

ESTIMATES COMMITTEE F

Mr J. N. Goss (Chair)	Hon. J. P. Elder
Mr W. F. Baumann	Mr G. J. Healy
Ms A. M. Bligh	Hon. T. M. Mackenroth

MINISTER FOR PUBLIC WORKS AND HOUSING**IN ATTENDANCE**

Hon. R. T. Connor, Minister for Public Works and Housing

Mr K. Davies, Director-General

Mr M. Grierson, Deputy Director-General

Mr G. May, Executive Director, Building

Mr T. Waters, Executive Director, Housing

Mr M. Miller, General Manager, Queensland Building Services Authority

Mr C. Clapper, Acting Executive Director, Information and Procurement Services

Mr T. Hogan, General Manager, Residential Tenancies Authority

Mr M. Hobday, Director, Planning and Human Resources

Mr B. Parker, General Manager, CITEC

Mr K. Farr, Acting Director, Asset Management

Mr D. Gilbert, Director, Built Environment

Mr L. Clarence, General Manager, Q-Fleet

Mr M. Smith, General Manager, Q-Build

Mr G. Smith, General Manager, Sales and Distribution Services

Mr E. Carfoot, Executive Director, Commercialised Services/Project Services

Mr J. Scrivens, Director, Legal and Contractual

Mr J. Swan, General Manager, Goprint

Mr T. Woodward, Director, Finance and Information Services

Mr A. Ackfun, General Manager, Aboriginal and Torres Strait Islander Housing

Mr I. Fulton, Director, Housing Finance and Business Services

Ms J. Phillips, Manager, Community Housing

The Committee commenced at 9 a.m.

The CHAIRMAN: The time now being 9 a.m., I declare this public hearing of Estimates Committee F open, and I welcome those in attendance. I am John Goss, the member for Aspley and the Chairman of this Committee. I would like to introduce the rest of the Committee. The nominees of the Leader of the Opposition are: Ms Anna Bligh, the member for South Brisbane; Mr Terry Mackenroth, the member for Chatsworth; and Mr Jim Elder, the member for Capalaba and the Deputy Chairman. The other nominees of the Leader of Government Business are: Mr Bill Baumann, the member for Albert; and Mr Graham Healy, the member for Toowoomba North.

The Committee will examine the proposed expenditure contained in Appropriation Bill (No. 2) 1996 for the areas as set out in the Sessional Orders, namely, the portfolios of Public Works and Housing and Transport and Main Roads. For the benefit of any person requiring the answers to questions placed on notice, I point out that they are now available from the Committee staff. Public Works and Housing will be examined this morning, commencing with the statutory authorities and concluding at 1 p.m. today. The Committee will also break briefly for morning tea at around 10.30 a.m. Transport and Main Roads will be examined after the luncheon break from about 2.30 p.m., commencing with Queensland Rail and other GOCs and motorway companies, and breaking for afternoon tea at 4.15 p.m. From 4.30 p.m., the Committee will proceed to examine the organisational units within Queensland Transport until approximately 5.45 p.m. At 5.45 p.m., there may be another break. From 6 p.m. till 7.30 p.m. the Committee will examine the Estimates for the organisational units within the Department of Main Roads. There is some flexibility in these times.

Opposition and Government members will ask questions of the Minister and public officials. The first question will be from the Opposition in each case. The Sessional Orders require that at least half of the time for questions be allotted to non-Government members. I remind members of the Committee and the Minister that the time limits for questions is one minute, and three minutes are allotted for answers. A warning bell will be chimed 15 seconds prior to the expiration of the time limit. Further time for completion of an answer may be given with the consent of the member who asked the question.

Finally, for the benefit of Hansard, I ask public officials to identify themselves before they address the Committee. I declare the proposed expenditure for the Public Works and Housing portfolio to be open for examination. The question before the Committee is—

"That the proposed expenditure be agreed to."

Minister, would you like to make a brief introductory statement?

Mr CONNOR: Yes. Thank you, Mr Chairman. When I assumed responsibility for the portfolio of Public Works and Housing in March, there was a lot of work to be done, mainly as a result of the amalgamation of the two portfolio areas. We now have an amalgamated budget for what previously was two departments. However, the senior officers of the former departments are here today to assist the Committee with any details or explanations that may be required.

The policies which brought the coalition Government into office have dictated much of the work which has to be done. Chief among those policies was the commitment to amalgamate two departments with a large degree of commonality in their service delivery. For example, the Housing and Works areas had separate property services and maintenance functions, project services areas,

separate administrative functions, each had a separate library, and the list goes on. The driving motivation was the need to create efficiencies. We are achieving more effective service delivery through the exposure of Housing functions to the developed and experienced efficiencies of the commercialised business units in Public Works.

The newly created Public Works and Housing Department brings together the Housing Division with the former Administrative Services Department. This move, and other efficiency initiatives, will cut costs by more than \$6m a year. In Government, Labor missed the opportunity it had to initiate these savings. These savings will be achieved under my administration without forced redundancies. I am committed to building a strong, professional work force. The hard work was also necessary given the need not only for me but for all Ministers to fill the \$240m Budget black hole which Labor left us as its special legacy. On top of this was the \$40m cost overrun in the Health area. In addition to both of these was the Commonwealth's need to claw back a further \$250m from Queensland alone to plug the Keating black hole in Federal finances.

Nonetheless, it has been an exciting six months. I have attacked the longest public housing wait lists, and ensured that 1,096 families who until now had been waiting four years or more for a house were individually case managed. The majority of the 1,096 families were offered housing, and there are now only 420 families on that case management list. I prioritised the allocation of funding resources, gave veteran disability pensioners relief from the assessment of their pensions in public housing and put the Scurr inquiry in place. I have also delivered a budget which gives more money for our indigenous people, for community housing, for the disabled and for domestic violence victims. This is an achievement of which I am particularly proud. There is a lot more work to be done, and I am looking forward to it.

The CHAIRMAN: The first questions will be from Opposition members.

Mr MACKENROTH: Mr Connor, in this year's Budget I refer to the payment of \$9.067m of Housing funds to consolidated revenue; the transfer of the Home Assist and Home Secure Programs from the Consolidated Fund to the Housing Trust Fund, at a cost of \$6.044m; for the first time ever the payment of stamp duty on Queensland Housing Commission transactions, at a cost of \$3m; and the return of \$114m in Commonwealth and State Housing Agreement grants to the Commonwealth—the first time ever a Housing Minister has returned funds to the Commonwealth. As this equates to a loss of over \$132m to the Housing Program for the year, will you agree that, as an advocate for public housing, history will judge you as the most inept and heartless Housing Minister ever?

Mr CONNOR: You are not very good with figures, unfortunately, because there has been an increase in the actual spending of about \$17m, if I remember correctly.

Mr WATERS: I think it is necessary to compare the budget for 1995-96 with the budget for

1996-97 to get a true picture of the funding arrangements in this financial year. In 1995-96, if you take the program outlays as recorded in the Ministerial Program Statements, there was \$561m provided to Housing. In 1996-97, there will be \$534m provided, which is a reduction of only \$27m. Some of the figures you mentioned in your question certainly decrease the funds available, but there are also offsetting funds contributed by the State that largely offset that funding position to the point at which the budgets in fact are only \$27m apart from one year to the other.

Mr MACKENROTH: I appreciate that. Most of it is money from our Budget from last year. Mr Waters, in relation to the figures and the statements that have been made in the Budget in relation to houses that will be built, how many dwellings were budgeted to be purchased or built under the Housing Program for 1995-96?

Mr WATERS: The target for 1995-96 was initially around 1,750 dwellings.

Mr MACKENROTH: That was initially. What was added?

Mr WATERS: There were some additions through an Accelerated Capital Works Program that would have taken that figure up—and I do not have the figure before me—by around an extra 300 dwellings.

Mr MACKENROTH: No, it was 450—that takes it to 2,200. What was achieved in respect of that figure of 2,200?

Mr WATERS: The actual achievement for the year was 777 construction commencements and 549 acquisitions, giving a total of 1,326.

Mr MACKENROTH: What does that give us as a carryover for commencements from 1995-96 to the 1996-97 year under that program?

Mr WATERS: Many of the projects that might have been included in the 2,200-odd figure that you have mentioned were never actually commenced and so were simply projects that reverted from the 1995-96 program to the 1996-97 program. There was \$42m of commitment carried forward in respect of works in progress.

Mr MACKENROTH: That wasn't the question that I asked you. What numbers were carried over? The trick always has been to use commencements and completions, but in this instance we are talking about commencements so that we end up comparing apples with apples rather than apples with oranges. Would it be correct to say that budgeted for, with the accelerated Capital Works Program for which the Minister took a lot of credit spending the money, there were 2,200 homes of which 1,326 were built, leaving a carryover of 874 homes which were budgeted for but which were not commenced in the 1995-96 year?

Mr WATERS: I think the answer becomes a little bit more complicated, because priorities for 1996-97 have actually been expanded to looking at the total supply of social housing, if I can call it that, across the State. Instead of focusing only on public rental commencements, the budget this year has

been framed on the commencement of housing in not only the Public Rental Program—

Mr MACKENROTH: No, we are talking about the Public Rental Program now. We are not talking about the Community Housing Program. We will talk about that later. We are talking about the Public Rental Program. If we go now to the 1996-97 financial year and the forecast figures, what are the forecast figures for housing commencements for 1996-97?

Mr WATERS: 1,175 commencements.

Mr MACKENROTH: If we take 874 from that, Mr Connor, what do we get for housing commencements that you are budgeting for this year with new money? The figure is 301; is that correct?

Mr CONNOR: Well, you have got the calculator. I haven't got a calculator with me.

Mr MACKENROTH: You haven't got a calculator. Well, 1,175 less 874 is 301. That means you have budgeted this year for new additions to the housing program of 301 homes.

Mr CONNOR: I don't see how you work that out.

Mr MACKENROTH: It is quite simple, you see. There are 874 which are carried over from last financial year. They were commencements that were budgeted for, funded—

Mr CONNOR: I would dispute that.

Mr MACKENROTH: Mr Waters just agreed with the figure for that before.

Mr CONNOR: There was no money there for it.

Mr MACKENROTH: That is not true. Mr Waters, was the money there in the budget?

Mr WATERS: Can I correct that earlier—

Mr MACKENROTH: No, no, was the money there in the budget? Firstly we will go to the 1,350 new constructions and 400 purchases, which was 1,750. Was that money budgeted in the 1995-96 budget? Was the money there in the budget?

Mr WATERS: The money was there to enable that volume of commencements.

Mr MACKENROTH: Yes. Then we had a \$50m accelerated Capital Works Program. The money was to be brought down as borrowings and was to be funded by interest payments from the Commonwealth. That money was there, wasn't it?

Mr WATERS: It was there.

Mr MACKENROTH: If we wanted it, it was there. So the money was budgeted. The money was there for the program to be built in 1995-96. Do you accept that, Mr Connor?

Mr CONNOR: There was a lot of other money that wasn't.

Mr MACKENROTH: No, no, we are talking now about the housing commencements. Do you accept that the money was there in the budget?

Mr CONNOR: We have to deal with the total budget. The thing is that, as I understand it, there

were a number of your programs that were bringing forward money from 1996-97.

Mr MACKENROTH: Which ones?

Mr WATERS: The Minister is referring to the accelerated Capital Works Program that was introduced by the previous administration which was bringing forward 1996-97 projected commencements.

Mr MACKENROTH: Which was what, sorry?

Mr WATERS: The accelerated Capital Works Program was bringing forward projected capital works from the 1996-97 year.

Mr MACKENROTH: Yes, \$50m was budgeted for that in borrowings; is that right?

Mr WATERS: That is right.

Mr MACKENROTH: So the money was budgeted for it.

Mr WATERS: The money was available. There was approval to draw down the \$50m borrowings.

