the activities of his Department's Operational Review Unit, which are broadly outlined on page 255 of Budget Paper No. 3? Could he also detail funding for that unit in 1994-95 and explain how these funds are to be used for improving the performance of the Department?

Mr SMITH: The Budget allocation is \$290,000. That is \$60,000 in excess of the allocation provided in the previous year. That allocation is for the Operational Review Unit's salaries and operating expenditure. Essentially, I understand that the additional allocation will allow the employment of one more person in that section, plus on-costs. The departmental planning cycle involves annual reviews of the corporate plan, the program strategic plans and the business unit level operation plans. Plans are monitored on a cyclical basis to assess overall business unit performance and achievement of targets and are linked to individual performance assessment through the performance planning and review process of both officers and executives. Ongoing, short-term, new and ad hoc business activities are prioritised at the corporate level and included in performance agreements between accountable officers and service delivery units. This process has been employed over the past two financial years and is being continually improved in the light of experience.

I turn now to productivity benchmarks and the internal moderation of projected expenditure on selected discretionary items such as motor vehicles, travel and personal development. They are used to help determine the internal distribution of resources.

Client input on needs and priorities is obtained at corporate and program levels through both direct consultation and the consultative committee process, and at operational level through direct consultation and surveys. The one-line budget concept has been implemented at business unit levels, with unit managers accountable for operating within given salary and non-salary allocations. Mid-term and final quarter reviews of budget performance are undertaken, and adjustments to internal allocations are made where appropriate. There are a number of other elements that I do not have time to outline.

The CHAIRMAN: The time allocated for questions by Government members has expired. Minister and Committee members, I feel that this would be an appropriate time to take a short coffee break. The Committee hearings are now suspended for 10 minutes, and we will recommence at 9.25 p.m. sharp.

The Committee adjourned at 9.15 p.m.

The Committee resumed at 9.25 p.m.

The CHAIRMAN: We will now resume the public hearing of the Department of Lands Estimates. I call on Mr Hobbs to resume the questioning for non-Government members.

Mr HOBBS: I refer again to my request for the group title and strata title plans. I will modify that request. Is it possible—and I do not think there is a great deal involved in this—to supply the plan number, the date of lodgment and the date of issue of titles? From my understanding of the system, it is a matter of just running off that information. It would give us all confidence in the system if we could see evidence that it worked correctly.

Mr SMITH: I think you will agree that I am trying to cooperate. However, for the life of me, I cannot see how such information is relevant to this Estimates debate. We are talking about forward Estimates; we are not talking about what has occurred up till now, although I have been prepared to discuss such issues. I am not inclined to undertake such an exercise. During the break, I spoke to the Registrar of Titles. I want to be cooperative. I might ask the Registrar to come forward and give you some indication of the volume of work that would be involved in providing that information, and then you may better understand why I am reluctant to accede to that request.

Mr LEADER: Loren Leader, Registrar of Titles. The information requested could be provided with no difficulties a year from now. Unfortunately, we have only just started using ATS. The numbers, dates and times that you are asking for would have to be retrieved manually. The computer does not have that information yet. As I said, we commenced using the system only two weeks ago in Brisbane. If you ask that question at next year's Estimates debate, we will provide that information for you.

Mr HOBBS: I will put that question on notice for next year.

Mr SMITH: I have arranged a couple of conferences and briefing sessions not only for yourself but for all members of Parliament. I am keen

to see this system supported. After the initial shakedown period, I will arrange a series of opportunities for members of Parliament to visit the Titles Office to see how the system is working. They will then be in a position to judge for themselves the effectiveness of the system and the value of the Government investment.

Mr HOBBS: I refer again to the \$40 fee for the certificate of title. What is your estimated revenue from this source in 1994-95, and how does this compare with the revenue from this source under the old paper system? Is a simple figure available for that?

Mr SMITH: I do not believe there would be. It equates to the revenue received in the past from lost certificates whereby people had to go through the procedure of advertising and subsequently paying \$40 for a new title.

Mr HOBBS: If we had the amount plus the number of transactions, that would be fine.

Mr SMITH: If we take some sort of a hypothetical value—if we said that 20 per cent of all the titles that are going to go through over the next 12 months wanted a certificate of title, I think that would come out to over \$1m if they all line up, but, quite frankly, we are testing new waters. If those people who wish to reflect on this system continue to do so and if they are aided and abetted by suburban lawyers who have not kept pace with technology, then undoubtedly a significant number of people will require that title. If, in fact, there is support from the legal community and some attempt to understand and cooperate and reassure people, then obviously the number of certificates required will be significantly less. Frankly, I do not want to see people spending money unnecessarily.

Mr HOBBS: I move on to a different subject in relation to the sale of Crown land. What is the departmental procedure to sell Crown land that is surplus to Government requirements and what time limits are in place for the public to be notified?

Mr SMITH: What you are talking about is the Government Land Management System, and I think that was actually agreed to by the Government under the previous Minister. The purpose of that Cabinet decision is to ensure that land is used efficiently, that the departments in particular do not sit on land that is not required. If land is not required and it is capable of generating an economic return, then it ought to be sold as part of the general concept of putting land to the best possible use.

The system that is in place is this: all departments are required to list the land which is surplus to their requirements. There is a committee chaired by my Director-General that considers what land is suitable for transfer of ownership or sale generally and the process is that surplus land identified by individual departments is first made available to other departments because we did have the ludicrous situation, particularly under the previous administration, where one department would be buying and another would be selling similar parcels in the same town, which was very inefficient. So the situation is that, first of all, departments get

that opportunity, then if that land is not required by any Government department, the opportunity is then given to local government to acquire that land, and if it is not required by local government, it can be made available to the public by way of sale, tender or whatever method is used.

I am just looking at a piece of paper here which informs me that the Lands Department has a Budget of \$3m which will be used to make this land available. The sum of \$200,000 will be for the completion of the Urban Crown Land Development Projects—which are a carryover from previous years—and a further \$2.8m for capital costs related to Government land management disposals. There is quite a lot more, but that seems to be about as far as I can take it.

Mr HOBBS: I refer to the sale of land at Emerald known as R7 lot 18 on plan 812627 to the Emerald Shire Council for \$14,000. I understand that the shire became aware of the availability of the land for sale on Monday, 22 November 1993, they signed the request for the lease on Friday, 26 November, and registered an application on a working map on Sunday, 28 November. That is six days for the transaction to go through. Is that normal procedure?

Mr SMITH: I am not quite certain what you are getting at.

Mr HOBBS: What I am saying is that the land became available on 22 November 1993 and within six days the Emerald Shire Council was able to secure that land for its own purposes. Would that be normal?

Mr SMITH: It was Government land.

Mr HOBBS: It is very quick, is it not?

Mr SMITH: It previously belonged to a Government department. It has to be on the Government books for a period of three months. If that three months elapsed and no other department came forward with a requirement for that land and it was known that the local government had an interest in it, yes, it could proceed immediately to the local government in priority.

Mr HOBBS: What about if it was for development purposes? I note that the Mayor, Paul Bell, in December 1993, which is the next month, stated that fully serviced lots in this R7 development would be available for sale in April this year and that it had been estimated that when freeholded, the 200 lots would be valued at in excess of \$2m. Is there any reason why the department did not develop this block instead?

Mr SMITH: The Director-General has an inclination to answer this.

Mr WILSON: I cannot recall the details of the case immediately, but I think there was a joint venture agreement involved that sees the department as a beneficiary as part of the sale price of those blocks. So I do not think the return to us was just the initial in globo value of the land. Off the top of my head, I think that there is a return on the sale of individual blocks from that estate. When you ask, "How would it compare if we developed the land ourselves?", my recollection is that we did do a

calculation and found that this was more advantageous from the Crown's point of view; and the council itself is the developer.

Mr SMITH: Might I add, that is not entirely dissimilar to a situation where we enter into a development lease with a property developer who sells off the blocks and the Government return will be, depending where it is, in the range of probably 12.5 per cent to 15 per cent of the sale price. So those sorts of arrangements are not at all unusual; it is just that this one—and I am not aware of the details—happened to be with the local government. What I might say is that we as a Government have all but gotten out of the development of land because of the recognition that, generally, the private sector—there are exceptions—does it better. The sorts of developments that were undertaken previously—and I admit there are still a couple lingering under this Government—we certainly do not see as an ideal role of Government.

Mr JOHNSON: Could I ask a question through you to the Director-General? Do I understand that the Lands Department will be a beneficiary at a later date from the development of these blocks?

Mr SMITH: I am quite happy to let the Director-General answer that, because I do not have an awareness of the particular circumstances.

Mr WILSON: I will ask our Program Director, Land Use, Mr Bob Lack, who has a better knowledge of the particular case than I do, to answer that.

Mr LACK: I understand that the lease you are talking about is a development-type lease whereby the council will develop the lots and then pay a percentage or an already agreed purchase price for the lots as they are developed and sold.

Mr HOBBS: So if there are private developers out there—and I understand that there were in this case—they do not stand a chance; the council can go in there, develop the land and become developers themselves, and the private developers cannot get a look-in?

Mr SMITH: My understanding is that the particular circumstances existed in Emerald where there is an abnormal requirement for land. There was, I believe, an agreement—you are refreshing my memory on this—with one of the mining companies with the local government to provide land for housing. I think the circumstances were quite unusual. It does seem to be a little at odds with the normal way we would do business.

Mr Johnson, you represent that area. I do recall the now mayor expressing concern to me at one stage that, to meet their obligations with the mining company in the provision of sites for housing construction, there had to be some very rapid movement to meet the sort of deadlines that were required. Having said that, I stand by what I said before. In terms of priority, other Government departments have first priority, then local governments have second priority. There is no doubt about that. But very few local governments would avail themselves of that type of opportunity, because local governments generally would take the same view as Government, namely, that the private

sector can usually do it better. But I would imagine that it had something to do with the importance of the time frame to achieve the objective.

Mr HOBBS: I think it was one of those particular cases. I understand that Ensham was the company involved, and that project did not go ahead. I understand the local developers were upset about that.

Mr SMITH: One of the Government witnesses would probably be able to correct me if I am wrong on this, but I understood that the particular mining company, after the decision by Ensham not to go ahead, was BHP. Was it BHP that took over the Ensham proposal?

Mr VAUGHAN: The Ensham lease was subject to litigation over a long period. I think that has been sorted out. The indications are that the Ensham mine is going to go ahead. They have a small lease in operation.

Mr SMITH: I cannot add to that. Mr Johnson, I am sure you probably know more about the nitty-gritty of that than I do.

Mr HOBBS: I move to Crown rentals on page 23 of the Estimates book. I note that \$23.3m is the expected revenue for 1994-95. I note also that it was \$13.9m in 1990-91, up 40 per cent, or \$9.4m. What would be the cost of administration to collect Crown rentals?

Mr SMITH: I have that information. I thought that question might have been raised. Since we have moved to a more efficient way of doing business, the leasehold administration cost has come down to 41 per cent. We expect that figure to drop significantly.

Mr HOBBS: That is 41 per cent of the Crown rental revenue?

Mr SMITH: Yes.

Mr HOBBS: What is the cost of collecting arrears, and what would arrears be?

Mr SMITH: The arrears are quite high. There was a very considerable reduction of arrears last year. I think the actual level did reach \$11m. I am going from memory. I think we have the information here. The very pleasing feature last year was the reduction of arrears. We hope that will continue.