Mr MACKENROTH: Right. So we had a program of 2,200 possible commencements, of which you were able to actually commence 1,326. Then, Minister, you tell us that you did not have a capital works freeze. There were 874 homes that could have been built or purchased for people. You talk about people who have been on the waiting list for four years. There were 874 homes that could have been purchased or built to house those people, and you failed to spend the money. Why?

Mr CONNOR: I am quite happy to answer that. Actually, I probably would be best to go through what I inherited and why a lot of these houses were not built. First of all, on the community housing side—

Mr MACKENROTH: No, we are not talking about community housing now. We are talking specifically—

Mr CONNOR: You asked the question. Mr Chairman, with respect, he asked the question. I thought I had three minutes to answer it.

Mr MACKENROTH: Take your three minutes, and then I will come back and correct you where you are wrong.

Mr CONNOR: That is very kind of you. It works this way: at the start of the year, when I came in, I found G. J. Constructions, a Mr Robson, who was a triple bankrupt and had just gone bankrupt for the fourth time. He was building millions of dollars worth of housing under your program that stopped—just stopped. Most of it was in north Queensland and far-north Queensland and many areas of great need. That was not my fault. I did not employ a triple bankrupt, but I had to try to get everyone out of the problems as a result.

One of the first things we did was require that the QBSA undertake checks. The QBSA now does checks. That was never put in place before. You had a multimillion-dollar institution that had all the facilities for properly checking the bona fides of people working for the department that were not done. If you are interested, if you wish to ask another question later on, Matt Miller, the CEO of the QBSA,

would be quite happy to detail the process that is involved in checking people. Unfortunately, in the early stages—and he will admit to this—there were delays because the process had to be put in place because we didn't inherit any process to try to alleviate this problem from the previous Government. So he had to, in conjunction with others, put in place a process. Then he had to initiate that process. It took some time, because with a lot of the contracts that were in process, the people did not have the necessary paperwork for financials, etc., to be able to respond. We were not prepared, at the very bottom of the trough of the building cycle, to continue with a multimillion-dollar Capital Works Program where subcontractors were dropping like flies. To be responsible for the taxpayers' money and also to the subcontractors of Queensland, we simply had to delay some of those starts.

Mr MACKENROTH: Thanks. Seeing as you brought Mr Miller into it, could I ask Mr Miller some questions about that, then?

Mr CONNOR: Certainly.

Mr MACKENROTH: Mr Miller, I have been informed by the Minister in answer to a question that as at 8 August 1996 the BSA had provided him with advice not to proceed with tenders on 14 projects; is that correct?

Mr MILLER: From memory, that would be correct.

Mr MACKENROTH: What action was taken then to ensure that those contractors whom the Minister would not allow to do Government work did no further work in Queensland?

Mr MILLER: We need to see the decision to not allow these contractors to undertake Government work as a more stringent standard being required of people in the Government sector. The licensing program administered by the authority is some base level of performance, some base level of accreditation. My understanding of the Government's policy is that it requires a more stringent approach to those contractors in the Government sector—it is not prepared to suffer any contractor failures—whereas in the broader licensing regime, we acknowledge that any system of regulation cannot have those more stringent standards.

Mr MACKENROTH: So no action has been taken against those 14 contractors, or it may have been less than 14 contractors, in relation to those checks that were done?

Mr MILLER: It is not true to say no action has been taken against the 14. I do not know the names of the 14 contractors, but the actions warranted vary depending on their extent of non-compliance with licence conditions. You see, they could in fact meet current licence conditions and therefore not need any action taken against them, but they may not meet the higher standards required of people contracting in the Government sector.

Mr MACKENROTH: So many of them or probably all of them are still working as licensed contractors?

Mr MILLER: Many if not all would probably be working.

Mr MACKENROTH: Mr Connor, would you not agree then that the standards that you have applied, supposedly to protect subcontractors, are only on your own contracts and that you are not doing anything for subcontractors in general in Queensland?

Mr CONNOR: Thank you for that question. You may have heard of the Scurr inquiry.

Mr MACKENROTH: I mean in relation to this.

Mr CONNOR: The Scurr inquiry has just brought down a draft report; I only wish that I could talk about it today. What you will find is that there has been a dramatic upgrade in the requirements for licensing. If you look at the *Australian Financial Review* today, part of that report did leak, unfortunately—it is only draft, it is not completed. However, the fact remains that the Scurr inquiry, which was put in place by this Government—one of its terms of reference was to specifically look at the problem associated with subcontractors and security of payment right through the whole building industry because not only was there a multitude of people going broke doing business for the Government—doing business with contractors selected by the Government—there was a perception that those contractors had some form of guarantee that there was some money in the system, which of course there was not. As a result of that perception, we felt that there was a moral obligation, and many hundreds of thousands of dollars later of taxpayers' money in trying to alleviate some of the pressure on those small subcontractors, we had to deal with.

From just a moral point of view, to have left all those subcontractors in that position would have been unforgivable. However, we instigated the Scurr inquiry and then in turn that report will come down and it will, once implemented, resolve many of those problems in the general building area. We are seeing, I believe, the Government sector as the leading light. We are expected to have a higher level of accountability and process and lead the way for the rest of the industry.

Mr MACKENROTH: But when you say "lead the way", you have put in place a process, using the industry itself as the ones who pay for the Building Services Authority, where you decide that people are not competent enough to take on projects for the Government because they might not pay their subcontractors, and then you take no action whatsoever to stop those people from contracting in the private sector where they are just as likely to go broke and just as likely to owe subcontractors money. I think that in that instance, if you are aware, and you have done checks which show that there are 14 contractors who were unable to do work for the Government to the value of over \$10m, that you really should have taken some action against them—you have taken none.

Mr CONNOR: Just because a contractor is not financially capable of handling large Government contracts does not mean to say that that same

contractor could not be capable of doing a smaller private contract.

Mr MACKENROTH: One of them was \$97,000 for the Government. You call that small, \$97,000? That is one house.

Mr CONNOR: With respect, this is my answer.

Mr MACKENROTH: I know, but I will just correct you when you are wrong.

Mr CONNOR: It would be unfair and pre-emptive to put in place processes when we have got a \$400,000 Scurr inquiry under way that is basically just about to finish. It would also be, I think, unfair on the industry as a whole when we have put together a committee made up of industry stakeholders that were looking specifically at this problem with all the resources and the industry intelligence that they have to come out and pre-empt it. I think not only would it have been stupid, but it would have been totally unacceptable to the industry as a whole and we would not have achieved any form of consensus on any aspect of it. We have already seen the building industry side rail against any sort of further controls and constrictions upon contracting. The whole idea of the Scurr inquiry was to get some consensus, to get some sort of an industry direction. Now, if I was to go out there and pre-empt that inquiry, I would have lost that level of commitment from the industry stakeholders. As far as doing work for the Government, I think it is a different story. We have Crown prerogative and we are dealing with taxpayers' money and so, on that basis, I think that we had the right and in fact the duty to protect the taxpayers' money. So there was a difference in the circumstance.

The CHAIRMAN: The time for Opposition questions has now expired. I ask Government members for their questions.

Mr HEALY: Minister, I would like to expand on the QBSA, and while Mr Miller is here, perhaps he may care to expand further on those comments that you have just made in answers to questions of Mr Mackenroth, particularly in relation to those builders who did fail, G. J. Constructions, Freedom Homes and Fairbrother Constructions. What has been done to better guarantee the security of payment for subcontractors and suppliers? I am sure you would like to expand on comments that were made earlier.

Mr MILLER: The authority has an active program centred around performance audits of licensees. Over the last 18 months, we have moved from a very much reactive compliance licence checking function through to undertaking performance audits to assist in identifying those contractors in the industry that should not be allowed to continue. We have also underpinned that by what we might call interventions to ensure accountability from those contractors who have failed. The contractors that were mentioned are examples, I suppose, of where the authority has expended upwards of a quarter of a million dollars in funding work by liquidators to make sure that the appropriate investigations are undertaken and that accountability is achieved.

Mr CONNOR: Can I just make a note that the department is paying for that. We are paying \$800 a time now for Government checks. The Government is now paying \$800 each time we get one of our contractors checked, so it is not really quite fair to say that the industry is paying for this; the department is.

Mr MILLER: I think we also need to put it in a context in terms of what we are trying to do to prevent these failures. There are a number of preventive strategies which are centred around education for contractors. The authority, for example, ran seminars on cash flow management across the State in 1995-96 at which 1,500-odd contractors attended to try to improve their basic understandings of business management, which has been shown to be a major problem in the industry.

The other action that we have taken is to ramp up our disciplinary action against contractors who step outside the rules. For example, in 1995-96, disciplinary action against contractors was taken with 227 performance audits carried out and about 127 licences cancelled and 113 licensees had conditions imposed or notices of intention to suspend their licence.

Mr HEALY: My other question is in relation to consumers and the BSA. I would be interested to know what the BSA is doing to help consumers to overcome the information imbalance which exists between them and contractors in the building process?

Mr MILLER: The authority's consumer program is really pitched around three generic levels of approach. At the most base level, we try to raise public awareness through media promotions, PR displays in various shopping centres, etc., and media campaigns. At the second level, we have been working actively over the last 12 to 18 months to in fact produce a whole lot more information for consumers. We have in fact in the last financial year launched our lead document called the BSA Kit, which won international recognition in the States earlier this year. It is a plain English facts sheet compendium which provides consumers with access to a range of information across the entire building process so that they can in fact go into the process in a slightly more informed way.

At that second level we are also providing an advice line service, which in 1995-96 fielded some 125,000 calls across the State. Based on feedback, the ratings from customers was 82 per cent satisfaction with the utility of that information. So through that sort of a process we are providing not only information but advice.

The other major achievement in respect of consumer awareness has been the launch in 1995-96, and continuing into the current year, for the first time ever of what we are calling a walk-through-the-building process, which is a two-hour consumer education seminar which will be run across the State and has already been piloted successfully in regional Queensland.

Mr BAUMANN: I have a couple of questions in relation to the Residential Tenancies Authority. You

may wish to refer them to Mr Terry Hogan, the general manager. Mr Hogan, in reference to the Residential Tenancies Authority, could you let us know what it costs to run this authority?

Mr HOGAN: I should point out before I start that the authority is self-funding. We take no public funds. In fact, we are funded by the investments we make out of rental bonds. The combined cost of running the authority last year in a two-operational program was about \$6.184m. That was broken up into a Bond Program, which is the bond management facility. The cost was \$4.38m for that program. The Tenancies Program last year was \$1.8m. The Tenancies Program pays for the mediation services, the compliance service and a fairly extensive public education campaign. For the next year, the budgeted cost for the Bond Program will be \$5.1m, and \$2.4m for the Tenancies Program. The combined operational cost therefore in the following year will be about \$7.5m.

In addition, the authority also funds a Housing Resource Program, which is administered by the department. We simply fund that through the rental bond interest account. In the last year, that paid \$1.94m. In the following year it will pay about \$2m. The combined cost last year was about \$8.1m. This is about \$0.9m below budget. Our operating surplus for the year was approximately \$3.2m.

Mr BAUMANN: Could you let us know how many bonds the authority actually holds and what sort of an increase that would represent in this last year?

Mr HOGAN: I guess there are two ways of answering that question. Since the authority started in 1989, we have held some 1.1 million bonds in total. Last year, we increased our bonds by 206,000. We started with 885,000 and came up with 1.1 million. The number of current bonds held by the authority at the end of the previous financial year was 241,000 bonds, an increase of 19,000 bonds over the year. The value of the bonds held currently is about \$143m. That is held in trust for bond holders—an increase of \$16m over the previous financial year. The value of bond refunds made by the authority last year was in the order of \$100m.

Mr CONNOR: Are there any further questions of the RTA or the QBSA?

Mr MACKENROTH: It is hard to say.

Mr CONNOR: If they can be excused, they can get back to work. But if you still need them here, that is fine. You do not need them?

Mr MACKENROTH: No.

The CHAIRMAN: I direct a question to the Minister on the amalgamation of the Housing and Administrative Services Departments. What has been achieved as a result of the Government's decision to create the Department of Public Works and Housing through the amalgamation of the former Administrative Services Department and the Housing Program of the Department of Housing, Local Government and Planning?

Mr CONNOR: Michael Hobday is our Director of Planning and Human Resources. I think he would be best to answer that.

Mr HOBDAY: On 26 February this year, the Government created the Department of Public Works and Housing, which was basically an amalgamation of the former Administrative Services Department and the Housing Program of the former Housing, Local Government and Planning Department. At that point in time the department established an Integration Task Force comprising senior managers from both organisations to look at the opportunities that exist for amalgamation and rationalisation of the two organisations. The task force was formed immediately and was required to identify opportunities for rationalisation and cost savings, to recommend a new departmental organisational structure, and to ensure that the Government's policy directions were implemented in the most timely and effective manner. The task force reported and made 120 recommendations, 90 of which have now been implemented. The remaining or ongoing recommendations are looking at future years. Consultation has occurred with the unions in regard to this amalgamation, and regular advice has been provided to staff.

The department's new organisational structure was approved by Cabinet on 26 July 1996. In addition to that, this allowed us to put new arrangements in place, particularly in relation to the amalgamation of like functions right throughout the new organisation. The like functions included internal audit, executive services, library, Cabinet liaison functions and various corporate services areas, including human resources, finance and information technology. There has been a saving of approximately 93 positions as a result of this, with an annual recurrent saving in the vicinity of \$6m. In addition to this, the Commercialisation Program, which had commenced in the former Housing Program, has significantly been expedited and accelerated with considerable success. The Housing Property Services function has been successfully integrated into the Q-Build and Project Services business units. These areas have been required to move to a commercialised environment, operating under commercialised principles, within an increasingly shorter period than was previously anticipated.

The housing services area has also been moved to become a commercialised business unit and is now known as the Housing Services Business Unit. This unit reports directly to the Executive Director, Commercialised Services, within our Commercialised Services Program. That is all I have to comment.

The CHAIRMAN: In the area of human resources—what has the department done to coordinate and implement the various aspects of employment equity, in particular women's policy and ethnic affairs policy?

Mr HOBDAY: For some time the department has been looking at innovative ways of putting together these programs, particularly given the resources and the achievements to date. The department has developed an equity management plan, which is one of the first such developed plans within the sector so recognised by the Office of the Public Service. This plan integrates the aspects of

employment equity for staff, work and family policy, women's policy issues for staff and clients, and the ethnic affairs policies. The objective of the plan is simply to integrate into one strategic plan, which coincides and forms part of our overall strategic planning framework, the principles outlined in the women's policy, the ethnic affairs policy, the work and family policy and the workplace reform policies. Through this integrated process the department will deliver both efficiencies and better opportunities for both staff and clients. For example, the department is currently implementing a women's strategy which focuses on career development and encouragement of women to increase the opportunities for representation in decision-making forums, work force re-entry programs and the development of an integrated women's housing strategy.

Some of the initiatives in the equity management plan include the training of staff in issues relating to equity management—something that has not previously been undertaken to a significant level—the development of networks for target group members to assist in the consultation process and resolution of issues specific to target group members, and the inclusion of equity management awareness as a responsibility in all position descriptions throughout the department. In addition, the department is promoting the use of translator and interpreter services wherever that need exists.

The equity management plan directly links to our corporate plan, which ensures that staff of the department are responsible and accountable for adopting the strategies and reporting against the performance indicators in the plan. I personally believe that the equity principles and practices remain one of our highest priorities in management. As a result this current plan has been well received throughout the department and with other agencies including central agencies.

Mr HEALY: The Remote Commercial Television Service, mentioned on page 10 of the Ministerial Program Statements, provides the only commercial television service for those in rural and remote areas. Could you outline the extent of the Government's commitment to the Remote Commercial Television Service.

Mr CONNOR: My deputy director-general, Mal Grierson—

Mr GRIERSON: The RCTS was introduced about eight or nine years ago. As you say, it offers the only commercial television to the bush. There are about 140,000 viewers out there covering 75 per cent of the State. Because of the small number of viewers, the advertising revenue that the service can achieve is far less than it needs to sustain an economically viable television service. There are very expensive outlays through the use of the satellite service. Because of this, both Governments have supported remote commercial television and the current Government has included \$750,000 in this year's budget to continue to subsidise the service. That \$750,000 is in fact an equal subsidy with the Commonwealth and that should continue until probably 1998, at which time the digital service

should make the service much cheaper. We would hope that the subsidy would then be able to be removed, but certainly the subsidies in this year's budget. It is in our Forward Estimates for next year at \$670,000.

Mr HEALY: Page 89 of the MPS refers to implementation of electronic trading within the Government. I understand that the technology group ISSC is involved. How does the appointment of ISSC as provider of electronic procurement services assist in local industry development?

Mr CONNOR: On IT issues, I think my director-general is probably the most up on it.

Mr DAVIES: The phenomenon of electronic procurement flows very quickly into electronic commerce and ultimately into electronic Government. No-one really is able to define where all this is heading and it is very much a key issue in strategic planning. When I was appointed, I had a look at the current arrangements in regard to electronic procurement and I was not satisfied that the Government was protected in that and we entered a period of negotiations to revise the arrangements and that process is continuing. Essentially, the Government has to come to grips quite quickly with the notion of delivering of Government services electronically. That's quite a major cultural change and change technologically. The combination of ISSC—who will emerge as the primary contractor, with an explicit subcontractor, being Dialog Pty Ltd, a local company—will bring to Queensland world's best practice, experience in implementing electronic commerce in Singapore, Canada, South Australia, and it will bring to the table in Queensland the world's best practitioners in electronic commerce.

It is our intention that all these inputs will be delivered through Dialog Pty Ltd, a local company. One of the imperatives is that Dialog must benefit both technologically and in terms of employment, and in terms of deliverables. Our electronic initiative will be delivered through Dialog, which is a local company. Those two companies were chosen following due process extending over the last year or so.

Mr BAUMANN: Referring back to the building industry and the code of practice, what has the Department of Public Works and Housing done to develop a suitable code of practice for the building construction industry in Queensland?

Mr CONNOR: I would like to bring forward, if I could, Gary May. He is my Executive Director, Building.

Mr MAY: The department is currently involved in developing a code of practice for the building and construction industry in Queensland. Such codes do exist in other jurisdictions and we have done considerable research in terms of the content of those codes. We are incorporating many of the principles identified as key principles by the National Public Works Council. We will be undertaking a consultation process with Queensland industry and also using public advertisement to get input into the development of that code. We envisage that there will be sanction provisions to ensure compliance with

the code—for example, restrictions on access to Government work. That exercise clearly cannot be further progressed publicly until after the Scurr inquiry and until the implications of the Scurr inquiry are assessed.

The code essentially is designed to set standards for industry and to apply to all participants in the industry, including contractors, subcontractors, consultants, etc. It will also embody the principles of the National Competition Policy and the requirements of relevant legislation, for example, legislation relating to collusive tendering. It will facilitate the adoption of best practice within the industry and through that we will be endeavouring to achieve value for money for the taxpayer in purchasing services from the building and construction industry.

Mr CHAIRMAN: The time for Government questions has expired. I call upon the Opposition.

Mr MACKENROTH: I would like to call Mr Col Clapper, the Acting Executive Director, Information and Procurement Services. Mr Clapper, I refer to the Minister's major industry statement on electronic trading given to the ATUG conference on 12 September 1996 and also the statements by the director-general relating to ISSC. Can you inform the Committee whether the Government has entered into a contract for the supply of those services?

Mr CLAPPER: No, Mr Mackenroth.

Mr MACKENROTH: No contract has been signed?

Mr CLAPPER: No, not as yet.

Mr MACKENROTH: When were the original tenders called for that contract?

Mr CLAPPER: There was a request for a proposal that commenced—I am not sure of the exact date when that commenced—but there was an exhaustive process of evaluation that was taken in terms of selecting a strategic partner to come on board with the Government to develop a range of electronic trading initiatives. That process was exhaustive and it came to a point where we had two competing consortia that were being evaluated. Those two consortia, in fact, got together and merged into one consortium. The two consortia—one was headed by ISSC, with a number of supporting contractors, and the second one was Electronic Services Australia Pty Ltd, which was headed by Dialog. As a result of those two consortia coming together, the department engaged Dialog—and this was back in January—to undertake a pilot project in relation to the development of the department's standing-offer database, which is a whole-of-Government standing-offer database. That work is progressing. In conjunction with that has been the broader initiative which was alluded to by the director-general.

Mr MACKENROTH: When you say you are not quite sure, would it have been 1994?

Mr CLAPPER: I think it was in the latter part of 1994. It would have been when the RFI process commenced and then rolling into an RFP process.

Mr MACKENROTH: It was two years ago. Did the tender documents allow for a change to bid consortia without recalling proposals?

Mr CLAPPER: The view is that it would, and if one would wish to get clarification on it, it has been sanity checked by our legal division.

Mr MACKENROTH: So there was a change?

Mr CLAPPER: No. In terms of a change, we are dealing with a combined consortia which was, in fact, a combined consortia of Dialog and ISSC. The issue as to who would be the prime and who would be the supporting contractor was a matter between those two consortia to come to the Government in relation to it.

Mr MACKENROTH: When these changes were made, were other bidders given a chance to retender?

Mr CLAPPER: No, because it is under the RFP process that we were undertaking. It is still under the umbrella of the RFP process where the selected consortia was, in fact, the combination of ISSC and Dialog.

Mr MACKENROTH: What is the cost of the initial phase of the project?

Mr CLAPPER: In terms of the pilot project which was, as I mentioned, the development of the database, around about \$250,000 has been expended on that and there is more funding to go.

Mr MACKENROTH: That has been expended?

Mr CLAPPER: That has been expended or is in the process of being expended.

Mr MACKENROTH: But you have not signed the contract?

Mr CLAPPER: That comes under a preferred supplier arrangement which was entered into with Dialog for that initiative. In terms of the—

Mr CONNOR: That was in January, was it not? That was done in January under the previous Government?

Mr CLAPPER: That commenced in January, yes, it did, and it is still ongoing. In terms of the current arrangements, negotiations are being undertaken at the moment in terms of the broader strategic planning and the identification of the building blocks and the further development of those building blocks, which comes under the umbrella of the arrangement.

Mr MACKENROTH: Does the ISSC software need to be modified for Queensland Government use?

Mr CLAPPER: We are looking at a whole range of building blocks which make up a number of services. The expectation is that there will probably be, obviously, some modification to whatever is brought in. We would be delighted if we could pick up the whole of the Singapore model or a Canadian model and drop it into Queensland, but I think that would be—

Mr MACKENROTH: But you cannot do it, can you?

Mr CLAPPER: That would be optimistic.

Mr MACKENROTH: It cannot be done; it has to be modified. When the agreement is signed, will it be able to be extended to cover other services as part of the building blocks without recalling tenders?

Mr CLAPPER: That is something that would be assessed at each point in time depending on the nature of the building block or the type of services that are being identified. I think you have to bear in mind that, in terms of our discussions with ISSC, there is very clear indication that not all the work, for example, would be going to ISSC; that ISSC in a facilities management-type role would be engaging local companies—there will be an emphasis towards local suppliers—and other suppliers. What we are trying to achieve here is best of breed practice in the whole initiative. In terms of doing that, it could well be that there will be the calling of tenders for other components of the service, whether they would be of a whole-of-Government nature or for particular agencies.

Mr MACKENROTH: When this contract is awarded, will it strictly comply or conform with the principles of the State Purchasing Policy?

Mr CLAPPER: Maybe "contracts" more than "contract", but most certainly, yes, the contracts would be tested against the State Purchasing Policy.

Mr MACKENROTH: Will they conform?