The arrears outstanding at 30 June 1993 were \$11.2m. It is important to realise that \$2.6m was subject to hardship—where relief had been granted. So it was something less than that. At the end of May this year, the total was \$9.5m, less annual payments of \$3.3m for hardship provisions. I have some other figures. That amounted to 390 leases to which those hardship provisions applied, amounting to \$3.3m. I think you would agree, Mr Hobbs, that this Government has been a compassionate Government in providing that relief and not forcing payment from those people who have found themselves to be in difficult circumstances.

Mr HOBBS: How many leaseholders had valuation increases or decreases? Is that easy to ascertain?

Mr SMITH: No, it is not. I think you are

primarily interested in the grazing leases; is that correct?

Mr HOBBS: Both sections, actually, if we could.

Mr SMITH: I might have had it once. I do not think I have that now.

Mr HOBBS: I can put that question on notice, if you like.

Mr SMITH: No. I would like to give you a bit of information that might satisfy you. When the concessional rates were struck in 1993, I indicated at the time that the concessional rate was struck at the median level. The idea was that the 1.1 concessional rate was not designed to bring about additional income from Category 1 leases, and it certainly did not. I do have those figures, and I am prepared to give you this information. The actuals for 1992-93 in Category 1 were \$7.358m, and for 1993-94 the Budget figure was \$7.523m. The estimated actuals were \$7.414m—virtually no increase.

The CHAIRMAN: The time period allocated for questions by non-Government members has expired. I now call for questions from Government members. Mr Vaughan will ask the first question.

Mr VAUGHAN: I draw your attention to the 1994-95 allocation of \$5.91m for the Integrated Valuation and Sales System outlined at page 253 of Budget Paper No. 3. I am aware that concerns have been expressed in the past by Department of Lands clients about the gap between the date of annual valuation and the date when the valuation becomes effective for rating and taxation purposes. I believe that the gap between the date of valuation and the date of effect of the valuation has been 15 months for a number of decades. I also understand that you have reduced that gap to 12 months. Could you detail any further improvements which might come from the implementation of the Integrated Valuation and Sales System this financial year and beyond?

Mr SMITH: I thank the member for that question. It is a very important question. It relates very much to the Government's philosophy on land administration. You will probably recall that not many years ago valuations occurred only every five or seven years, and it was certainly a big event when they occurred, and there was buck-passing between the State Government and local government. To its credit, the previous Government changed that system in 1985. It was virtually unworkable with the paper-based system that was in place. While it was an annual valuation, it lagged at least 15 months, and it may have been longer. That caused a lot of problems in respect to land tax in particular when there was a downturn and people were required to pay land tax on what had been a previous boom time.

With the new Integrated Valuation and Sales System, which is a computer-based system, as of July 1995 we will be able to issue notices with a valuation as of 1 January. The big advantage is that the valuation will be only six months old and will reflect much more accurately the true value of the property. That is much fairer to clients rather than their paying tax on an artificial value. In fact, previous

Governments have had to enter into all sorts of mechanisms to try to even out those fluctuations. I think everyone would agree that such a system which is so responsive to allow a valuation as up to date as that is about as fair a system as any Government can put in place. I think it is well worth the expense that has been entered into to produce that system.

Mr VAUGHAN: Minister, I would like to ask you a question regarding the Department's information technology budget for 1994-95. There has been some criticism of the Government's attempts to bring the title system out of the paper-based era, where the previous Government left it, into the modern computerised era, which is where the rest of Australia is. Notwithstanding that criticism, most would agree that there are important benefits to clients and staff of an efficient information technology strategy for Government agencies. At page 254 of Budget Paper No. 3, the description of the Corporate and Executive Services Program includes a number of services associated with information technology. Could the Minister outline the 1994-95 allocation for this information technology branch which we might expect to receive for the expenditure?

Mr SMITH: Yes. The allocation for this year is \$6.7m—that follows on an allocation last year of \$7.2m—and I might say that that does exclude the PC-type computer that we are all very familiar with. I think the important thing to understand here is that the Department's primary functions relate to information management versus other portfolios where large amounts of funds are required for infrastructure. Examples would be Health and Education. It is therefore reasonable to expect that the Department's information technology requirements would be proportionately higher for Lands since it is such a major component of all our business functions.

I will digress by saying that Lands might sound to be a very dull sort of portfolio, but in fact some of the largest computer systems in Government reside within the Lands Department. In fact, the ATS system which we discussed a little while ago is very, very large on a world scale. That will give you some idea of the strength of the technology in the department. Although a number of the systems are not on the world scale, they are as big as those in any other in the State. Importantly—and this is very important—it is a very large network which extends across the State to the regions. The regions have access to the databases and it means a great deal to the efficiency of Government to be able to operate through those databases.

The operational costs have been reduced for this coming year due primarily to a considerable reduction in CITEC bureau charges resulting again from the introduction of the ATS and IVAS, which is the Integrated Valuation and Sales System. The total reduction in costs for facilities management and bureau charges amounts to in excess of \$1m. I might say that much of this flows from the role of the Information Policy Board in the rationalisation of equipment and systems, and the very professional

management that has occurred in respect to IT since this Government came into power.

I mentioned before some of the regional centres that benefit. My attention has just been drawn to some of the perhaps less likely places such as Blackall, Charters Towers, Goondiwindi and Emerald. They all have additional lines and they have the ability to use an enhanced communications system which has never been available to any Government department previously.

Mr ROBERTSON: First of all, Minister, may I place on record that I have never been one of those people to suggest that Lands is a dull portfolio. Certainly as evidence of that, my question is in relation to the Regional Open Space System. As you know, I have had an ongoing interest in the SEQ 2001 project, and obviously I am very pleased with this Budget initiative. I know that this question about the Regional Open Space System has been brought up before, but I am really seeking clarification as to what it is all about. Could you basically explain how the funding is to be broadly expended, how the scheme will work, and I guess overall what are the long-term benefits for the residents of south-east Queensland?

Mr SMITH: I will try not to cover the ground that I covered before with Mr Hobbs, so perhaps I will move into some of the costings. The actual allocation for land is \$4m; for information and mapping and that sort of thing it is \$1.3m; for the development and maintenance of the acquired land it is half a million dollars, and obviously work has to take place there. There is about \$384,000 for administration and other tasks from the Department of Lands. Interestingly, there is an allocation of \$670,000 to other departments. The Lands Department obviously controls that allocation, but other departments will be paid for their contribution to the program.

The open space concept serves a number of functions. Perhaps the principle is setting a regional framework which shapes the form as well as the location of urban development; it acts as a buffer to separate incompatible land uses and prevents uninterrupted urban sprawl, and I cited the Melbourne example before. In terms of recreation, it provides the opportunity for passive as well as active outdoor opportunities. Conservation is also a consideration. It protects the environment, the culture and heritage and provides natural corridors linking habitats, and we have all heard a lot about that in recent times. It provides for landscape protection. It preserves scenic quality and contributes to I suppose what could be loosely termed the livability of an area.

In terms of economic potential, it facilitates a certain sustainable commercial activity by taking advantage of natural and cultural resources. Open space has in the past been left largely unprotected from creeping urbanisation. It has not been valued for its own intrinsic worth, and key strategic areas including wetlands and ridgelines were unprotected. It has just been drawn to my attention that the \$4m for acquisition is not part of the Lands budget. I know that was actually covered in another Minister's

Estimates. It is actually drawn from the Department of Environment and Heritage, but the Lands Department has the administration of that. I just wanted to clear that matter up. Is everyone clear on that point?

I am sorry if I misled you. I certainly did not mean to. To address your question, let me say that it is not only bushland. ROSS will, of course, be based upon natural bushland and forest, but it will also include forest plantations, water catchments, coastal waters, foreshores, mangroves, flood plains and agricultural lands, as I mentioned before. I could go on, but I guess I am out of time.

Mr ROBERTSON: Just to clarify that, it is not land that we will be locking away from public access.

Mr SMITH: No, it is certainly not. I was at some pains to assure Mr Hobbs of that point when he raised the matter previously.

Mr VAUGHAN: I have a question regarding the freeholding of miners' homestead leases which I understand were first issued in the early 1870s but which have been largely ignored by Governments in the past. I remember them very well because they previously came under the Department of Minerals and Energy and were a bit of a headache. I refer the Minister to page 31 of his departmental Estimates statement which states, "A project has been initiated to expedite the freeholding of Miners Homestead Leases with a view to maximising the number of conversions approved." Could the Minister detail his Department's success to date and its proposed activities in the coming year in achieving those conversions?

Mr SMITH: I am very much up to date on this because one particular member of Parliament asks me a question in the House on it on a fairly regular basis. It is a success story, and I must say that it is a very generous offer by the Government in terms of regularising those leases and giving people what amounts to a better title. With the miners' homestead leases, they are able to convert those leases to freehold at 51.24 per cent of the 1980 value, which is really almost a freebie, I guess.

Since July 1990, some 8 063 tenures have been converted to freehold and some 790 freehold leases have also been issued. About 2 700 leaseholders have not applied to convert the tenures as at 31 May this year, and the great majority of these leases are located in four centres. I will give you the numbers: Mount Isa, 725; Charters Towers, 153; Gympie, 639; and the central region, which is mainly Mount Morgan and probably somewhere around Emerald, would be 635. I suspect most of those would be at Mount Morgan. The point that I have made when I have travelled around to inform people of what is happening is that some people who have applied, perhaps even 12 to 18 months ago, have not yet received their appropriate certification. The point is, though, that provided they make the application before the closing date, they can take advantage of this offer. I have been at pains to make that point.

The fact is that it could have been a very, very expensive operation. Added to that is the fact that the Government does not stand to gain very much by way of revenue, so we had to try to do it on a

fairly economical basis. What we have managed to do is use students from QUT to conduct the necessary surveys, which was very, very successful in places such as Charters Towers and Mount Isa. QUT was very pleased for its students to have the opportunity of getting that practical experience. In the Gympie area, there was a reluctance to allow students to come in because it was thought that that might deny work to some of the local practitioners, but I drew attention to the success of the scheme in other areas and latterly full cooperation has been received from the land professionals in that area. I am pleased to say that Gympie is now looking quite good compared to the other areas.

I just make the point that we have given the matter a lot of publicity. I do not think that it would have been possible for the Department to have done any more to advertise the fact that these conversions were available at this concessional value.

Mr VAUGHAN: In the new Land Titles Act, witnesses must now take reasonable steps to ensure that the person involved in the transaction is the person he or she claims to be. A lot has been said about the new onus on witnesses. Can you please explain how that will not disadvantage or cause any concern for witnesses who carry out their duties professionally? Could you also explain how these changes will help to reduce the likelihood of fraud, thereby giving home-owners and land-holders the added protection they deserve?

Mr SMITH: This is a very important question. I do not want to harp too much on the ATS, but I need to remind everyone that the instrument of fraud in land dealings has been the duplicate title. Of course, the classic example is the Peter Palmer case. As you know, the Government guarantees title, and it turned out to be a very expensive operation when the Government had to meet the costs associated with fraud committed by Mr Palmer.

In practice, the responsibility of witnesses in the past has been limited to verifying that the person executed the document in front of a witness. Generally, witnesses have not sought any form of identification. In fact, most do not even inquire whether the signatory is the person named in the document. I believe there is room for doubt about whether in fact there has been any requirement to do that. There are probably instances where signatures on blank pieces of paper have been witnessed.