Mr CLAPPER: Yes, obviously, they will be in conformance with the State Purchasing Policy.

Mr MACKENROTH: For this service to be successful, will it be necessary to get a commitment by most Government departments and, if so, have they been consulted on the suitability of the product?

Mr CONNOR: It may be better to direct that question to the director-general. I think you are handling that across Governments?

Mr DAVIES: The answer to the first part of your question is: yes, it is going to affect all of the Government.

Mr MACKENROTH: No, to be successful it needs the total commitment from the Government. That was the first part of the question.

Mr DAVIES: Yes, and it is a commitment that has got to be essentially gained by choice rather than by force for it to work effectively. That issue is presently before Cabinet in terms of a review of the Information Planning Board where some of those issues will emerge in coming weeks.

Mr MACKENROTH: Thank you, Mr Clapper. They are all the questions I have of you. Mr Connor, I started off by referring to your speech on 12 September, which states that your department, on behalf of the Government, has entered into an arrangement with a major international company, ISSC. Mr Clapper informed us that you have not entered into an arrangement. In fact, no contracts have been signed. How can you tell the industry here in Queensland and tell Queenslanders that you have entered into an arrangement when, in fact, as Mr Clapper has just said, no contracts or arrangements have yet been entered into? Is that incorrect?

Mr CONNOR: You are using semantics there. You said yourself that one is an "arrangement"; one is a "contract". You are already aware that in January a \$250,000 deal, as a pilot program, was put in place by your Government.

Mr MACKENROTH: With Dialog, not ISSC.

Mr CONNOR: But they are now in joint venture. I will pass it over to the director-general. He has been more intimately involved in it.

Mr DAVIES: I think the word "arrangement" with a small "a" is more appropriate as opposed to "contracting". There needs to be a strategic alliance entered into between the Government and someone in the marketplace with whom we can work in terms of developing direction and a strategy. From that, that will give birth to a number of contracts which will go through the normal contracting process. But it is important that we must tap into world's best evolving practice if we are not going to make the wrong decisions in regard to contracts.

The arrangement between ISSC and Dialog was in place. It was established by the previous Government. The legal advice I have was that the arrangement did not represent sufficient protection for the Government and, consequently, as I said before, we renegotiated it to essentially vest the legal liability in ISSC but the deliverables in Dialog.

There are heads of agreement being drawn up at the moment which will be signed off in coming weeks between us, ISSC and Dialog, that we hope will bring to the table all of the things that are necessary to develop a strategic policy in this area. Once the policy is established and we get a degree of confidence in where we are directing and heading, there will then be building blocks hived off from that which will go through the normal contracting process.

Mr MACKENROTH: Mr Connor, I still come back to the situation that no contracts have been signed. If we go back to May of this year, it was still being discussed. I refer to the report that you tabled in the Parliament on 10 July in relation to your trip overseas where you state that you met with International Solutions Systems Corporation in Singapore and that you had a further meeting with the president and chief executive of that company in New York. Would you not agree that it is totally inappropriate for a Minister to be meeting with companies and discussing projects such as this whilst they are still under active tender and have not been decided?

Mr CONNOR: With respect, I am a new Minister. We are talking state of the art technology and we have to know what we are buying. We did not just go to IBM and ISSC. We had to look at procurement processes in Singapore. We were there visiting the science section. We also went to Silicon Graphics and helped put together the deal with Silicon Graphics. We visited a number of major players around the world involved in IT—information technology.

The other thing is that Dialog went with us. The competing company, Dialog, in fact, we met in Singapore. Therefore, it is hard to say that somehow

or another we were unfair when both of the tenders—because as I understand it there were only two bids.

Mr DAVIES: The existing arrangement that was in place was Dialog and ISSC.

Mr CONNOR: Yes, so both major players were involved there. As well as that, we did not just go to IBM or ISSC. We were travelling around, trying to look at world's best practice in IT. We helped stitch together a deal at Silicon Graphics for the studios to be set up in Queensland. I think it was a very productive trip and it certainly was not untoward.

Mr MACKENROTH: It must have been productive because, in light of what you said just then, what you say in your report was that the meeting was sponsored by Electronic Services, which won the right to become the preferred strategic partner. However, listening to the answer that you just gave, at no stage did you mention that they won the right. You said they were talking about it. However, according to your report, tabled in the Parliament some six weeks later, they have won the right. Was it as a result of the meeting that was held in Singapore that the company won the right to this contract?

Mr CONNOR: You said something about "sponsored" there. What was that again?

Mr MACKENROTH: It was sponsored by Electronic Services, which won the right to become the preferred—

Mr CONNOR: What was sponsored?

Mr MACKENROTH: The meeting.

Mr CONNOR: We had a meeting, that is basically what it means. What was the question again?

Mr MACKENROTH: You just said that it was okay because you had both of the competitors there, Dialog and ISSC. Yet your report says that, in fact, they had already won the right. Either the report is incorrect or what you just said in your last answer is incorrect. They cannot both be right.

Mr CONNOR: Again, you are using semantics. I will pass to the director-general, if I could.

Mr DAVIES: The arrangement that was in place was with an entity called Electronic Procurement Services, which was a \$2 company, behind which was Dialog and behind Dialog was ISSC.

Mr CONNOR: That is what we inherited.

Mr DAVIES: We took legal advice that the \$2 company that the arrangement was with did not represent sufficient protection to the Government. Therefore, we have now gone behind Electronic Procurement Services and we are seeking to do heads of agreement with a legal arrangement between Dialog and ISSC.

Mr CLAPPER: Sorry; just to make a correction: it was QEDIS, not Electronic Procurement Services. The tender was for Electronic Procurement Services but the identity was QEDIS.

Mr CONNOR: I might add that that was the process that we inherited from the previous Government. We had a look at it and here we are doing multimillion dollar proposals with a \$2 company. There was absolutely no security for the taxpayer there at all. We had to review the whole process and make sure that we were dealing with a substantive entity. All you are dealing with here is semantics.

Mr MACKENROTH: It is not semantics. You still met with a company on 29 May in Singapore whilst its bid was still under active consideration by the Government. I would consider it totally inappropriate, as a Minister, to meet with a company whose tender is under active consideration. In any Westminster Parliament, a Minister would not meet with a company and discuss a proposal which is under active consideration for the awarding of a contract.

Mr CONNOR: It is not true, and I think we have answered that.

Ms BLIGH: Mr Parker, the Minister for Public Works and Housing recently announced that CITEC had been approved to install a fibre-optic network in south-east Queensland, with the initial contract worth approximately \$300,000. Is this contract subject to tender?

Mr PARKER: Yes. CITEC runs a number of data communications networks for Government departments which stretches throughout Queensland. Within the Brisbane central district, we connect Government departments to CITEC using carriage services provided by Telstra or, in some cases, we use microwave links installed by ourselves. The item you are referring to is a proposal for CITEC to install cable between Government buildings to run the communication services. We regularly buy cable from suppliers and that was as a result of a tender which occurred some time back. We have just acquired sufficient cable to lay between those buildings. That proposal was the cost involved in having the cable laid along SEQEB ducts, and it is the only supplier available.

Ms BLIGH: Mr Parker, is CITEC planning to become a carrier?

Mr PARKER: No, it is not.

Mr CONNOR: Excuse me; that is a policy matter and I think it is out of order.

Ms BLIGH: Minister, is CITEC planning to become a carrier?

Mr CONNOR: Not that I am aware of.

Ms BLIGH: Minister, I refer to your meetings with ISSC in both Singapore and New York, and to any other meeting which might have occurred. At any stage during those meetings, was the purchase of CITEC by ISSC discussed?

Mr CONNOR: I don't remember that being discussed. Remembering that it was over a couple of hours, I think, and there was a couple of meetings, as I said, in New York, I don't remember that being discussed.

Mr DAVIES: I cannot recollect that. Of course, we get a number of approaches from all sorts of

companies about CITEC, but at this time there is nothing on the table with regard to the purchase of CITEC.

Ms BLIGH: Minister, to your knowledge, does ISSC have any interest in the purchase of CITEC?

Mr CONNOR: I think you had better ask them.

Ms BLIGH: To your knowledge?

Mr CONNOR: Nothing has ever been put in writing. I do not believe I have ever spoken to them about the issue. I do not know of anyone in my department who has spoken to them about the issue. As I said, you will have to ask them if they are interested or not.

Ms BLIGH: Would you agree that if ISSC were to purchase CITEC, that the recent moves by CITEC to install fibre-optic cable would in fact constitute the public funding ISSC's expansion.

Mr CONNOR: That is hypothetical. I am not getting into that. It is hypothetical. We do not answer hypothetical questions.

Ms BLIGH: We will see.

The CHAIRMAN: The time for Opposition questions has expired.

Mr BAUMANN: Page 15 of the Ministerial Program Statements states that the building division has been involved in a program for the removal of ozone depleting substances. Could the Minister expand on what the Department of Public Works and Housing has done to minimise the use of ozone depleting substances in Government buildings?

Mr CONNOR: That comes under asset management. I call forward Keith Farr, please.

Mr FARR: The program that we have in place is to meet the Government's obligations in complying with international protocols and legislative requirements. To date, 192 building services systems containing ozone depleting substances have now been made ozone safe. That represents 65 buildings. This has been achieved through the total replacement or conversion of equipment so that it operates with ozone-friendly alternative substances. All the planning that has been put in place was to minimise any possible disruption to the operation of those building users during the transfer. The selection of the most appropriate systems is based on a number of factors, including the equipment, the age of the equipment, the condition, compatibility, cost and long-term suitability.

Current technological advances within the industry are also being closely monitored and any new developments are implemented wherever appropriate. Some substances with greater reduced ozone depleting potential are being used as interim alternatives until other suitable ozone benign alternatives are developed and available within industry generally. In the current year, it is proposed to make a further 156 systems ozone safe. After that, the remaining items of equipment containing significant ozone-depleting substances will be replaced or converted as the program continues.

An audit was undertaken a couple of years ago which identified 200 buildings that contained ozone-

depleting substances that were phased out of production in December 1995. The program will address all of those buildings by the end of 1998. A minimal quantity of ozone-depleting substances being removed from the systems is temporarily being stored for use within systems before the final program is completed. There are other less offensive ozone-depleting substances which will be banned in the year 2030, and they will be addressed in future programs.

Mr BAUMANN: Minister, I refer to page 16 of the MPS. I notice that under the heading "1996-97 Planned Performance" the Building Division will develop energy efficient systems. Could you expand on what your department is doing to reduce energy costs in your own buildings?

Mr CONNOR: This is a built environment issue. I call forward Dale Gilbert.

Mr GILBERT: The department controls a significant amount of commercial office floor space throughout Queensland totalling approximately 396,000 square metres of net "lettable" Government owned accommodation and approximately 315,000 square metres of accommodation leased from the private sector. Of the 396,000 square metres of owned accommodation, approximately 224,000 square metres is located in the Brisbane central business district in a total of 17 office buildings. The electricity consumed by the owned buildings controlled by the department is budgeted at a cost of approximately \$8.4m this financial year. Following a series of building energy audits, 17 Brisbane CBD office buildings and a number of regional office buildings have had energy savings initiatives undertaken. Typical initiatives have included electricity tariff changes, changes to lighting control systems, changes to airconditioning and changes to chiller control systems in those buildings.

The 1996-97 estimated cost to implement the remaining energy audit recommendations is \$266,000. On completion of the implementation of the energy audit recommendations, total savings per annum are expected to be approximately \$400,000 for a once-only capital cost of \$500,000, which is a significant payback. The recent tender and finalisation of a new waste management contract is expected to realise savings of approximately \$200,000 per annum as a result of the recycling of waste in buildings. The task force is currently focusing on the savings to be achieved in water consumption in Government buildings. For example, the installation of electro flushing urinals in male toilets is one of these initiatives.

The CHAIRMAN: On page 9 of the Ministerial Program Statements mention is made of the revised framework for Government payroll services. Why is the Government doing this and what role will the department be playing in this process?

Mr CLAPPER: Government agencies have adopted a variety of payroll and human resource management systems over a number of years. Mainly the system that has been used has been the Paymaster system provided by CITEC. But it is essentially a payroll system and it does not have a lot of functionality in terms of human resources. It does

not provide a great deal in terms of information management. I guess in simple terms it is reaching its use-by date. The Department of Public Works and Housing was appointed as lead agency for payroll and human resource information services. It is commonly known as PAHRIS. It gives it the charter to identify the strategic direction on a whole-of-Government basis and also agency basis in relation to payroll and information management services. It identifies best of breed practices and it supports Government agencies in terms of the implementation of best of breed practices.

There is also the identification, evaluation and management of payroll and HR information service providers. There are currently four service providers under that arrangement. It will also look at assisting Government agencies in terms of managing the transition from the Paymaster system to the new payroll and HR systems that will be implemented over a number of years as Government agencies are ready to transfer across to the new systems in the future. There is clear evidence that the new generation payroll and HR systems, particularly where there is very strong integration between payroll and HR, will provide significant benefits. That is mainly coming out of the management reporting that is available from those systems. This will be a program that the department will be assisting agencies with in the future.

The CHAIRMAN: My next question concerns commercialised services. What has been the effect of the integration of the Housing Property Services Group into Project Services and Q-Build?

Mr CARFOOT: As Mr Hobday said earlier, one of the task force recommendations looking at the integration of Housing with the old Administrative Services was to expedite the commercialisation process which had been started in the Housing portfolio. We took the decision, we think very logically, to see what parts of the Housing portfolio would readily adapt to the commercial business systems that already existed in our existing business units. The Housing Property Services Group, which was primarily involved in the maintenance and procurement of buildings through design and construct and property deals, logically fitted in with Q-Build and Project Services systems. We have, we believe, successfully integrated those as of 1 July this year—in a very short period of time. To date, there have been no job losses of permanent public servants in that Housing group. We have kept it as a separate cost centre in both of those business units so that the Housing people had their own identities still and did not feel overwhelmed by the whole operation. The future for both of those groups is more dependent upon the outcome of Commonwealth and State housing arrangements than the commercialisation process.

Mr HEALY: I have a couple of questions in relation to apprentice intake and Aboriginal and Islander trainees within Q-Build. I notice that on page 31 of the MPS it states that Q-Build will continue to lead in building apprentice training. Could you provide some details of what the intake was for 1996, the spread of intake as it relates to the Government's

policy of equal employment opportunity in relation to disadvantaged groups, and the benefit, if any, to the rural areas of Queensland? In addition, what efforts has the department taken to target the minority groups in relation to apprentices?

Mr CONNOR: Our biggest area of apprentices is Q-Build. I believe we take in about 90 a year, but I will get Max Smith, the general manager of Q-Build, to come forward, if I could.

Mr M. SMITH: I will firstly start with the number of apprentices which were indentured in 1996. It was 90, as the Honourable Minister just mentioned. Three of those were females and another three were of Aboriginal and Islander descent.

Mr HEALY: Could you give me those figures again?

Mr M. SMITH: There were 90 indentured in the calendar year 1996, of which three were females and another three were of Aboriginal and Islander descent. There has been significant effort in the department to maximise the input from disadvantaged groups. It is very consistent with Mr Hobday's enunciation before of the department's management plan in terms of equal opportunities. Q-Build uses a number of forums to maximise the input from these groups, and if I could just read out some of the forums that we use to maximise the interest from disadvantaged groups. We participate in all careers market activities. We spend a lot of time with the secondary schools, not only in the Department of Education but also with the Catholic and independent schools. We participate with the TAFE colleges, specifically student placement officers and women's support officers. All branches of the Aboriginal and Torres Strait Islander Housing Unit are involved. Tradeswomen on the Move, a unit at DTIR, distributes some 3,000 pamphlets on our behalf. The Queensland Deaf Society is very much involved. The Second Chance Program is also involved. In addition, Aboriginal radio stations in Brisbane and Townsville promote Q-Build's campaign. We also have close liaison with the Construction Training Council of Queensland. So there is a real effort within Q-Build to maximise those opportunities for people. Over half of the apprentices in the 1996 intake were from country areas. We go to small towns like Tambo through to the larger centres of Cairns, Townsville and Gladstone. In summary—there has been a real effort to maximise the involvement of disadvantaged groups and also a real effort to maximise the involvement in rural and remote areas.

Mr HEALY: Can we just stick with the Aboriginal and Islander communities? Page 31 of the MPS also states that Q-Build will be a key player in multifaceted initiatives by involvement in training activities in the Aboriginal and Islander communities. In particular, I understand that Q-Build has been involved with the employment of trainees within the Woorabinda Aboriginal community. Could you explain the background to this initiative and outline the benefits to the local community?

Mr M. SMITH: The Woorabinda Council came to us seeking our assistance as a project manager on a number of building programs. In addition to that,

they sought our help in training the local youth. We developed a program in conjunction with the council and the TAFE college, as well as the Construction Training Council of Queensland, firstly to maximise the opportunities for the local youth and secondly to provide an environment where the community itself becomes self-sustainable. The idea is to train the people on the building projects. Having trained those people on the building projects, then they are able to maintain the particular facilities that they have built, which also gives them pride in their work. The traineeships last for 12 months. At the end of that 12-month period they have nationally accredited certificates, and they can then use those skills outside the community if they so wish. The number of people involved at the moment in our traineeship program at Woorabinda is 10, one of which is a female. We have also put proposals to the Island Coordinating Council in the Torres Strait. At this stage, it looks like we will have six trainees in the Torres Strait this year. We are talking to the Palm Island Council as well as a number of other councils. In summary—it is maximising returns on building programs by injecting significant training input into it and, at the end of the day, for the community to be self-sufficient.

Mr BAUMANN: Minister, this question that I will be directing to you is in the Q-Fleet area. Do you wish to pass that on?

Mr CONNOR: Les Clarence, the general manager of Q-Fleet, will come forward to answer that question.

Mr BAUMANN: Mr Clarence, the Government has given a high priority to driver education and reducing the road toll. Could you let us know what Q-Fleet is doing as the Government's fleet manager to reduce the cost and frequency of vehicle accidents, and thereby reduce the commercial risks associated with vehicle ownership, as claimed on page 51 of the Ministerial Program Statements?

Mr CLARENCE: Q-Fleet, as the Government's fleet manager, takes very seriously its responsibilities, and that goes beyond simply leasing and managing vehicles to helping our clients minimise their cost. About 18 months ago, Q-Fleet commenced a driver training program. Thus far we have put about 2,000 people all around the State through that driver training program to try to improve driver training with the Government fleet. Last year, about 1,960 of our vehicles were involved in accidents. Around 70 per cent of those were the fault of the driver of our vehicle. We have recently put in place new arrangements with an underwriter and a broker. Under those arrangements, the underwriter is going to provide \$100,000 towards driver training. We have a broker who now sits in our office permanently and is working with us and with our clients to develop driver training programs specifically to address the issues causing accidents on a client-by-client basis. The new driver training program is under construction at the moment and will be ready to roll in the next two or three months. It will incorporate a range of driver training programs and driver training aids such as videos.

The CHAIRMAN: As the time is approaching 10.30, the Committee will stand adjourned for 15 minutes.

Sitting suspended from 10.28 to 10.46 a.m.

The CHAIRMAN: The time had expired for Government members' questions.

Ms BLIGH: I think I have some questions for Mike Hefferan. I am looking for the person responsible for State capital works building projects. Is it still Mike Hefferan?

Mr GRIERSON: Could you give us some more specifics about the line of questioning?

Ms BLIGH: It is about the capital works budget.

Mr GRIERSON: I would like to hear the question first. Is it to do with our capital works or the capital works we do for clients?

Ms BLIGH: Client capital work projects.

Mr GRIERSON: That should be Eric Carfoot, who runs the Project Services Business Unit.

Ms BLIGH: It is in relation to pages 18 and 19 under the Building Program in the Ministerial Program Statement. It is not under Q-Build. Mr Carfoot, I refer to the claim at pages 3, 18 and 19 of the Ministerial Program Statements of a \$225m increase in client capital works. I refer to "Fixed Capital Expenditure" in the "Program Outlays" table on page 18. The reference to the increase is at the top of page 19 at note five. Is it accurate to say that this \$225m increase is only an increase on the 1995-96 actual expenditure?

Mr CARFOOT: Yes.

Ms BLIGH: Given that the 1996-97 allocation is only \$4.9m more than the 1995-96 budget allocation, if we utilise the State Budget inflation rate of 2.2 per cent, a CPI adjustment on the 1995-96 allocation would amount to a \$13.8m increase. Can you confirm that the \$4.9m increase in client capital outlays is in fact an \$8.9m reduction in real terms and that this capital budget has failed to keep pace with inflation?

Mr CARFOOT: I cannot answer "Yes" or "No" to that. You need to understand that these are client programs which are not just core Government departments. This is the program which is administered through the Project Services Building Unit, which includes work we do for local authorities, port authorities and other than the core Government departments that would normally be in the budget process.

Mr CONNOR: This is a bit of an estimate, is it?

Mr CARFOOT: It is our estimate, Minister, of what would be paid for.

Mr MACKENROTH: That must be why it is called an Estimates committee!

Mr CARFOOT: It is not appropriation delivered to Project Services to deliver on behalf of Government. Various clients—core Government departments, local authorities, port authorities and other people who have some form of Government funding—are our clientele. We sit down at the start of each year and try to estimate how much of that we

would be successful in acquiring. Even then some clients, particularly in the non-core Government areas, wish to make their own payments to contractors. This is the quantum of work for which we pay contractors on their behalf. It is not a simple—to use the apples analogy—apples and oranges analogy; it is an estimate based, as any building contractor would have to do—

Ms BLIGH: I understand that. If the amount that is estimated is in fact the amount that is spent, then in real terms, using the 2.2 per cent figure for inflation, it will in fact be a lower—the reduction—

Mr CONNOR: That is a hypothetical question. He does not have to answer that.

Ms BLIGH: It is not hypothetical. There is nothing hypothetical about it. I am asking if the estimate, which is that line there—

Mr CONNOR: You said—and I will let the record speak for itself—"If the actual ended up being the estimate". That is a hypothetical question; he does not have to answer that.

Ms BLIGH: Mr Carfoot, would it be accurate to say that the figures record here that there was \$248m unspent from the budget in 1995-96?

Mr CARFOOT: No, Ms Bligh, it would be accurate to say that the work that we estimated that we would win, having non-tied clients, we fell short of as far as what we would put through and make payments on their behalf. We could still have won the work and got our consulting and managing fee but not made the payments that would appear in either a client department's or a local authority's budget process.

Ms BLIGH: So you overestimated your capacity to win clients in the 1995-96 budget by approximately \$248m?

Mr CARFOOT: As far as making payments on their behalf, yes.

Ms BLIGH: On what basis have you made the estimate for this year?

Mr CARFOOT: For this coming year—we have spoken to as many of the clients that we felt confident in being open with as far as what percentage of their work they feel we might be successful in winning. We have had to make adjustments. As I said, the clients are untied, so it is a "How successful will we be?" question. We have also tried to look at what work we will source from other sources other than core Government clients, which could be 10 to 20 per cent, we believe, as we make more inroads into that sector.

Ms BLIGH: Could you give me a rough breakdown of where you think those allocations are likely to go?

Mr CARFOOT: I would be happy to but, through the Chair, this is commercial in confidence information. Can I present it in writing in that vein—that it remain commercial in confidence, because we are in an untied competing situation?

Mr CONNOR: You will still get the information, but we ask it not to be printed and released; is that all right?

Ms BLIGH: Yes, that is fine. To finalise, you are saying that the estimate shown for fixed capital expenditure under that program is an optimistic estimate based on what you understand to be—

Mr CONNOR: He doesn't have to give that answer.