Section 147 of the Land Titles Act 1994 requires witnesses to the execution of instruments under the Act to take reasonable steps to ensure that a person executing the document is entitled to do so. Those words "reasonable steps" are very important. The owner's copy of a certificate does not prove that the person in possession is entitled to deal with the land, as I said before. We come back to the Peter Palmer example.

The new requirement of witnesses is a very considerable improvement on the previous system. It is true that these requirements will not prevent fraud by true criminal elements. It is almost like locking up your house: if someone who is a true criminal wants to get in, it is very difficult to keep them out. In terms of casual or opportunistic fraud, this system will

certainly minimise that. I had to be convinced that that was the case. I am convinced—in fact, I am extremely confident—that the requirements will greatly reduce the opportunity for misuse.

It is certainly agreed that there has been some additional responsibility placed on witnesses, particularly when entering into land transactions. Of course, we are dealing with the most valued asset that most people will ever acquire. But just as it is appropriate for reasonable steps to be taken in establishing the identity of a person opening a bank account or applying for a Medicare card, similar steps are justified in relation to people's homes and investment property. As we all know, we cannot just go and open a bank account. The same sort of protection is being put in place. A person must demonstrate that adequate identification has been available.

The CHAIRMAN: The time allocated for questions in this block by Government members has expired. I call on Mr Hobbs to recommence questioning from the non-Government members.

Mr HOBBS: Minister, I refer you to your previous answer to Mr Vaughan when you mentioned fraud and duplicate titles. How many documented cases of fraud have there been in recent times with the duplicate certificate of title?

Mr SMITH: I am not sure of the number. I guess that the catalyst for the Government was the large-scale fraud committed in the celebrated Peter Palmer case. I think that it drew to everyone's attention just what the potential for greater fraud might be. We might have some information. In fact, I will ask the Director-General to give me some assistance. He seems to have some information on it.

Mr WILSON: I do not have details, but another recent case that was in fact reported on *The Investigators* two or three weeks ago was a fraud in New South Wales based on fraudulent alteration of the duplicate certificate. That was another recent case in point.

Mr SMITH: The Program Director of Titles tells me that we do not have actual numbers.

Mr HOBBS: You do not have numbers? I also refer to what you said about witnesses and that the onus was not really all that great upon them. Really, is it not the case that witnesses have to know, to the best of their knowledge, that the person who is signing that document is, in fact, entitled to sign that document? Is that not contrary to the conventions of JPs—to their charter?

Mr SMITH: There are a range of people who have the ability to witness those documents. It certainly does not depend totally on the JP system. I think that, today, most people would agree that the JP system, unfortunately, has come into ill repute. There has been some considerable adverse publicity about the JP's Association in recent times. A whole range of suitably qualified people are now entitled to be witnesses. So it certainly does not rely on any particular code, or point of view of JPs. It includes such reputable people as elected representatives, police, school teachers, bank managers and so the story goes on.

But it is important that people accept the responsibility of what they are doing. They do need to take reasonable steps, and "reasonable steps" is, I understand, a legal term. It does not mean to say that you can be sued because you made a mistake. As long as you can demonstrate that you took reasonable steps—you probably asked for a driver's licence, you probably checked that with the person who purported to be the holder of that driver's licence, that is, with the photo, and you were convinced that it was the same person. You may have required other documentation. There are a whole series of things which can come into the category of "reasonable steps". I do not know that that ought to surprise anyone. You are not going to go along and be asking any Tom, Dick or Harry; you are going to be asking some person of substance and repute to do the witnessing. That person is not going to undertake that responsibility lightly. They are going to understand that they do have to take reasonable steps, that they are dealing with a matter which, to most individuals, is very important. It could well be, as I mentioned before, the greatest investment that a person might make in his or her life, and I am sure that it will not be treated lightly.

Sure, as I said before, and I admit, there is no mechanism known to beat a criminal who is out to defraud, but the system that is put in place will certainly be much more reliable than the system it replaces.

Mr HOBBS: The reason I ask the question is that it seems rather strange to go out and change a system that seems to work reasonably well if there was not documented evidence of fraudulent use of the duplicate titles. It just makes me wonder what the basis for the change is if fraud is not the major issue.

Mr SMITH: Fraud is a major issue. I think that you would be very familiar with the concept of closing the gate after the horse has bolted. The Peter Palmer case, I think, demonstrated to this Government the potential for what could happen. The Director-General indicated not only the Peter Palmer case but also a case that occurred recently in New South Wales. For that reason, I would take the view that it would have been almost irresponsible of the Government not to have responded to that situation and put in place mechanisms to reduce the potential of that happening.

Mr HOBBS: I refer to recent comments again about the SEQ 2000 regional open space system. In response to Mr Robertson's question, can you explain what "strengthened planning controls" actually means?

Mr SMITH: Yes.

Mr HOBBS: Should not a land-holder of freehold property be concerned that what is being planned here is actually downgrading the status of freehold property?

Mr SMITH: The problem can often be, with a particular local authority, that that local authority tends to be inward looking rather than outward looking. So the concept is that there will be an overview reached by representatives of a number of local governments which will be associated with this

scheme. It is not going to be something done on the whim of a local councillor or a local mayor. It is going to be a policy set through the agreement of a representative group of people, which includes local government, State Government, I think representatives of conservation groups, and land-holders. The main thing is the fact that there are a number of Government Departments and regional councils—NORSROC, WESROC and SROC—whatever that means; probably South Roc—on it. As I mentioned before, the Department of Lands is the lead agent. To get to your question, what I am trying to imply is that the decisions that will be taken will be strategic decisions; very carefully considered decisions of benefit to the whole area. They are not going to be decisions that are going to please or displease just a small section of the community. The interests of the community at large will be taken into consideration and, indeed, that is the primary purpose of the scheme.

Mr HOBBS: I refer to your Estimates for Crown land lease rentals from 1994-95. Can you advise what the situation is regarding those surf lifesaving clubs that were facing hefty increases from your Government's proposals? Have these, in fact, eventuated?

Mr SMITH: Again, there has been a lot of hype generated about that. I can understand that anyone who is not closely associated with it would not know the details. The fact is that the great majority of those surf lifesaving clubs were on what was known as 343 leases. They are actually reserves administered by councils. The surf lifesaving clubs that are on direct special leases administered by the Government are few in number at this point in time. The only ones that will come up in the foreseeable future are the one at Cairns—I have forgotten the name—the one at Mooloolaba, another one at Alexandra Head lands and one at Maroochydore—four. None of them come up immediately, but they do come up within the next few years.

We have been negotiating with the Surf Lifesaving Association to reach a reasonable position, taking account of the fact that those surf lifesaving clubs do perform a public duty. You would also need to be aware, of course, that those clubs are also in receipt of a considerable sum of money from other Government agencies. Nevertheless, an agreement has been reached that the lease rates applying to those properties will be half of the category that would otherwise apply if they were not a lifesaving group, and they are capped. They will be capped to a maximum figure, so there is no possibility that they will be facing the sort of rates of \$20,000 or \$30,000 that people were suggesting some time ago.

I think that it is appropriate that I draw to the attention of those present tonight that a very unhealthy situation has, in fact, developed on the Gold Coast where the Gold Coast council has rather recklessly allowed the commercial exploitation of those surf lifesaving clubs, or the great majority of them, so that they can become fully operative commercial centres, competing with restaurants and

other providers of food, drink and other services, to the extent that they have a tremendous advantage over people who are paying very large bills for rates, land tax, leases, or whatever it might be. There is, indeed, a very considerable backlash at the present time about that situation. In fact, it was the subject of a weekend newspaper article a few weeks ago. So we are starting to see the reverse side of the argument.

Mr HOBBS: I refer to the Emerald development. Firstly, what was the percentage return to the Lands Department on the sale of those lots. Secondly, what was the total return received by your Department based on the initial sale—plus, of course, the percentage return?

Mr SMITH: I did indicate to you before that where we issue development leases the return to the Government can vary typically around 12.5 per cent to 15 per cent. For example, I think the return from Raby Bay is 15 per cent. It is quite a reasonable type of investment for the Government. It is also good for the developer because it means that the developer does not have any outlays while the blocks are being developed.

Mr LACK: I do not know the exact figures for the return that the Crown will be getting, but the Crown will not have received that return at this time. The council will be operating under a development lease, paying a rental. We will receive the purchase price only upon the completion of the development and freeholding of the lots, or stages.

Mr SMITH: Do you have a particular concern that I am not addressing in this matter. Am I am fully answering your question?

Mr HOBBS: My main concern is that, although there seemed to be a very small amount of money involved in the initial purchase, it seems as if there will be a huge amount of money for that sale. The council got it through in six days, and other people have been left out.

Mr SMITH: The development cost of residential property sites today is very high. Frankly, countless people go broke by getting their percentages wrong.

Mr HOBBS: In relation to the land rentals, I note that you have taken up my index system principle for determining Crown rentals.

Mr SMITH: In one category.

Mr HOBBS: I ask the Minister: what indexes will you use? For what percentage, if any, will Valuer-General valuations be a factor, and when do you intend to introduce this system?

Mr SMITH: If I understand your question correctly—the unimproved capital value system has been in place as of 1 July last year. You asked me about lifesavers before. That system would apply to the lifesaving clubs, except that there is a capping system in recognition of the public service they provide. I have not suggested that there would be a capping system for any other category but, as you well know, we have provided a concessional rental scale with respect to grazing lands to address the fact that drought conditions have prevailed and

commodity prices have been low for some time. I recently announced that there would be no further review of those rentals until 1996. Is that the information you were seeking?

Mr HOBBS: Not really. I want to know what indexes you will use.

Mr SMITH: We will call it an Industry Health Index. I have indicated previously that that index is being worked out in agreement with Treasury and my own Department. As you know, the Treasury has very sophisticated modelling systems that are capable of providing that information. Industrial leases, tourist leases, commercial leases, and even sporting and recreational leases—none of those categories have been required initially to pay the full lease rental under the new system. They have all started off on a concessional rate, most of them nowhere near as generous as the concession that applies to the grazing industry.

For example, for industrial, tourist, and commercial lease rental rates, the percentages will move forward after being assessed under the Industry Health Index that, as I mentioned, is being developed jointly by Treasury and Lands. Essentially, that means that we will need to be very sure of the capacity of a particular category to pay before we move the leases forward. That will be done in incremental steps over time.

Mr HOBBS: You mentioned a lot about the concessional rate, but that really is a bit over the top to a certain degree, especially when rentals have gone up 40 per cent, or \$9.4m, over the past few years. An extra burden has been put on ratepayers. Will you be keeping whatever concessional benefits you do have—even though it is quite a high rate—for some time?

Mr SMITH: I addressed that question before. The bottom line, as I see it, was that those leases hardly moved at all. We have gone from an actual of \$7.35m in 1992-93 to an estimated actual of \$7.4m for 1993-94. That is a little less than I thought it would be at the time I introduced those rentals. I cannot see that you have any case there. If you consider that return to the Crown for what is a huge area of Queensland from which a very large number of people derive a very substantial income—

Mr HOBBS: That is a pretty quiet income, is it not?

Mr SMITH: There can be some good times as well. And I think we have taken account of all of those.

Mr HOBBS: It was a fair while ago.