Ms BLIGH: Let me rephrase that. You have placed this estimate in the Budget document on the basis of discussions that you have had with potential clients which you believe will be successful?

Mr CARFOOT: Yes.

Ms BLIGH: I refer to your media release of 10 September in which you claim a record capital works expenditure of an extraordinary increase of 65 per cent on the 1995-96 actual expenditure. I note that Mr Carfoot has said that the estimate is one which may or may not eventuate depending on clients—

Mr CONNOR: You are only dealing with a very small part.

Ms BLIGH:—but even if it does eventuate, I draw your attention to the fact that it will constitute a reduction in real terms on the 1995-96 Budget allocation. I ask: firstly, how did you derive the figure of a \$566.7m increase and, secondly, was this not just a dishonest attempt to hide the effect of the Treasurer's capital works freeze?

Mr CONNOR: I think you are trying to compare apples with oranges and you are only taking part of the program. What we are dealing with here is just client capital. We have to look at the whole Capital Works Program. Would you like to repeat the quote if you could, please?

Ms BLIGH: I am referring to the media release that you put out on 10 September, Budget day, in which you claim—

" 'Client capital works up to record \$566.7m', says Ray Connor."

You claim a 65 per cent increase over last year's actual—which even on these figures I cannot see—but that is, of course, only comparing it to the actual, not the Budget allocation.

Mr CONNOR: The total figure would include authorities, port authorities and that sort of thing, so what we are talking about is the Government aspect of the total client Capital Works Program—the Government section of it, as I understand that figure. We were comparing that with the Government's part of client capital works for last year.

Mr CARFOOT: That is simply proportions; that is not client capital works. It bears no resemblance to the total Capital Works Program—only one client.

Ms BLIGH: I understand that. You state in the press release that it is a 65 per cent increase above last year's actual expenditure. Can you confirm that it is, in fact, only an increase over last year's actual expenditure because the expenditure was so significantly reduced on the 1995-96 budgeted allocation?

Mr CONNOR: Can you say that again, sorry?

Ms BLIGH: There is very little difference between the 1995-96 allocation and the 1996-97

allocation. You can only claim a 65 per cent increase if you look at the actuals—expenditure—and it only constitutes such an extraordinary increase because the actual expenditure was so extraordinarily underspent.

Mr CONNOR: We have the duty—the same as in the Housing side of things—to be responsible with taxpayers' money. The same G. J. Constructions that were doing work for the Housing Department were also doing work for Public Works. What it comes down to is that that triple bankrupt, who is now a quadruple bankrupt, had millions of dollars worth of work. He was one of the many larger casualties, but there were many other building companies that also went down who were doing Government work. As a result of that, we put in place the QBSA checks that I mentioned before. That delayed programs. Many of the commencements were delayed. It was a financial mess. In fact, I might ask John Scrivens from Legal to come forward—

Ms BLIGH: With respect, Minister, I am actually referring to your media release. I think it would be improper if a public servant was asked to defend your press releases.

Mr CONNOR: With respect, I can answer the question in the appropriate manner. I have three minutes and I would ask, if I could, for the detail to be answered by Mr Scrivens.

Ms BLIGH: Was Mr Scrivens involved in drafting your media releases, Minister?

Mr CONNOR: With respect, I'm answering the question.

Ms BLIGH: The Minister is, in fact, saying that he does not want to answer the question.

The CHAIRMAN: The Minister can call someone up to verify what he is saying or to expand on what he is saying.

Mr SCRIVENS: John Scrivens, Director, Legal and Contractual Division. When Mr Robson went down, we had a number of claims come into the department. The claims in the department totalled \$1.2m—\$1,203,082.57.

Ms BLIGH: I am sorry. Could you repeat that figure?

Mr SCRIVENS: 113 claims were recorded, totalling \$1,203,082.57.

Ms BLIGH: Those are claims for—

Mr SCRIVENS: These were claims from suppliers and subcontractors who were unpaid as a result of the failure of Mr Robson.

Mr CONNOR: To complete the answer, it is very difficult to be put in a position where you have—as I said before, we were at the bottom of the building cycle, we had major and minor contractors dropping all over the place. G. J. Constructions was not the only one—

Ms BLIGH: But the largest?

Mr CONNOR: Would he have been the largest?

Mr SCRIVENS: Mr Robson would have been the largest, yes.

Mr CONNOR: The largest number of contracts and the largest amount of contracts. He may not necessarily have cost the taxpayers the most.

Mr SCRIVENS: Mr Robson has been the one that has cost the taxpayers the most money.

Mr CONNOR: Thank you.

Ms BLIGH: Minister, I draw your attention back to the figures which indicate that there was \$248m worth of unspent allocations in client capital works. On page 5 of Budget Paper No. 3, Table 1.2, Capital Outlays by Policy Area indicates, if you compare those figures with the 1995-96 Budget, an unspent allocation of \$400m in capital works. Given that Mr G. J. Robson was responsible for \$1m of difficulty, how do you explain the rest?

Mr CONNOR: That is not true. Could you explain how many contracts he was involved in, please, and also the total amount?

Mr SCRIVENS: We have a number of contracts from Mr Robson that were in defects liability. That is, the contracts were completed and were occupied but there were a number of defects still outstanding on them. Excluding those contracts, there were five Government employee projects and five Queensland Housing Commission projects.

Mr CONNOR: And approximately totalling?

Mr SCRIVENS: The original contract sums for QHC was \$1,586,934. The cost to complete was \$579,000. The total project cost was \$1,644,122 to complete those contracts. That is the QHC contracts. As far as the Government employee housing projects—the total project cost to complete was \$2,816,434.

Ms BLIGH: Thank you. With respect, Minister, we are still a long way from accounting for approximately \$400m of unspent expenditure in capital outlays in the 1995-96 year. Once again, I draw your attention to your media release and ask: on what basis did you calculate a record \$566m increase? I suggest to you that this media release is, in fact, a hypothetical media release.

Mr CONNOR: First of all, we are dealing with client works. You may recall that there was a previous answer to your question which said that we were unsuccessful in winning some of those projects, and that was the client's decision. As I said, I do not intend to revisit that question.

Ms BLIGH: When I talked about the \$400m decrease in spending, I was actually referring to the capital outlays in Budget Paper No. 3, which goes across all policy areas and does not relate simply to the client capital works. The document does not actually have the 1995-96 budget—

Mr CONNOR: What page is it again?

Ms BLIGH: Page 5. It does not actually have the 1995-96 budget but I can tell you, from having done the research, that it is \$400m more than the actual expenditure across all of those policy areas. It goes across all departments and relates to all capital outlays and projects during the 1995-96 year.

Mr CONNOR: Right, but are you talking about the 05 policy area? Is that what you are talking about?

Ms BLIGH: No, I am talking about all the policy areas.

Mr CONNOR: With respect—

Ms BLIGH: Some of which was your department's responsibility.

Mr CONNOR: I will deal with my policy area; my department. I am not responsible for the whole of Government. I suggest you refer those questions to the relevant Ministers.

Ms BLIGH: I refer again to the \$253m increase between the 1995-96 actual expenditure—

Mr CONNOR: What are we referring to again?

Ms BLIGH: We are back on page 18 of the Program Statements. Taking on board what you have said earlier about it being an estimate for the 1996-97 allocation for fixed capital expenditure in the building program, you will see at note 5 that it is claimed that the increase mainly relates to the alleged \$225m increase in client capital works, and I ask: on what will the remaining \$28m be spent?

Mr CARFOOT: Ms Bligh, that is the work that we would hope to win from increased work from non-core Government clients such as local authorities, port authorities, and other quasi-Government agencies.

Ms BLIGH: So the \$225m increase does not incorporate that work from those areas? They are not regarded as clients for that purpose?

Mr CARFOOT: Not regarded as our traditional client base, no.

Ms BLIGH: I refer again to page 18, note 3, dot point 1, and the reduction in client departments' capital works projects totalling \$219m. Can you provide details of capital works projects which were scheduled to commence during 1995-96 but have not eventuated?

Mr CARFOOT: No, I cannot. That has to go to our client department.

Mr CONNOR: Can we take that one on notice?

Ms BLIGH: Yes.

Mr CARFOOT: I can only give you the ones that we anticipated that we would handle and administer, Ms Bligh.

Ms BLIGH: The question referred to work which was scheduled. So you would have got the contracts; that is what I am suggesting.

Mr CARFOOT: We are an untied business unit. We might anticipate winning a project from a client but, until the project is a live project, the client makes that decision.

Mr CONNOR: Can I just make this point: these figures, as far as Estimates, were done under the previous Government. What we are comparing here now is the 1995-96 budget figure, which was done under the previous Labor Government, and what the actual outcome was. It was the previous Government's policy to untie Project Services and the work. So I would just like to put that on record.

Ms BLIGH: Mr Carfoot, can you explain and provide details of capital works projects to be included in the 1996-97 Estimate—that is that \$635m? Can you provide details of which of those had originally been scheduled and budgeted for, if any, in the 1995-96 year? Again, I am happy to take that on notice. You can provide that?

Mr CARFOOT: With the information that we have available to us, yes, Ms Bligh. As I said before, that is not the total client program.

Ms BLIGH: Minister, I refer again to note 3 and dot point 1 on page 18, which refers to the decrease and explains that in terms of reviewing the previous Government's priorities and a reallocation of funding priorities, and I ask: on what policy basis was it decided which capital works projects would be frozen by the coalition Government?

Mr CONNOR: There are a number of different reasons. Probably one of the best, which is in the paper today, was Roma Street Forum. What we have here is a large CBD piece of land that the previous Government had determined—Stage 3, as I understand it—to be a world-class park. It had in the Budget, I think, a \$35m component from taxpayers. What we determined was that we would revisit that. What we were looking for was a revenue-neutral outcome where there would be residential and commercial interests called for so that we would have as good an outcome but it was not going to cost the taxpayer many tens of millions of dollars.

We have also looked at it from a strategic point of view. An area of land in the CBD of that size—it really came down to an economic issue as well because it was such a large project. With the mess that we were left with with South Bank and the losses being incurred, we had to be very careful that Roma Street, whatever we put there—which we were worried about—was going to pull more money out of South Bank. As you would know—I think it was in the paper only a couple of days ago—South Bank is losing about \$9m a year. We have to be very mindful of those circumstances and that is why we had to revisit Roma Street.

That is the sort of reprioritising that we are talking about. It was all about getting a better outcome for taxpayers and looking at the whole issue from a broader perspective to ensure that we got a better outcome. 75 William Street was part of that, because we had to decide: was it best for us to be putting scarce taxpayers' dollars into an office block when we had hospitals to build? There was money raided from the Capital Works Program for health. So we have to make sure that the limited amount of taxpayers' funds that we have goes into areas that we consider to be the most important.

Ms BLIGH: Can I confirm that what you are saying is that the basis on which you would be reallocating priorities would be that, in your view, there is no room for public subsidy of public space and public facilities and that cost neutrality is the target?

Mr CONNOR: In the case of Roma Street, we determined that it was to be revisited. As I said before, it was not a matter of making an across-the-

board, Statewide decision that that is the case. The case of Roma Street was a very unique circumstance and that was a decision that was taken.

Ms BLIGH: Are you looking for cost neutrality at South Bank?

Mr CONNOR: We would hope that South Bank would eventually pay its own way.

Ms BLIGH: How would you see it doing that?

Mr CONNOR: South Bank is not my portfolio, but we had to be mindful of that when working out Roma Street.

The CHAIRMAN: The time for Opposition questions has expired.

Mr BAUMANN: Minister, page 51 of the Ministerial Program Statements refers to the development and deployment by Q-Fleet of a Client Access System. What is this system and how will it help reduce duplication and administration across Government?

Mr CLARENCE: The Client Access System, or CAS as we call it, is a computer program which was developed in-house by Q-Fleet and which allows our clients to access data that we have in our database. An important element of what Q-Fleet does is to collect, process and analyse data on the Government motor vehicle fleet. Many Government agencies and departments, in fact, run or maintain their own information base about vehicles for their own operational purposes. Much of that information comes from Q-Fleet.

We have developed, in consultation with our clients, a system which will allow them to utilise information that we have so that it reduces the amount of duplication of effort right across the Government. This system was designed last year and it has been put in place. There is a major upgrade about to be released which will give our clients on-line data exchange, allow them to make even greater use of the information we have and, similarly, provide information direct to Q-Fleet. This in turn will allow them to reduce the amount of resources that they use on the administration, at an operational level, of their fleet to be able to use those resources elsewhere in their portfolio.

Mr BAUMANN: Page 53 of the Ministerial Program Statements shows that in 1995-96 Q-Fleet sold 4,639 vehicles and that this will increase to 5,377 during 1996-97. Motor vehicle dealers have been expressing concern about the effects of, and the so-called unfair advantages Governments have in, selling their vehicles at auction. Why are these vehicles sold at public auction? Does Q-Fleet have any advantage in selling these vehicles at auction?

Mr CONNOR: I will make a couple of comments on this, if I could. This has started to blow up as a bit of a public issue in the last few days. There is a campaign going on from larger motor dealers around Queensland. They are suggesting that we should not be auctioning our vehicles when we are finished with them, or not auctioning them in an open auction, but that it should be restricted and that only motor dealers can access that.

I make this point: over 50 per cent of the motor vehicles that we sell at those auctions are bought by motor dealers. That is a very important point. Of the motor dealers, many of them are smaller motor dealers who access those auctions. Secondly, many mums and dads who cannot afford to go out and buy a new family car access those vehicles considerably cheaper than they can new vehicles. They also are in a position where the vehicle is being sold not because there is something wrong with it, but for no other reason than the fact that it has achieved a certain mileage or kilometres or a particular age. There is a level of confidence from the public buying those motor vehicles and I think that is important.

If we close those auctions and if we limit access to the public, I think it would be very unfair on those mums and dads. It would also probably cost the taxpayer a great deal of money, because if you restrict the amount of demand for any product, you are going to reduce the amount. For a detailed point of view, I will pass the question over, if I could.

Mr CLARENCE: The Minister's answer provided the answer on why we do it. There is certainly no advantage to Q-Fleet over and above what other public auctions do. We have to and do abide by the same conditions and rules that apply to all auction houses. There is absolutely no advantage that we have over the private sector in that regard.

Mr BAUMANN: Minister, page 51 of the Ministerial Program Statements refers to Q-Fleet undertaking the construction of mobile dental units for both Queensland and interstate agencies. What are these units and why is Q-Fleet building them?

Mr CONNOR: Again, I will ask Mr Clarence to answer that.

Mr CLARENCE: Q-Fleet started building these units, or what is now Q-Fleet started building these units in the early 1980s when the Department of Health approached the then Government motor vehicle workshop in relation to asking them to build mobile dental units which were principally used in schools to provide dental services to school children. Prior to the early eighties, the work was done by the private sector. My understanding is that the Department of Health was not satisfied with the quality of the units being built. Since then, Q-Fleet has been involved in the design and construction of these units. Over the last couple of years, we have constructed 12 new units for the Department of Health, refurbished 14 and repaired 69.

Over the last 12 months, Q-Fleet has expanded and is now manufacturing a different unit, a truck-based unit, for a number of health organisations in New South Wales. These have been designed by Q-Fleet specifically for our clients' needs. As I said, last year we entered into contracts for three and we are expecting another three to six units this year. We have also had some interest from New Zealand in these particular units and we are currently examining the option of showing one of these units at a major international dental show in Melbourne early next year. We are also working with the Red Cross Blood Bank to convert these units into mobile blood banks as well.

The CHAIRMAN: Minister, in relation to the Commonwealth and State Housing Agreement, obviously the Commonwealth plays a large part and a very important role in the State's ability to deliver public housing. What is the current status of the Commonwealth and State Housing Agreement? Are there any concerns for Queensland in the proposed funding arrangements?

Mr CONNOR: Mr Mackenroth might be interested in this as well. We had the Housing Ministers Conference in Darwin and I must say that I was very disappointed with the outcome. The amount of information that was being shared by the Commonwealth was very limited; basically, it was zero. There are serious concerns about the direction they are going in. I was not extended any level of confidence from that meeting. In fact, the way in which the Commonwealth officials acted at the official forum the day before was decidedly suspicious. They had in excess of an inch-thick document detailing the proposals, yet they were not prepared to make that available. They alleged that it was part of a Cabinet document. When we asked for any detail the following day in the ministerial forum we basically received nothing. We were particularly concerned about the future of the existing public housing tenants and how they were going to achieve this grandfathering and, more importantly, how long that grandfathering would last.

There are serious concerns given that the proposal is that they would phase in the subsidies over five years but would phase out the capital funding over three. So there is a big gap in there as well. There are a lot of concerns that we have in relation to that. In principle, as long as there was nothing underhanded and no savings were trying to be made out of it by the Commonwealth, the proposal may have some merit. It was originally put forward by former Labor Minister Brian Howe. On the surface, I was prepared to consider it. I still am, but I am decidedly more suspicious.

Mr HEALY: I have a series of questions in relation to Goprint. Page 48 of the Ministerial Program Statements indicates that technology is changing the nature of products offered by Goprint. Could you outline how the rapid changes and advances in technology have impacted on the operations of Goprint?

Mr SWAN: The printing industry has been subjected to quite horrendous change, and it has been that way for a number of years. We are trying to keep abreast of the market shift, particularly to on-demand printing technology, by introducing both IT-type equipment and digital machines and investing substantially in wide bandwidth IT capability so that we can contact our customer base. A major capital expenditure program is under way at the present time to convert all image manipulation to a digital base, with direct preparation of either press plates or by data transmission directly to printing-type devices. A further initiative is the acquisition of a four-colour digital press that allows for low-quantity, high-colour-type products which can be customised or personalised while the press is operating. These initiatives are all based on client demand—after all,

we are a business unit—and the enabling technologies that are producing new generation print and communication products. Market pressure is increasing the demand for colour, which can only be met by advanced digital techniques being installed at Goprint.

Mr HEALY: Given all of that, what sorts of new products and services will Goprint develop which will assist the Government's role in Queensland?

Mr SWAN: As I said before, Goprint has been watching the market very closely. It has been developing and producing, besides print products, electronic and multimedia products for some time. But we have recently focused on two major initiatives. The first initiative relates to facilities management of current Government department printing facilities. We are talking actively to many departments to try to pull together the load in those departments to optimise the Government's investment in this sort of equipment and to improve productivity. We are very hopeful that substantial savings will result from the combination of these sources of demand and by putting it on high-capacity printing and copying equipment. The process of printing and copying through a few well-resourced sites with associated data networks to ensure load spreading will give emergency backup and will yield savings across Government.

The second initiative we have been involved with is Languages Other Than English—the Education Department foreign language program. Goprint became the distributor of this product following some agreements with Education some years ago. The present package is an audio and print-based package. It is fairly obvious which way the technology is going so we are converting that package in a cooperative deal with the Department of Education to produce a CD-ROM multimedia interactive package. That package is an exciting educational tool and will certainly benefit the children of Queensland. There is a potential to export this product, and we are already getting considerable interest in the product. We have some people in Perth right at this very moment demonstrating it over there. The current LOTE package is sold to both New Zealand and Western Australia, and there is strong interest in other States. The new product, we hope, will build on the success of the LOTE package.

Mr HEALY: Obviously, as a business unit, customer focus is very important. Are there any other initiatives that Goprint has come up with in that respect?

Mr SWAN: By tracking the market and watching what is going on and the demands for performance out of the business unit there was a substantial restructure at Goprint in about May. We have tried to set Goprint up into a production area, a planning and business services area and, most importantly, a sales and marketing area so that we can get out and form very close relationships with our customers. We are also trying in this structure to have a high level of integration between the three areas in the company and a certain transparency, once again in the quest for excellent customer

service. The restructure was coincident with the capital expenditure program, some of which I have already mentioned, to try to move the organisation to benchmark performance. We hope the outcomes for clients will be considerable—rapid response, high-quality products, increased cost efficiencies, new product options and total design services. We will be able to take a job right through from concept to production.

With the new IT-based image manipulation-type techniques, we fit in with clients' new array of desktop software resources. They now come to us with discs or send stuff down the line to us. We have also spent some time on enhancing Goprint's major production control system. The other day, it was pleasing to hear that our attempts were recognised at an international conference in the last couple of weeks. We have on that package a direct access into our database for our customer files. We can release customer access through the Internet by giving the customers the appropriate password and entrance to the system. This will create a very close customer relationship.

Mr BAUMANN: Minister, Sales and Distribution Services has recently issued a detailed and professional catalogue for its client base. Can you please explain the necessity for SDS to distribute this sort of catalogue? What does SDS hope to achieve from it?

Mr G. SMITH: Since SDS was established in 1993, it has had to compete directly against the private sector in its area of market, which covers stationery, furniture, cleaning products, educational supplies and so on. Part of our focus is to make sure that the clients are aware of the products we carry and the services we offer. Since its inception in 1993, SDS has been issuing catalogues. Over those years, we have found that one of the problems that clients have had is trying to interpret our description of the product. We decided to go to a full pictorial catalogue, issued in August this year, which allows the clients a better understanding of the product and its description and reduces any inconvenience to the client. The feedback on the catalogue so far from the clients has been very, very positive in that they appreciate the increasing customer focus of SDS and also the increased product range and professionalism of the organisation.

The CHAIRMAN: The time for Government questions has expired. We will now have further questions from the Opposition.

Mr MACKENROTH: I refer to the proposed new Commonwealth and State Housing Agreement which you referred to previously. I am sure that your department officials have advised you that I went to many meetings of Commonwealth and State Housing Ministers where the new agreement was discussed, and at every one of those meetings I opposed it. At one stage I think I was the only Housing Minister in Australia who did oppose it, but I continually opposed it because I don't believe that it will give us the best outcomes. One of the things that we were able to extract as States from Minister Howe when he was the Federal Housing Minister was that, under the agreement, there would be bilateral agreements.

One of those bilateral agreements would ensure that the subsidies paid to the States would be no less than the money that they are receiving now. Is that still being proposed under this proposal?

Mr CONNOR: There is a proposal for bilateral agreements, but—and this is the problem with the detail—there is no underlined commitment at this stage for that. Tony, do you want to expand on that?

Mr WATERS: One of the difficulties in understanding how the reforms will work is that the details are still very light on. The Commonwealth is saying that there will be no winners and no losers; in other words, the reforms will be revenue neutral across the Commonwealth and the State.

Mr MACKENROTH: To each State?

Mr WATERS: No, across the Commonwealth and the States. Whether or not that remains the position between the States is something that we cannot work through until we get more of the detail.

Mr MACKENROTH: About 4 per cent of Queensland's housing stock is public housing. The national average is 6 per cent. If the money is distributed across the States rather than under a bilateral agreement, Queensland will suffer the most of any of the States in Australia; is that correct?

Mr WATERS: How the money is disbursed will very much depend on demand coming from the eligible group. It will flow to consumers, not to providers, and it will depend therefore where consumers live and how much subsidy they are entitled to.

Mr CONNOR: I might be able to help you with that. We were talking about regional differentials. What they are proposing is two regions. One region would be Canberra, Sydney and Darwin, and the rest of Australia is the other region. What it means is that all of Queensland would be the same region, which would be a disaster, especially for remote areas, Thursday Island, Cairns, the Gold Coast—in any area that is above the State average it would be a disaster. As well as that, by averaging it down compared to Sydney, Canberra and Darwin, we would be the big loser.