Mr SMITH: One of the advantages of this portfolio is that I have the opportunity of monitoring the sale prices of properties. People write to me and talk about the lower value of properties. I see the actual sales returns. It seems to me that some people are prepared to spend very large amounts of money to acquire grazing properties. It does throw into question at times the profitability level of those properties. The sort of money that experienced investors are paying for those properties suggests that the return may be much greater than is presented very often by the industry organisations.

Mr HOBBS: I can assure you that that is not the case, but I will move on. What was the total cost of the regionalisation of your Department?

Mr SMITH: I would not know the cost. I am aware of the benefits and I am aware of the fact that the four separate departments which have been merged into the Lands Department now operate with about 200 employees fewer than the combined total that existed under the four separate regimes. But on top of that, the real benefit has to be measured by the increased service available to the communities they serve.

The CHAIRMAN: The time allocated for questions by non-Government members has expired. We will turn to questions from Government members.

Mr DOLLIN: I refer you to pages 49 and 51 of the Department's Estimates Statement. Under the Land Boundaries Program, \$655,000 has been provided for the replacement of outdated computer equipment for the Computer Inventory of Survey Plans and Place Names database. Could the Minister please explain the replacements of the MIPS computers and the importance of those two databases?

Mr SMITH: We dealt in part with that earlier, but I would like to draw out some important aspects. At present, three MIPS computers are being replaced by two newer machines. The newer machines will be dedicated to separate tasks. One will principally handle the Tenure Administration System. The other will handle the Computer Inventory of Survey Plans, and there are a number of other tasks. The point is that it is new software which is very much upgraded. It will perform much more efficiently and result in great time savings. The computers will also have a much greater capacity for storage and retrieval of information.

I reiterate that that purchase by the Department was unavoidable due to the fact that the supplier no longer provided maintenance support for the equipment. The Department had been given relatively short notice of that position. Particularly with the Tenure Administration System, it is very important that we move quickly. The total rent regime for leasehold properties throughout Queensland is now computer based and dependent on the machines and the system to produce the annual rent notices.

Mr DOLLIN: I refer you to page 57 of the Lands Department Estimates statement. The Land Information Program of the Department plays an important role in developing information systems. One of the systems that the department has been developing is the BLIN, the Basic Land Information Network. That network is aimed at linking already existing land information systems to provide a better quality of land information. Could the Minister please explain how that integrated land information will provide a better service for Lands Department clients?

Mr SMITH: Yes, I could, but it is such an important question that I will ask the responsible officer to come forward to give an outline of it. There

may be subsequent questions and it would be best to build on the framework that she will put down.

Ms BERENYI: My name is Margaret Berenyi. I am Program Director of the Land Information Program. The Basic Land Information Network comes under my responsibility. The Basic Land Information Network is the Department's corporate information management initiative. It represents a major thrust towards improving integrated client delivery by providing the linkages between the major corporate information systems of the Department. You have heard about the Automated Titles System and the Digital Cadastral Data Base. It will link those two databases and allow us to get access to integrated information.

That system will represent the Department's contribution to the broader Queensland Land Information System development and will form the centrepiece for the Queensland Land Information System land administration theme. BLIN will link and provide integrated access to existing and developing departmental information systems that record and maintain land information.

The BLIN implementation will result in internal and external clients benefiting from the regionalised delivery of more up-to-date and accurate land information—a more efficient service and a more cost-effective generation of Land Service Centre maps. The ability to combine and present information tailored to clients' needs will facilitate better decision-making. The implementation of BLIN will impact dramatically on current work practices across most areas of the Department in the longer term. That will have the effect of improving our business and the work practices will be able to be refined.

Mr SMITH: As you can see, it is a very important initiative. It is a fundamental initiative that will change the way we do business. It has all sorts of implications for other users of that sort of information, including local authorities, statutory bodies and other Government departments. It is a major thrust into the future.

Mr VAUGHAN: I refer again to the Land Information Program on page 56 of the departmental Estimates statement and the role of the Department of Lands in developing the Queensland Land Information System. Land information must be easily available to Government and the private sector in a coordinated and integrated format. That is essential for proper land planning and decision-making where land is involved. Could the Minister outline what the Queensland Land Information System will provide and the benefit to Queensland of that system?

Mr SMITH: I will start off with some history about that unit. The Department of Lands has a unit of eight staff dedicated to the task of the Queensland Land Information System. The Queensland Land Information Council is a high-level multi-agency body whose principal aim is to ensure an integrated and coordinated approach to the development of land information systems in the State. QLIC provides an effective forum for liaison by the Department of Lands in its important role as lead agency.

The QLIC members are the Department of Lands as Chair, the Department of the Premier, Economic and Trade Development, the Department of Housing and Local Government, the Queensland Police Service, Treasury, the Department of Transport, the Department of Minerals and Energy, the Department of Primary Industries, the Department of Environment and Heritage, the Department of Administrative Services and the Department of Business, Industry and Regional Development. Individual agencies are responsible for funding agency-specific database and system development.

The QLIS fund has been established, with contributions totalling \$1.265m from QLIC members over a two and a half year period. That fund has been established to fund cross-agency projects that support the development of QLIS. I will give some examples of those projects, particularly the ones that were recently funded. They are: foundation information analysis, Department of Lands, \$75,000; technology architecture R and D, Department of Lands, \$70,000; evaluation of existing information systems relating to natural resource data, Department of Primary Industries, \$74,440; and natural resource theme user-needs analysis, Department of Primary Industries, in excess of \$37,000.

Agreements have been reached with several agencies to coordinate specific themes under the QLIS umbrella. That creates greater involvement and devolves responsibility to appropriate agencies. A successful PC-based directory has been produced which gives details of what land information is available in the State and who to contact in regard to each Queensland Land Information Directory entry. That is called QLID. I am out of time.

Mr ROBERTSON: Page 17 of the departmental Estimates statement refers to the Land Sustainability Program and states that the Department will no longer compete with private enterprise in the sale of herbicides. Excuse my ignorance, but where is the herbicide store located and what will happen to that facility after that decision takes effect?

Mr SMITH: I can answer that question myself. There are some detailed matters that maybe Dr Galloway will respond to in subsequent questions. At the present time, the chemical store and the existing archives for land titles are at Eagle Farm or Hamilton. It is really in Eagle Farm, but very close to Hamilton. It is an unsuitable site which we have put on the market. I have personally offered that facility to the Brisbane City Council. It could well be contaminated, so the people of Hamilton would probably be pleased to see it go.

In respect to your question about subsidies and the Department's involvement in chemicals—it is another case in which the marketplace takes charge. The ability of the major suppliers of chemicals to strike deals with commercial organisations was so efficient that it became apparent that the Lands Department did not provide any assistance to end users by being the middleman in the process. A very, very careful analysis was done. One can understand that some people would see that as a significant

withdrawal of Government services. A very detailed analysis of the implications of withdrawing from that scheme showed that there would be no loss to the rural community.

We are prepared and intend to provide some sort of storage facilities for the Department's own use at three new locations. I think I have them here, but if I cannot see them quickly, I will ask Ian to provide them for you. I am sure that he knows where they are. Ian, would you like to round off on that one?

Dr GALLOWAY: The three new facilities are at Charters Towers, Cloncurry and Hughenden. We are also upgrading three of the existing facilities at Longreach, Innisfail and Blackall.

Mr ROBERTSON: My second question was on the Eagle Farm warehouse, but it related to the transfer of historical records from that warehouse, coincidentally, to the State Archives in my electorate of Sunnybank. You have answered my question as to why it was necessary to dispose of the property. Earlier this evening, I asked the Minister for Administrative Services what savings will be gained from transferring archival material from city stores to Runcorn. Will you receive the same sorts of savings by the transfer of these records to Runcorn and the sale or disposal of the Eagle Farm warehouse?

Mr SMITH: The principal problem with the archives warehouse at Eagle Farm is that the building is unsuitable. It is essentially a World War II igloo type structure. Regrettably, it is only a matter of good fortune that we have been able to preserve as many historic records as we have. As every year goes past, the risk to those records becomes even greater. To return to some of the issues we were talking about earlier—and I think it is appropriate to bring this up now—contrary to some of the scuttlebutt that has been floating around, those titles are intended to be kept forever. There is no intention of destroying titles. Certainly, duplicate titles that are not required by the rightful owner will disappear, but they are not the freehold titles, anyway; generally, they are historic titles connected with the old grazing runs and that sort of thing.

Mr ROBERTSON: I move to page 17 in the capital works expenditure. Funding of \$351,000 has been provided for the upgrade of water facilities and poison stores. I have a number of questions that I would ask at the same time. Firstly, what part of that \$351,000 relates to the upgrade of the poisons store? Where are these stores located? When are they expected to be upgraded? What security measures are in place to ensure that non-authorised interference with these goods does not occur?

Mr SMITH: Some details are available on that. The upgrade to the poisons store will cost \$221,000. The new facilities—and I could not recall them before but I have the note on them now—are at Charters Towers, Cloncurry and Hughenden. As Dr Galloway mentioned, the upgraded facilities are at Longreach, Innisfail and Blackall. The construction of these new facilities and the upgrading will occur during the 1994-95 financial year, subject to a final construction program. The construction will comply with the standards set down in the Workplace Health

and Safety Act. Clearly, a lot of attention will have to be given to those projects.

Mr ROBERTSON: With respect to capital works in the Land Use Program—and I refer to page 35 of the departmental Estimates—\$3m has been allocated for the development of surplus Crown land. Can the Minister provide details of this program? What is the expected return on this investment?

Mr SMITH: I think that is the one that we talked about before, where \$200,000 was to be used for the old Urban Crown Land Development Fund and the remaining \$2,800,000 will be used by the Lands Department in respect to upgrading, marketing and disposal of land which is declared surplus from other Government departments. The Department of Lands will advance the development of a number of surplus Government properties utilising the services of the private sector in project management, all aspects of design and construction and property marketing.

Of the \$2.8m allocated for GLMS capital works, expenditure of \$2.425m is expected to be incurred against three major residential development projects. One is at Eagle Heights at Southport. That will run to over \$1m. That is one of the ones I mentioned before that are ongoing. We have a very significant investment in headworks, and the only logical way to complete the project is for the department to undertake that responsibility. There is another program at Coolum on the north coast valued at three quarters of a million dollars. There is also surplus Education property at Stratford, Cairns, where we will incur expenditure of \$625,000. Some of you will be aware that that is part of the overall strategy of putting in place a university campus in Cairns. There are also some minor capital works totalling \$375,000. They will be incurred against 17 additional properties in preparation for sale.

Some of the capital costs incurred against these GLMS projects relate to items such as local government fees and charges, rezoning fees, sewerage and water headworks contributions—as I mentioned before in respect to Eagle Heights, that can be very expensive—as well as cadastral engineering surveys and, very frequently, maintenance of property prior to sale. I think those are the essential components of it. We have about another 130 surplus properties which will be sold on behalf of 14 other Government departments.

The CHAIRMAN: The time period allocated for questions by Government members has expired, and I ask Mr Hobbs to recommence the questioning for non-Government members.

Mr SMITH: Madam Chairman, could I take the opportunity of withdrawing the statement that the Education property at Stratford, Cairns, is associated with the university? I am told that that may not be the case.

The CHAIRMAN: We will take that on board.

Mr HOBBS: I refer to your statement earlier about regionalisation and the 200 fewer employees now in the system. Would it not be more accurate and honest to say that this is because of Budget cutbacks rather than operating efficiencies? The

Lands Department has been starved of funds, has it not?

Mr SMITH: Not at all. I will come up with the actual figures for you in a moment. One of the policy platforms of this Government when it came to power was to regionalise services across Queensland. I take a great deal of pleasure in being associated with that, particularly in my first three years in Government and following on in the Lands Department. Under the previous regime, the concentration of people and power in Brisbane offices at the expense of the regions had really gotten out of hand.

We talked before about information technology and I talked about new information systems. All that is part and parcel of the availability of services throughout the region. I would just like to give you some figures. Prior to regionalisation, under the four Departments the total establishment numbers were 1 631. As of 1 June this year, that figure was down to 1 451. These are interesting figures. Corporate headquarters, which previously had 1 092 people, is now down to 469, and I would have thought, Mr Hobbs, as a representative from a regional area, that you would be first to applaud a move to put more people in the regions to service the communities that live outside the capital city. Brisbane region has 336 people now, and I think that includes Ipswich. The Darling Downs now has 63, as does Cairns for the far northern region; Mackay has 43; the Townsville region 102; the south coast region has 87 and is growing rapidly, and the Sunshine Coast region is in a similar position with 81 people. There are two major offices there and a very broad range of services available to the community through those offices. The Wide Bay region is also growing very rapidly, with a total now of 82 people. The effect of having the people there who are multi-skilled and the availability of new technology which allows access to databases has really meant a quantum leap in terms of the administration of Government throughout the regions. This has occurred not only in the Lands Department, but also in a whole range of Departments. However, dare I say, it is my view that the Lands Department has probably been if not the most successful, one of the most successful Departments in achieving the objectives of Government.

Mr ELLIOTT: I seek leave of the Chair to ask the Minister a question.

The CHAIRMAN: Leave is granted.

Mr ELLIOTT: I refer to page 253 of the Program Statement and changes to the Valuation of Land Act. Key changes indicated include the—

" . . . removal of concessional valuations which do not reflect the market value of land used for single unit residential or farming purposes or which are held by the original subdivider."

What do you mean by this and what impact would it have on such valuations in terms of the potential cost impact on the owner through his rates bill?

Mr SMITH: Essentially, it is also part of Government philosophy to try to get decision-making down to local government where that is

possible and for the State Government not to duplicate services. The best way for the Government to value land is at its highest and best use. Now, that is not to say that that should disadvantage someone who has what could be a residential property but is being used as a farm, because the ability is there for local government to provide that concessional rating for valuation purposes. That is something that is now under consideration for the Valuation of Land Act. There have been no firm decisions taken to this point. There will be a very extensive consultation process.

I would be bound to say that local government to this point has not indicated enthusiasm for that proposal, and for it to occur it may well be that considerable negotiations might have to take place in respect to a cost implication. So, it is something that has been given consideration, but no decision has yet been taken. However, I come back to the point, which is that if that were implemented it ought not mean that there would be an increased cost for a person in that situation. We are talking about someone who is not using the land for its highest and best value.

Mr ELLIOTT: Would you see it as consistent with what you are trying to achieve with your ROSS program, or could this in fact hinder what you are trying to achieve with ROSS?

Mr SMITH: Not necessarily. As I have said before, the broad strategies of ROSS will have to be agreed through the overarching committee. It might well have the reverse effect; it may well create a situation where property in other circumstances might be deemed to be for urban development. Agreement could mean that the area would be preserved as open space or for farming and, in fact, save someone from incurring a bigger land tax or rate base by virtue of a suitable zoning classification for that parcel of land.

Mr ROWELL: I seek leave to ask questions of the Minister.

The CHAIRMAN: Leave is granted.

Mr ROWELL: I refer to the Land Sustainability Program, and I refer particularly to funding from the Rural Lands Protection Board. Is it a fact that the Government's contribution has only increased by 3 per cent over a period of about the last five years while local authority contributions have increased by 91 per cent?

Mr SMITH: I did start to answer that before and I pointed out that the precept system is a very complicated system. I think the local government contribution is actually based on 9c per head of cattle, sheep, goats or something else. I acknowledge that Government contributions had fallen away to some extent in the last few years, but Government has also at the same time made a very much larger contribution to addressing other problems in the rural sector. This year, we have redressed that problem. We have restored the relativity by the application of \$700,000, together with the continuation of \$600,000 to special initiatives which have been going for the past two years. However, on the matter of precepts, I think I

would like Dr Galloway to perhaps elaborate on that because it is a bit difficult to get around.

Dr GALLOWAY: The precept system is a complicated one; it consists of a number of component parts. Sixty per cent of the Rural Lands Protection Fund revenue for 1994-95 will be raised through precepts. The component parts of the precept levy consist of the annual budget figure, that is, each local government submits its estimate of expected expenditure in a financial year for its activities under the Rural Lands Protection Act. These activities are the control of pests, plants and animals and the maintenance of the stock route system. This part of the precept is claimed back on a monthly basis by the local government as the work is performed. The local government land protection budgets for 1994-95 total just over \$6m.

There are also specific levies raised for nominated purposes, one of which has been mentioned tonight, that is, the dingo barrier fence. This is a special levy on those local governments within the area protected by the dingo barrier fence and based currently, as the Minister mentioned previously, at 9c per head of protected stock. The dingo barrier fence levy for 1994-95 is \$662,000 and this is an actual decrease because of the lower number of stock in the area. There is also a rabbit control and research levy for rabbit control operations in local governments within the defined Darling Downs/Moreton rabbit district and the levy for this area in 1994-95 is \$535,000, which represents an increase of 5 per cent. This is money raised through local authorities. There is a Locusts and Other Plague Pests Contingency Fund which has been raised this year and in 1994-95 to fund locust control activities. Finally, there is a service contribution to the Land Sustainability Program through the Rural Lands Protection Fund. So, those are the elements of the precept system.

Mr ROWELL: Those precepts, would they be in the order of about 60 per cent for local authorities and probably about 23 per cent for Government?

Mr SMITH: I can answer that. They are about 60 per cent for local government. They are about 10 or 11 per cent—no, I think it is 31 per cent State Government, 9 per cent external and the balance, which is 60 per cent, is local government. I did make the point before—and again, it might be worthy of some further consideration—that local governments pay their contribution, but then they are funded for the work that they undertake. They are also entitled to a rebate of 84 per cent of their expenditure through a Federal Government agency. So the net cost of the whole thing to local government really is not 60 per cent. I am not in a position to work out the exact percentage, but it is much less.

Mr ROWELL: Could you confirm what it is?

Mr SMITH: I can tell you exactly what it is in terms of this document. But what I am saying is that the real cost, because of the application of Federal funds, is much less. When you consider that real cost of local government against the real costs of State Government, it is a very equitable arrangement.

Dr GALLOWAY: Under the Commonwealth Grants Commission, the activities of the Rural Lands Protection Board are judged to be effort positive. In recent years, this has attracted a rebate of 84c in the dollar.

Mr ROWELL: It just talks about specific purpose Commonwealth funding. There is none at all; is that the case?

Dr GALLOWAY: The Commonwealth Grants Commission is the one the Minister is referring to.

Mr SMITH: It does not actually appear in our Estimates. It really does not relate to our Budget.

Mr ROWELL: I understand that the Rural Lands Protection Board's fund was reduced by \$220,000 for 1992-93 to the 1993-94 period. Would that be correct? I am very concerned about it, because there is a major problem out there with a number of pests. If there has been a reduction, I would like to know if this is the case.

Mr SMITH: There was some reduction. I think it was \$75,000. But the point we are making is that the additional \$700,000 and the \$600,000 have more than redressed what might have amounted to a little slippage previously. It has more than redressed that; so really, the Government contribution now is greater than ever before.

Mr ROWELL: I would like to make the point that the funding for the sicklepod program last year was withdrawn. That very valuable work being carried out by personnel from the Tropical Weed Research Station at Charters Towers was cut off at the knees. Why did that occur?

Mr SMITH: The Rural Lands Protection Board, which is made up of a broad-based group of people representing industry groups, makes a recommendation to me, and these pests, weeds and plants are assigned categories from P1 to about P5. That ranges from eradication to containment to taking no action. I have not overturned or sought to vary recommendations that have come via the Rural Lands Protection Board. It is a question of priority. Obviously, the board, in its wisdom—and I am certainly not challenging that wisdom—would have decided that that particular project was not deserving of funds when compared with competing interests. Again, do you want to add anything to that, Ian?

Dr GALLOWAY: The biological control work for sicklepod continued overseas. When we look at the Budget this year in terms of wet tropical weeds—we have more than doubled the Budget for this year. In our chemical control area for other pest plants—and sicklepod would be one of them—it is also an area that has gone up by a factor of two.

Mr ROWELL: It is definitely back on the program. It is alive and doing well. We can expect substantial funding so far as the sicklepod—

Mr SMITH: My understanding of the sicklepod problem—and I know it is a problem in the Ingham area—

Mr ROWELL: It is not just in Ingham; it is right throughout the cane-growing areas.

Mr SMITH: My understanding is that it was brought in by private interests—be it accidentally—as part of pasture improvements.

Mr ROWELL: The prickly pear and a lot of them were brought in.

Mr SMITH: Yes, I know. There must be some responsibility on the people who brought some of these products in without ensuring that they were not carrying with them plants that were going to cause economic loss down the track.

Mr ROWELL: But there will be substantial funding for it this year?

Mr SMITH: Dr Galloway has responded to your question.

Mr JOHNSON: According to page 17 of the Lands Estimates, herbicides will no longer be available, and herbicide stores will be closed. I refer to page 17 of the program—O8112 Land Sustainability Capital Works. You have upgraded water facilities in poison stores. The Budget for 1994-95 shows \$351,000. I ask the Minister to explain this.

Mr SMITH: The upgraded water facilities are on the stock routes.

Mr JOHNSON: You have poison stores in there, too. You say in one part that they will be closed, but you have them in the Budget.

Mr SMITH: That was the central store. The Department, in its own right, still uses chemicals for certain projects. I think it is for parthenium in particular. Do we supply the poison for parthenium?

Dr GALLOWAY: Yes.

Mr SMITH: We still have a use for those areas for storage.

Mr JOHNSON: I refer you to page 12 of the Estimates of the Department of Lands—major program issues. You say there that the community and Government have increasingly recognised that pests, plants and animals are a major cause of land degradation in Queensland and that this highlights and increases the responsibilities of the Department of Lands for management control of pests, plants and animals. Are you referring to feral animals, or does the Department have an agenda for introducing stipulated stocking in relation to rural land aggregations?

Mr SMITH: No. You are really drawing a longbow there.

Mr JOHNSON: You could read two things into it. I want an answer for it.

Mr SMITH: It is simply talking about threats to the environment that will have economic effect. We are talking about feral animals. We are talking about pigs and goats. I think that cats are outside the range. We are also talking about the range of weeds—the partheniums, prickly acacia and the sicklepod which Mr Rowell mentioned before. The Lands Department is not attempting to tell the rural producer how to run his or her business. Does that answer your question?

Mr JOHNSON: Yes, it does. So your

Government does not have an agenda for the desertification treaty of the Federal Government?

The CHAIRMAN: I am sorry, Mr Johnson. The time allocated for questions by non-Government members has expired. We will now recommence questions from Government members. I ask Mr Vaughan to lead off.

Mr VAUGHAN: I would like to refer to the Land Sustainability Program, which is on page 11 of the Lands Department Estimates statement. Last year, Queensland saw the outbreak of locusts, which has been referred to previously and which did considerable damage to the Queensland crop industry. I add that the Government responded quickly to those outbreaks, as I understand it. However, it became evident that the lack of a contingency fund for control of locusts hindered rapid response. As a result, the Department has established the Locust Control Contingency Fund. Could you outline this important and essential control fund?

Mr SMITH: I am very happy to. I understand that, with your background—I think you are a Richmond boy, born in Townsville—you do have a very great interest in these matters. I am hoping that you will be able to accompany me on a trip to some of these areas next week.

We were faced with a major locust outbreak in the Central Highlands. It got to the stage where the sort of control that is expected to be exercised by land-holders and local government was—the situation was such that it was beyond their ability to control the hopper bands, because the hopper bands had grown and the swarms were in place. The only way to address that was to locate them and spray them using aerial spraying methods. That is some time ago. I think it was about February 1993. In fact, at that time I took a submission to Cabinet pointing out to Cabinet the urgency of the matter. I was given an authorisation which allowed us to address that problem in a timely way which saved the major grain crop on the Central Highlands.

A very good outcome from that particular exercise was that the local communities recognised that they had to play a part in these programs. I was then able to get agreement from Treasury to establish a contingency fund which can be applied on a dollar-for-dollar basis to emerging threats. It really means that, up to the limit of my authorisation, should such a threat emerge again, I would not have to wait to get Cabinet approval to address it provided the funds are in place from the area affected—and they are; it has been a very good response, particularly in that area—and it would be possible to immediately mount a campaign to address the threat. I might add that the earlier that type of threat is addressed, the more effective the outcome. I know that the people of the Central Highlands were very appreciative of the actions of the Government on that particular occasion. I have to say that it is interesting that that sort of assistance came from a Labor Government because that sort of assistance had never been provided before under the previous administration.

Mr VAUGHAN: I refer again to the noxious weed and the pest control program of the Department which is part of the Land Sustainability Program. I would like to ask you a question about the prickly acacia, which is a major environmental weed, and which as you and I are aware is a big problem in the Richmond area. Could you explain what your Department is doing about the control and research of this noxious weed?

Mr SMITH: The prickly acacia certainly impedes grazing, exacerbates soil erosion and is a major environmental threat. I have closely examined this problem very recently. It infests something like 16 million hectares of north-west Queensland, but it also has the potential to spread much further. The research is aimed at developing biological, chemical and mechanical control methods. The Department of Lands' activities in research, control and policy implementation have improved chemical and mechanical control methods and provided strategic control of infestations. The development of a technique using diuron has led to the control of prickly acacia on 80 per cent of the infested bore drains in Queensland.

I recently attended in the Richmond area a field day that was attended by 200 or 300 people. There was an excellent display of methods and equipment that are being used very adequately in the control of prickly acacia, which, if addressed in time, can be controlled. Along with some of the landholders, I subsequently took a flight over the general area. The most significant thing that one could observe was that on one side of a fence the prickly acacia would be growing in very dense proportions but on the other side there would be no prickly acacia. The point I am making is that good land management would have saved this land. There have been all sorts of excuses for why it has happened, and there are some suggestions that Governments of a previous era even encouraged it as providing shade. That may be. However, it is a major problem.

We are looking to provide additional funds to control it. But because of the nature of the problem it is unrealistic to say that the areas of major infestations can be eliminated. The thrust has to be on control to prevent it spreading, and that is where the Government effort will go and where we will provide the most support. The total eradication of that particular threat to the rural industry—and it is very great, I am the first to admit it—will have to await the emergence of an appropriate biological control.

Mr VAUGHAN: I continue with reference to the Land Sustainability Program. Feral goats have always been a pest animal in Queensland, and reference was made to this earlier. The Department has recognised this problem and has developed a feral goat management project in the mulga lands, which I hope we will be having a look at now that the country has improved a little bit since our last visit out there. Could you please outline the worthiness of this particular project?

Mr SMITH: The project is the culmination of a request to the Department of Lands to develop a feral goat management program for Queensland. The

project is closely linked to producer organisations and other Government departments. It is focused on developing practical feral goat management procedures and principles for that part of south-west Queensland. The feral goat management program will contribute to the south-west strategy, which is an integrated regional adjustment and recovery program for south-west Queensland and indeed the western division of New South Wales.

The project in the initial phase is the development of a long-term strategy for that management in the mulga lands. To give you some idea of just what the problem of feral goats is, they have a breeding rate which is so great that unless 40 per cent of the adult population is destroyed on an annual basis, there will be a net increase in the goat population. While the goat looks to be very innocent and perhaps not a dangerous animal, its ability to do damage to the productive lands of the State is very, very great.

The funds for this particular program are about \$100,000 by way of external funds and direct funding by the Department of Lands of \$35,000. I understand that we have recently appointed a person to manage that program. In fact, I think the officer is already in the field.

Dr GALLOWAY: He has just been appointed. He will be going to Charleville within the next week.

Mr DOLLIN: I refer to the Land Sustainability Program, which is on page 11 of the Lands Department Estimates statement. I would like to ask the Minister a question about parthenium weed. As we all know, this noxious weed poses a serious threat to land sustainability and infests approximately 170 000 square kilometres of our State, at a considerable cost to the livestock industry. Could the Minister please explain or outline what his Department is doing for the control and research of this noxious weed?

Mr SMITH: Parthenium is another major problem. Looking at it on a Queensland-wide perspective, it is much more serious, for instance, than sicklepod. It is generally thought that parthenium was introduced by way of coming in with improved pastures. The great seriousness about parthenium weed is that it selects the best areas of grazing lands. When you go on to a property, you can tell where the best land is because that is where the parthenium exists.

The efforts of the Department in recent years have been to introduce a bug and more recently a moth which has the ability to reduce the vigour of the plant. At the present time, there is no one agent that will take parthenium out, but in terms of preventing the spread of parthenium, particularly down watercourses, and to prevent it getting to a wider area, the Government, I believe, supplies the labour on containment.

Dr GALLOWAY: We supply chemicals for use in P2 areas, that is, areas outside the major infestations.

Mr SMITH: What we are saying is that it is like prickly acacia. Once parthenium is very well established in an area, it is beyond the economic

capacity of either the land-holder or the Government to do very much about it at the present time. We have to await more effective biological agents or, perhaps, poisons, but the important thing is to prevent spread, and that is where the effort goes. You can get a situation where the land might be worth \$40 a hectare and the actual costs of clearing it by mechanical means, perhaps, could be double that. You can see that it is just not a proposition to try to clear it on a broad scale. It has to be a very strategic targeted effort to ensure or, at best, to try to limit the development and spread of that very, very serious threat to Queensland's grazing industry. I would add that the effort this year for parthenium control is something like \$125,000.

Mr DOLLIN: There does not seem to be any end to pests and weeds of different types. I refer to the Land Sustainability Program which is referred to on page 11 of the Lands Department Estimates statement. I would like to ask a question on the control of giant rat-tail grass which has the potential to seriously affect the viability of beef and dairy production. In fact, it is rearing its head around Maryborough at the moment. Could the Minister please outline what the Department is doing in the area of research and control of this noxious weed?

Mr SMITH: Yes. As you say, it is another emerging threat. I have recently seen some fairly innovative approaches to controlling giant rat-tail grass, but in terms of Government contribution towards that control, \$30,000 has been allocated this year for expenditure on control and research activities. The Department of Lands and the Department of Primary Industries, together with the University of Queensland, are involved collectively in that research.

The Department of Lands completed an objective review of giant rat-tail grass in the current year and, as a result, the preventive approach will be intensified, hence the budgetary allowance. Any infestations will be eradicated in regions that are currently free of the weed. The declaration for these areas has been changed to P2. In infested areas of coastal and subcoastal areas of Queensland, strategic control will be used to minimise the spread. The declaration for these areas has been changed from P4 to P3, and there is a map available showing the proposed areas of declaration for the various categories. The Department intends to increase extension activities to increase awareness and the ability to identify giant rat-tail grass.

Also, the Department organises and chairs the Giant Rat-tail Grass Coordinating Committee to facilitate consultations with clients and other agencies. I am aware that in recent months there has been considerably greater awareness of the problem. Whether that has been brought about by a change in weather conditions or not, I do not know, but it has certainly been drawn to my attention. As you say, Mr Dollin, there is no end to these problems. At this point in time I would say that it is very unfortunate that more people in the community and people of influence are not aware or are not sufficiently aware of the threat posed by these various weeds to the productive capacity of our State. In all fairness, I

think the community of Queensland just does not understand the risk to the State by the extended spread of these particular weeds.

Mr DOLLIN: Private land-owners and local authorities are required to properly maintain land. Is there any requirement under lease arrangements that lessees of Crown land keep the land free from noxious weeds and animal pests? My other question is: are there any incentives for lessees to keep the land clear of noxious weeds and animal pests? Sometimes one is inclined to believe that some farmers virtually cultivate some of this stuff rather than try to get rid of it. We have seen this pestilence come over the land during the last 20 or 30 years with very little resistance shown by farmers and local authorities, or by Governments for that matter.

Mr SMITH: The land-holder is certainly legally obliged to control noxious weeds and animal pests that are declared under the Rural Lands Protection Act. However, the greatest incentive that a land-holder has is the long-term viability of his or her property in terms of its sustainable production, as I mentioned before. If a property is kept clear of noxious weeds and animal pests, this is reflected in increased production and increased market value of the land.

The Department of Lands, through its Land Protection Branch, provides assistance and incentives in a number of ways that include, as I mentioned before, the free use of herbicides for parthenium control in P2 areas. I must emphasise that that depends on the category of the area. It has long been involved with providing 10/80 baiting services for the control of dingoes or wild dogs in a number of areas, and it provides the land-holders with the loan of a variety of equipment, such as misting machines for locust control, cage traps for feral animals, and rabbit control equipment, including the recently released Spanish flea. The Department also provides technical advice and improved control techniques which have been developed through research. A lot of that happens at Inglewood. There is also coordination and supervision of control groups that are funded under Federal training and employment programs such as LEAP, and control of isolated infestations of noxious weed under the strategic control initiatives which we discussed earlier.

One of the LEAP programs that I would just like to touch on—because the Lands Department certainly took the lead agency role—is the control of prickly acacia in the Rockhampton area. We have been able to use prisoners on a day release scheme which has been very successful. Recently I visited Rockhampton and it was very good to see just what has been achieved. One of the unfortunate sides of that control, of course, is that it involves the use not only of pesticides but also diesel which is very, very expensive. However, the labour component is the greatest expense, and we are hopeful that we will be able to have more schemes and use prisoners to carry out that sort of work.

The CHAIRMAN: The time allocated for questions by the Government members has expired. We now have the situation where we have 33

minutes remaining in the current time allocation. Under Sessional Orders, this is to be divided equally. However, the non-Government members may have 17 minutes and Government members will have 16 minutes.

Mr HOBBS: Minister, the funding for the dingo barrier fence is \$1.18m. What allocation of these funds will go direct to the physical maintenance of the barrier fence? What funding will be siphoned off for departmental activities and overheads on the way through?

Mr SMITH: I am very surprised at the general thrust of that question. I will give you the monetary details in a moment. You know that country.

Mr HOBBS: That is why I asked the question, Minister.

Mr SMITH: Yes, I know. I just want to present to you as a proposition that the efficiency of the dingo fence team and the way it is managed is really good. I doubt very much whether any private organisation could operate as efficiently as that group of very dedicated people does.

Mr HOBBS: They are starved of funds.

Mr SMITH: They are not starved of funds.

Mr HOBBS: They have not had any funds for quite a while.

The CHAIRMAN: Order!

Mr SMITH: In recent times, and certainly since I have been the Minister, they have been provided with new equipment, particularly graders. The dingo fence at the present time is in better condition than it has ever been in its history. I think that our program for this year is to do about 150 kilometres, and the funds to be allocated are \$1,180,000, which, I think you will agree, is a fairly solid commitment. Actually, there is a very significant increase in the budget, there is no doubt about that, on the previous year. There has been an ongoing effort, particularly with the new equipment, and massive gains have taken place as far as the fence is concerned. To suggest that funds have been siphoned off to the Lands Department is, I find, quite outstanding. In fact, I would be interested to hear more from you because you are actually the first person I have ever heard make any adverse reflection on the operation of the dingo fence.

Mr HOBBS: Minister, I was not making any reflection at all. What I was saying is that, in most cases, what does happen is that an allocation is made but departmental overheads, for various reasons—and I point out that I have also been a shire chairman and understand what costs are taken out—are taken out. What we want to know exactly is: will that \$1.8m go direct to those people for maintenance purposes? That is the question I ask.

Mr SMITH: It goes to maintenance and for the purchase of equipment, yes. The overheads in respect of the dingo fence are minimal. In fact, the person who is the principal operative, or the officer in charge, is also himself an operative. I think that if you looked right across the Government of this State, you would not find an operating unit with less overheads than the dingo barrier fence team.

Mr HOBBS: I refer to the weed control program in Queensland and, in particular, the Tropical Weeds Research Centre at Charters Towers. Owing to budgetary constraints within the Rural Lands Protection Board, 11 projects out of 34 and three temporary staff were terminated, leaving 18 internally funded projects with a budget of only \$35,000, or less than \$2,000 per project a year. This is woefully inadequate funding for such an important research centre. The research centre's project operating budget for 1993-94 was \$35,890, which was 61 per cent less than the previous year of \$91,151. Will there be an improvement in this year's Budget?

Mr SMITH: There is an improvement, and those figures will come to me in a moment. That sort of information has been bandied around. It is not correct. The fact is that the Tropical Weeds Research Centre has been operating with some difficulty, basically because the professional team leader resigned from that position and the Department has had some difficulty in replacing that person.

In terms of the budget—the actual budget was not reduced. I know that that is a very popular story, but that is not the case. Because of a number of factors, one of the research officers was seconded to the Alan Fletcher Research Station for a period. I have the figures here for 1992-93. The research—

Mr HOBBS: Ninety-one thousand dollars.

Mr SMITH: No. The Research Trust Fund, apparently—

Mr HOBBS: No, I am not talking about that. I am talking about the research project operating budget.

Mr SMITH: There are two. There is research in what appears to be the trust fund and research externally. I will give you the two figures. The trust fund was \$160,315; plus external, \$45,000. For 1993-94, it was \$154,000; plus \$140,000. So it was almost \$100,000 more in 1993-94 than it was for 1992-93.

As I indicated to you before I had the advantage of having the figures in front of me, I knew that that information that you were providing was incorrect. I had looked at it previously because similar suggestions had been made. That is the real story. I will just ask Dr Galloway about the position of the appointment of staff to that centre. Could you give us an update? Just while he is getting that, there was a fair bit of rubbish put around about the assets being sold off. In fact, two vehicles were sold. Of course, they had reached the end of their economic life. One has been reinstated and the other one will be reinstated on the appointment of the replacement officer.

Dr GALLOWAY: In terms of staff at the Tropical Weeds Research Centre, as the Minister mentioned before, there was a TO2 experimentalist who was transferred from Tropical Weeds to Alan Fletcher during 1993-94 to address high-priority biological control projects. That assisted us to put in the effort that we required into parthenium biological control. The ecologist at the Tropical Weeds

Research Centre is currently on 12 months' leave of absence without pay. Temporary appointments, however, have been made to adequately fill this position during the 1994-95 financial year. The entomologist at the Tropical Weeds Research Centre, Mrs Marie Vitelli, has just begun maternity leave. While Mrs Vitelli will be on leave, there will be a TO3 experimentalist appointed to maintain the projects in the Biological Control Unit.

Mr HOBBS: I move on now to the native title issue. On page 1 of the Estimates, I note that \$1.1m has been allocated this year for native title dealings. Concern has been expressed to me on numerous occasions about obtaining transcripts of proceedings of the Aboriginal and Torres Strait Islander Land Tribunal hearings for all parties concerned. Can you assure this Committee that a fair go will be given to all parties in tribunal hearings?

Mr SMITH: Mr Hobbs, I hope I have heard your question correctly. You are talking about hearings under the Aboriginal and Torres Strait Islander Act, not the Commonwealth Native Title Act?

Mr HOBBS: No.

Mr SMITH: That position arose as a result of a hearing in Cooktown, I think. There was concern, particularly by the Cook Shire Council, that the cost of getting transcripts was too high, and a number of people wanted these things. I have met with the Cook Shire Council. We arranged through the Department to come to an arrangement whereby those transcripts were provided, I believe, free of charge to the Cook council and other legitimate interested parties.

Mr HOBBS: Thank you. Given that Lands is the lead agency for native title procedures as described in the Budget Estimates, keeping in mind costs being contained within the Budget limits, and considering the recent views of Judge French, who heads the National Native Title Tribunal that pastoral leases, including those in Queensland, will be subject to native title claims, will your Estimate be sufficient to cover this additional work?

Mr SMITH: What I should say to you is that I thought that the Premier gave a most detailed explanation on that situation in the Parliament only yesterday. The fact is that three of the High Court judges indicated clearly that pastoral holdings extinguished native title. There is, in fact, no doubt whatsoever in the mind of other administrators in the field that native title is extinguished by pastoral holdings. But what is occurring is that, at the request of the National Farmers Federation, a test case is being mounted—and it does not even have to be in the High Court, it can be in a lower court—to determine by way of court finding once and for all that native title is extinguished. The point is that the legislation clearly extinguishes native title. But, because the majority of judges did not specifically refer to it, there is some suggestion that the question could be open. I believe there is no doubt whatsoever that the results of a test case will put that behind us once and for all. The certainty factor of that is almost absolute.

Mr HOBBS: Justice French emphasised that the High Court had been divided on the matter; that the Commonwealth legislation had not resolved the issue and that, unless and until complementary State legislation was in place, he could not make definitive decisions on pastoral leases. He pointed that the Queensland legislation may extinguish it but that, at this stage, claims over pastoral leases would be accepted. By the same token, we do not have the native title legislation proclaimed in Queensland. At present, pastoral leases are totally at risk.

Mr SMITH: I would like to be as sure of winning Gold Lotto as I am sure that pastoral leases extinguish native title. However, this matter would have been resolved some time ago had the Federal Government had the support of the Premier of Western Australia. All other Premiers—New South Wales, South Australia, and Victoria—have now reached agreement with the Federal Government. There remains a court challenge by Richard Court which prevents the finalisation of this matter. But to round off those points that you have raised, I will ask Mr Dominic McGann to respond to them.

Mr McGANN: I think Mr Hobbs' question requires an answer in two parts. Of necessity, it may require some detail. It requires a distinction between what are called valid pastoral leases and invalid pastoral leases. I will deal firstly with valid pastoral leases, because there is no doubt that overwhelmingly all pastoral leases in Queensland are valid, if not entirely all valid, given when they were granted.

As to the valid pastoral leases—the Queensland Government is advised by the Solicitor-General, equally the Governments of all of the other States and Territories are advised by their respective legal advisers, that valid pastoral leases extinguish native title. This is, as I say, the overwhelming view of legal advisers to all Governments.

That said, because of the terms of the Native Title Act, Mr Justice French has said, "Look, I will be required to receive claims, notwithstanding that I regard them as being somewhat futile in their ultimate outcome." As to the other side of the coin, what are regarded as invalid pastoral leases—as I said, in Queensland the Government's overwhelming view is that there are no invalid pastoral leases, given the time when a pastoral lease was first granted. In saying that I do not mean to say that pastoral leases which are current are necessarily the ones to which you make reference. You make reference to the time that a pastoral lease was first granted in the area. That generally takes you to before 1975.

Dealing with the possibility that there are invalid pastoral leases—Justice French's point is that, until complementary legislation is passed, you will not get the benefits of the provisions of the validation Act. They relate to the fact that invalid pastoral leases, when they are validated, will extinguish native title. As I said, it is the view of the Queensland Government that its pastoral leases are valid pastoral leases and that they would have already extinguished native title.

Mr HOBBS: I point out that, in all reality, for any case that goes to court, anything at all can

happen. On that basis, I ask: how safe are our stock routes?

Mr SMITH: They are very safe. We have had recent legal advice that stock routes are safe. Stock routes are essentially roads, regardless of whether they are constructed. Once they have been gazetted, they effectively extinguish native title.

Mr HOBBS: You cannot deviate on a road. The Transport Department cannot deviate on a road.

Mr SMITH: No. That is superseded information.

Mr HOBBS: It must have happened only in the last week or so.

Mr SMITH: That is right; we have had confirmation very, very recently that what could have been deemed to be a potential risk is no longer a risk. That is on the highest legal advice available.

Mr HOBBS: Can you provide that documentation for us?

Mr SMITH: I will ask the program director whether we are in a position to do that.

Mr McGANN: The advice to the Queensland Government, again from the Solicitor-General, is that the effect of section 362 (4) of the Land Act is that the vesting of property that occurs there results in an absolute beneficial ownership of the land comprised within the road. Therefore, this means that there is an extinguishment of native title. As the Minister has already indicated, under the Land Act, stock routes are roads; therefore, all stock routes similarly have that benefit.

As to whether that legal advice can be made available to the members of the Committee—obviously, that is not something that I can answer. That is a matter for the Government. Given that it is legal advice to the Government, it is legal professional privilege and it is a matter for the Government. That would be a matter that the Minister would have to take up with his Government.

Mr SMITH: It is on the record. I have given you the broad outline, as the program director has, of what the advice to Government is.

The CHAIRMAN: The time allocated for questions by non-Government members has expired. I will return the questioning to Government members.

Mr ROBERTSON: I, too, would like to revisit the native title issue and your Department's lead agency role in relation to that issue. Earlier this evening, you indicated that native title will require an examination of the relationship between the Aboriginal and Torres Strait Islander Land Act and the Native Title (Queensland) Act. What is the Department doing about that relationship?

Mr SMITH: You would be aware that at the present time the Native Title (Queensland) Act, which was passed through the Parliament late last year, has not been proclaimed. And I am sure that all Committee members would be aware that the Act which subsequently went through the Federal Parliament had about 120 amendments. It will be necessary for the Queensland Government to revisit that Act to embrace the amendments that have been

passed through the Federal Parliament. That is probably the most important aspect of it.

The second aspect is that there needs to be agreement about the funding obligations brought about by this legislation. That will have to be addressed by the Federal and State Governments. Hopefully, that could be achieved at a forthcoming COAG meeting. But I think it is somewhat dependent upon the outcome of the Western Australian High Court case. Quite clearly, the desired outcome for the Queensland Government would be to rationalise the tribunals in Queensland. We already have the Aboriginal and Torres Strait Islander tribunals in place.

It is quite possible, and likely, that the majority of the members of that tribunal could form the native title tribunal or tribunals. They would have to meet the particular requirements set out by the Federal legislation. As I said, it is hard to see that this can move forward until there is agreement at the Federal and State levels. But it would certainly be desirable to have one tribunal looking at the various aspects affecting native title.

Mr ROBERTSON: You have indicated that native title represents a change for the processes of the Department of Lands. What is the Department of Lands doing in relation to training its staff and clients about native title and associated issues?

Mr SMITH: As to the way the Department does business—it really imposes the additional task on the Department of conducting tenure searches. It simply means that the Department has to ensure that native title has been extinguished before it deals with the land. The task, as you say, is in terms of training not only departmental staff but also staff of other departments and Government agencies.

Mr McGann has recently visited a number of regional centres. He has provided lectures and information to assist people to understand their obligations in this area. Again, Mr McGann might like to elaborate on that.

Mr McGANN: Before I do that, I will expand upon a point that the Minister made, that is, the significance of tenure history searches. From the point of view of Government, until the Mabo decision, Government felt that it could deal in land in the belief that it was land that belonged to the Government. Obviously, the Mabo decision represented a fundamental alteration to that thinking. That decision said that land which apparently belongs to the Government may not in fact belong to the Government; it may belong to Aboriginal and Torres Strait Islander people.

That means that, if Government deals in land which is owned by somebody else—Aboriginal and Torres Strait Islander people—it has acted in a racially discriminatory manner. To ensure that Government does not do that and to ensure that it can give a good grant to anybody who takes the land, Government is required to do those tenure history searches. It is therefore important that officers within the Department of Lands understand the need for tenure history searches and the way in which those searches should be completed.

A lot of the training that the Aboriginal and Torres Strait Islander Land Interest Program has been conducting throughout the State is directed towards that particular objective. The training has occurred in Brisbane, Cairns, Townsville, Mackay, Rockhampton, Toowoomba, Roma, Beenleigh, Gold Coast, Maryborough, Bundaberg, Longreach and will soon occur in Burketown, Cloncurry and other areas.

In addition to the training of officers of the Department of Lands, the program has also made contact separately with local government and with professionals in the field, whether they be surveyors, valuers or solicitors. I think that you have a sense of the amount of training that is occurring.

Mr ROBERTSON: Minister, I have a supplementary question if you are prepared to allow Mr McGann to expand. I am fascinated about the tenure history training that you talked about. Can you elaborate on what that entails?

Mr McGANN: It relates to one of the questions asked by Mr Hobbs, I think, but I might be mistaken there. It relates to the documents that are held in archives. The State has a very accurate record of all land dealings. An inconsistent dealing may have extinguished native title. That dealing may have occurred any time between 1859 or earlier through until 1994.

When the Government deals in land in particular areas of the State—and this is not all areas of the State—such as land that is currently VCL, State forests and those sorts of things, it is quite possible that that is the type of land where native title could continue to exist. Before the Government deals in that land, it must drift back to see whether it can identify an extinguishing tenure. As soon as it is able to do that, it can then confidently deal with the land. It is a matter of going through reams of documents to identify one of those tenures. Once the Government has done that, it can then deal in the land.

Failure to do that would mean that, if the Government did grant land to somebody, it would be at risk of what is called breaching an implied covenant of quiet possession, because Government always undertakes to give that. If it is unable to do that, it will be sued. That is why the Queensland Government is dedicating resources to ensuring that any grants that it makes cannot be challenged.

Mr SMITH: Can I add an interesting example to that? A recent tenure history search of the Simpson Desert has shown that, in times past, it was held under a tenure which effectively extinguished native title. There are all sorts of surprises.

Mr ROBERTSON: I am led to understand that evidence has been completed in two Aboriginal tribunal hearings involving claims to 10 areas of land. I appreciate that it is late, but could you inform the Committee where the land is situated and what area of land is involved in those cases?

Mr SMITH: Yes. The officers will find the details of that. The two hearings involved a significant number of parcels of land, one of which was the Simpson Desert. Other areas were the Cape Melville National Park, the Flinders Group National Park in north Queensland, Clack Island, Rocky Point, Boulder Rock, Cape Rock, Hales Island, Wedge Rock and North Barrow Island. That information is quite detailed. I would be more than happy to have it incorporated in the record of the hearing.

The CHAIRMAN: That will be fine.

Mr SMITH: The first hearing was about 10 areas approximating 39 000 hectares of land. The second hearing was about an area in south-west Queensland, principally the Simpson Desert, which is a very substantial area, in excess of a million hectares. The details and the areas of the individual parcels are incorporated in that document which will be incorporated in the record of the hearing for the enlightenment of people interested.

Hearing No. 1—23 August 1993 to 2 September 1993

Hearing Over	Where Land is Situated	Area of Land
Cape Melville National Park NP4	Cape Melville and Cape Bowen Shire: Cook	Approx 36,000 ha
Flinders Group National Park NP3	Vicinity of Cape Melville Shire: Cook	Approx 2,960 ha
Clack Island National Park NP16	Vicinity of Cape Melville Shire: Cook	Approx 14.7 ha
Rocky Point (vcl)	Vicinity of Cape Melville Shire: Cook	Approx 3.3 ha
Boulder Rock (vcl)	Vicinity of Cape Melville Shire: Cook	Approx 3.87 ha
Cape Rock (vcl)	Vicinity of Cape Melville Shire: Cook	Approx 4.01 ha
Hales Island (vcl)	Vicinity of Cape Melville Shire: Cook	Approx 2.25 ha
Wedge Rock (vcl)	Vicinity of Cape Melville Shire: Cook	Approx 2.16 ha
North Barrow Island (vcl)	North of Barrow Point near Cape Melville Shire: Cook	Approx 8.63 ha
DECISION RELEASED		Total Approx 38,999 ha

Hearing No. 2—8 December 1993 to 17 December 1993

Hearing Over	Where Land is Situated	Area of Land
Simpson Desert National Park NP1	South-West Queensland Shire: Diamantina and Boulia	Approx 1,012,000 ha
		Total Approx 1,012,000 ha

Mr ROBERTSON: I note from pages 7 and 8 of the Lands Department Estimates document that a Native Title Tribunal is to be established in the 1994-95 year. I have a number of questions on that. What would be the membership of that tribunal? Are there any special parameters for being a member of that tribunal?

Mr SMITH: Yes, there are, but we are not able to move on that now because we must undertake the additional legislation and reach agreement with the Federal Government on the cost sharing of that tribunal. The legislation contains provisions for representation of a range of people, including the chairman and the deputy chairman, who must be appropriately qualified legal people. It provides for representation from indigenous people, from the conservation movement and from rural land industry groups. There is quite a wide area from which the members can be drawn. Do we have those details? I do not think that the details would show much more than what I have just said off the top of my head.

We believe that there is a high likelihood that most of the members of our existing tribunals will fit the specification for the Native Title Tribunals when they are established. Are there any qualifications to that?

Mr MCGANN: By way of history, the Land Tribunals established under the Aboriginal Land Act and the Torres Strait Islander Land Act ultimately formed the conceptual basis for the Commonwealth membership of the National Native Title Tribunal. The membership requirements for the Queensland Native Title Tribunal are set out in Part 9 of the Native Title (Queensland) Act. Judicial people will head those organisations and the other members will have particular expertise in land management, law, and, as the Minister indicated, other areas such as conservation, fisheries and what have you. The Queensland Government is conscious of the fact that there will be the capacity to develop efficiencies by being able to utilise the existing membership of the Land Tribunals.

Mr ROBERTSON: It is fair to say that the cost of justice is an issue for all Queenslanders. Can you inform the Committee of what the Land Tribunal is doing about the cost of justice in relation to its procedures?

Mr SMITH: The Land Tribunal is very mobile. It does not sit in a regular courthouse. The tribunal moves to where the people are, to where the claimants are. It operates under what I might call very basic circumstances. It provides a relaxed opportunity for people to come forward and provide evidence in something less than the normal formal legal situation. In other words, it operates in such a way as to not intimidate people who wish to come forward to give evidence. It also provides legal assistance to the chairman and members. If I understand the point of your question, all I can say is that it is a very low-cost operation in terms of claimants. Is that the point you were making?

Mr ROBERTSON: Yes, thank you. I have nothing further.

The CHAIRMAN: Mr Hobbs, do you want to avail yourself of 1 minute and 20 seconds to ask another question?

Mr HOBBS: Yes, Madam Chair. I turn to road closures. I understand that the department has three categories that road closures or temporary road closures must fall into, that is, a major development, a considerable community benefit or a benefit to the people of Queensland. However, there are many cases in which temporary road closures are practical but might not fall under those categories. Is there a reason why you cannot handle some of those more mediocre cases?

Mr SMITH: I am not quite certain on that point. Mr Lack, could you address that? I am not across what you are saying, to be honest.

Mr LACK: Prior to amendment of the Land Act, the Minister was required to investigate all applications for permanent closure. The amendment to the Act gives him some discretion.

Mr HOBBS: I refer particularly to the case of Mrs Van Leeuwen from Millaa Millaa. That seemed to me to be a fairly practical case in which a road warranted closure. I do not understand why that application was not granted. Perhaps I could talk to the Minister about it later.

The CHAIRMAN: The time allotted for the consideration of the Estimates of expenditure of the Department of Lands has now expired. I thank the Minister and all departmental officers for their attendance.

Mr SMITH: Might I be afforded the opportunity of making a few closing remarks?

The CHAIRMAN: Yes.

Mr SMITH: There is one matter in particular that Mr Hobbs raised tonight. By way of inquiry, we think we have established that the problem he raised in respect to the disk may well be a problem with faulty or inappropriate software being used by solicitors in particular. That is worth pursuing. We are very doubtful that there are any problems with the disk.

In common with my colleagues, I have been very pleased to be part of the historic inaugural Estimates process in this State—six committees, six long days, with the longest day on Friday, I think. Most participants have behaved in an exemplary manner throughout the whole process and, thanks to the composure of the various participants, the Estimates committee process has proved to be far more beneficial than the often less than rational parliamentary Estimates debates of years gone by. It was the Goss Government that was prepared to stand up and be fully accountable in the budgetary process. It was not scared of what may be revealed through a thorough examination of the Budget. A key benefit of these committees has been to allow Opposition members the opportunity to question both Ministers and departmental advisers regarding the departmental Budget Estimates, thus allowing them to gain a sound understanding of the budgetary process—an understanding that is not always apparent during Parliament.

I would like to thank all of those who have assisted in the organisation of these proceedings, as well as the Hansard reporters and the catering and other parliamentary staff. I would like to thank my Department for their dedication and assistance through this exercise and, of course, the members of the Government and Opposition alike for their insightful participation in these proceedings.

The CHAIRMAN: Thank you, Minister. That concludes the Committee's consideration of matters referred to it by the Parliament on 28 April 1994. I advise all departmental officers that, unfortunately, we will have to ask them to exit the building via the Parliamentary Annexe. Our parliamentary attendants will direct you to the exit. I now declare this public hearing closed.

The Committee adjourned at 12.01 a.m.