Mr MACKENROTH: In relation to tenants who are residing in department homes now, if the new Commonwealth and State Housing Agreement was imposed on the State and we had no option but to sign it, it was always my intention that the way the system would work would be that the market rent would be charged, that the tenant would receive a rebated rent which would be the same as they get now, and that the subsidy from the Commonwealth would come into the gap in the middle, and any extra would have then been met from revolving funds so that the system of rent charges that are made now—which vary, I think, between 21.5 up to 26 per cent—would not have varied to individual tenants. Is it your intention to change that type of process?

Mr CONNOR: The average of existing housing tenants is around 20 per cent. That is about the average that they pay of their gross household income. This is the grandfathering that the Commonwealth is talking about. They are saying that, under the new system, new public housing

tenants coming in will come under the same process as the ones in the private sector, where they would guarantee 25 per cent, which means a 5 per cent increase, plus a market value that is worked on those regions that I mentioned before, averaged across the whole of Queensland. So that market rent in most of Queensland—at least half of Queensland—is going to be under what they are actually paying.

New South Wales worked out that it would be an average of \$40 a week more that a new public housing tenant would pay over and above the existing ones. That is an average. We have found some difficult circumstances in Queensland as well. We have not worked out an average, but we have identified quite a big proportion of people who would be paying significantly more if they were caught up in that. We went up to Darwin and we got an in-writing commitment from the Prime Minister that existing public housing tenants would be no worse off. However, how long does that grandfathering last for? That is the question: how long? Is it the length of the house? Is it the length of the age of the person who stays in it? If you have someone who is young, they might be in that house for another 50 years. How long does that grandfathering last?

Mr MACKENROTH: Perhaps you should ask John Howard that. He signed the letter.

Mr CONNOR: We have and we have and we have, but as I have said, getting information out of Canberra is like extracting teeth.

Mr MACKENROTH: It would appear to me that Queensland should not sign the agreement.

Mr CONNOR: With the information we have at the moment, I think you are right.

Mr MACKENROTH: You have my support. I refer you to pages 86 and 87 of the Program Statements. On page 86 under "Other Capital Outlays", the budgeted amount is \$50.5m and the actual expenditure is \$34.8m.

Mr CONNOR: Where are we?

Mr MACKENROTH: We are on page 86 under "Program Outlays".

Mr CONNOR: "Other Capital Outlays"?

Mr MACKENROTH: "Other Capital Outlays", yes. If you go to dot point 6 on the top of page 87, it says—

"The low level of activity in the real estate market meant that sufficient suitable land was not available for purchase as forecast."

I would have thought that the depressed housing conditions in the housing market in Queensland over the last year would have in fact led to people being able to purchase a lot of available land at reasonable prices and not at inflated prices. It would seem to me that that is an incorrect statement. Would you like to comment on that?

Mr WATERS: It depends on where you are attempting to buy the land. If you are targeting need in some of the longest wait time areas like the Gold Coast and Stones Corner and Chermside, the ability to buy land in those markets is particularly limited. Last year we did direct the program towards

supplying housing in those markets where need was greatest and in those markets that I just mentioned. There is a difficulty in buying land in those places.

Mr MACKENROTH: In which areas were you not able to purchase land, which led to \$16m of money not being spent?

Mr CONNOR: May I answer that? I tried to crank up as fast as I could the Priority Spot Purchase Program. I did have a public commitment and a private commitment to that, because at the moment it is cheaper to buy established houses. For instance, on the Gold Coast, I think it averaged about \$127,000 per three-bedroom, brand-new home. We could not build them for that. The same situation occurred in many cases around the State, because it was the bottom of the cycle. Rather than belt our head against the wall trying to find land, which we only end up getting 20 per cent out of, as you know, because of the policy—we only get one in five of the blocks out of it—why should we be spending all our time trying to buy land, firstly, when we only get 20 per cent out of it, secondly, when houses were at the right price and, thirdly, when we had the Commonwealth and State Housing Agreement hanging over us and we didn't know whether we were going to have capital funding for the next year? In fact, at this stage it looks like we will be lucky to get half, and then there is no commitment for that.

Mr MACKENROTH: Most developers who have got money would buy at the bottom of the market and sell their 80 per cent at the top of the market.

Mr CONNOR: But they have a continuing cash flow. We do not; we have got money still coming.

Mr MACKENROTH: Well, if you buy at the bottom of the market, you have got an asset which you can sell. If you have got a lack of cash flow in future years and you sell that asset, you will make money; that is the way that property development works.

Mr CONNOR: The same with houses.

Mr MACKENROTH: I refer to the statement that you made when you answered Mr Waters' question, and I will come back to him in a minute with the question that has not been answered. It raises another point about the shift from land purchase to the Priority Spot Purchase Program. You may know the exact figure but I think, from memory, in the financial year it was something like 161 homes were purchased under that program; is that correct?

Mr CONNOR: Five hundred-odd, was it not?

Mr WATERS: Under the Priority Spot Purchase Program, 151.

Mr MACKENROTH: I knew it was close. That is 151 when there was 450 budgeted for, so you did not do very well there, either, did you?

Mr CONNOR: Well, it was not through want of trying. The department was directed to get out there and buy as many as possible. Actually, you might like to answer that.

Mr WATERS: Some 151 houses were purchased under the Priority Spot Purchase Program, as we call it, in the targeted locations, but

there were other houses purchased throughout the year, giving a total for the year of 549.

Mr MACKENROTH: I understand that. The Minister's interjection was that we had to move resources away from purchasing land to—

Mr CONNOR: I did not say that.

Mr MACKENROTH: You did say that, and the record will show that you did.

Mr CONNOR: No.

Mr MACKENROTH: You moved away from the purchase of land to the Priority Spot Purchase Program.

Mr CONNOR: I did not say we moved away from it.

Mr MACKENROTH: We will come back to the question that I originally asked when you did interrupt. Mr Waters, in which areas were you unable to purchase the land that you wanted to purchase which led to \$16m not being expended?

Mr WATERS: I am not sure that we had a program of proposed land acquisitions in order to say to you where we did not buy land that we might have otherwise. I think the correct answer is that the priority shifted to focusing on those markets that I mentioned, the markets where there is a higher demand, and certainly activity shifted towards buying established properties rather than acquiring land.

Mr CONNOR: Can I just finish the end of that? What came across my desk as soon as I got in there—into the department—was a series of requests for approval, and you know the forms I am talking about. The first thing I asked for was for an additional column to be put in that said what the waiting lists were in the area. What did I end up finding? One after another after another that had three month, six month, 12 month or 15 month waiting lists, yet I knew through the regional office down on the Gold Coast that there were six year and seven year and eight year waiting lists down there. The same over at Chermside, the same up in Cairns—12 year waiting lists up at Thursday Island. So how could I justify ticking off all those—and I did for the first few months because we were locked into many of them—but how could I justify spending tens of millions of dollars of taxpayers' money putting it into marginal Labor seats when there were all these other areas of the State that had a greater need?

Mr MACKENROTH: Could I just say, Mr Connor, I have heard you over and over again talk about us putting money into marginal Labor seats. I would say to Mr Waters—did I ever direct you once to purchase a house in any area of Queensland, ever?

Mr WATERS: No, you did not.

Mr MACKENROTH: Mr Connor, the situation—and the answer which you gave me in the Parliament which you corrected—was that under the previous National and National/Liberal Party Governments, over 60 per cent of the houses were put in Labor Party electorates. If you want to go and put houses into areas where you cannot afford to purchase them—and that is what it is—that is your

business, but the reality is we never interfered in the program like you are doing now. You are interfering in the program in a way that was never done by either Tom Burns or myself. Do not go on about houses being put into Labor Party electorates. They were put into the areas of need and the areas where they could be afforded. We go back once again to this low level of activity in purchasing land. I would ask you: do you think you could justify that statement at the REIQ annual dinner?

Mr CONNOR: Could I just deal with the earlier part of your question/statement? First of all, we are putting it where the need is determined according to the longest waiting lists—how long people have waited. That is where they are focused. They are not focused for any other reason, there is no other question, except perhaps disability housing, because there is not a lot of choice, and except perhaps for Aboriginal and Torres Strait Islander remote community housing, again for the same reason, because they do not have any alternative either.

As far as putting it where we can afford to put it—as far as I am concerned, where we can buy houses for \$127,000 on the Gold Coast, or \$120,000 or \$125,000 in Chermside near hospitals, or at Stones Corner or wherever it is around the State where it is that people want to be—remember that we have a situation coming up because of the Commonwealth and State Housing Agreement where they will be on vouchers. The subsidies will not be attached to the houses; the subsidy will be attached to the individual. They will be able to vote with their feet. It makes absolutely no sense in an environment where there is the ability for the client to have choice and be empowered to put houses where they do not want to be.

It is crazy to put more houses in Inala or Woodridge or Zillmere, where there are high densities already, where the waiting lists are often zero timewise, or three months, or whatever it might be, when we have areas where the clients want to live and will very shortly have the choice to live. So when you talk about "afford", it is a lot cheaper to have a \$127,000 house on the Gold Coast that is not vacant, where someone is living in it, where we are getting a subsidy, where we are getting rent, rather than have a house that may be \$110,000 in Woodridge or Inala that is empty and not receiving any rent at all.

Mr MACKENROTH: Any houses we built or properties that we built in places like Inala were redevelopments for older people who wanted to go and live there. Could I direct a question to Mr Fulton? I refer to an answer to a question on notice to the Minister about carryover commitments. The question asked was: what amount was due to carryover in the 1995-96 financial year. The answer says that the overall 1996-97 Housing budget includes approximately \$90m of carryover commitments from 1995-96, which is broadly consistent with approximately \$93m of carryover commitments from 1994-95 and 1995-96. Can you give me a breakdown of that \$90m and \$93m?

Mr FULTON: Yes. At page 62, the carryover out of 1995-96 for our Aboriginal and Torres Strait

Islander program was apparently approximately \$6.7m.

Mr MACKENROTH: That is in 1995-96?

Mr FULTON: Yes, about \$6.7m. The community housing carryover was approximately \$14m and the housing property management, which is capital works, etc., was around about \$70m. The carryover as at 1 July 1996 for capital works, etc., was around about \$41m and for community housing it was around about \$31m.

Mr MACKENROTH: The first figures that you gave me for community housing were for which year?

Mr FULTON: They were for the carryover as of 1 July 1995.

Mr MACKENROTH: And now we are talking about the carryover for 1996?

Mr FULTON: Yes.

Mr MACKENROTH: So the \$41m that you have mentioned—was that the same for property management then?

Mr FULTON: Yes, that was for 1 July 1996. For the Aboriginal and Torres Strait Islander Housing Program, the carryover as at 1 July 1996 was \$18m.

Mr MACKENROTH: Is that all coming out of this Program Statement document?

Mr FULTON: It is not in there, no. You asked for—

Mr MACKENROTH: It is not all coming out of this document?

Mr FULTON: The figures are not in there.

Mr MACKENROTH: I am asking you: they are not in there?

Mr FULTON: No. Sorry.

Mr MACKENROTH: Are they in this other document, the one for the previous year?

Mr FULTON: No carryovers are shown within the Budget papers.

Mr MACKENROTH: In the Program Statement for 1995-96?

Mr FULTON: Not shown separately. They would be included within the expenditure figures.

Mr MACKENROTH: I thought the carryovers were shown in here.

Mr FULTON: Not within the outlay tables.

Mr MACKENROTH: I come back to Mr Connor. I refer to the answer that you gave me on notice in relation to the establishment of the Community Housing Board and your statement that the date for the establishment "has not been set, however, it is hoped that the board's first meeting will occur before the end of September". There are only five days to the end of September, but it has not been set. This was as at yesterday. I refer you to the statement released on 10 September wherein you said that "the membership of the board will be announced on Friday", which was 14 September. Has the membership of the board been announced?

Mr CONNOR: No, it has not.

Mr MACKENROTH: Why not?

Mr CONNOR: Because it will be announced tomorrow.

Mr MACKENROTH: Why did you say on 10 September that it would be announced on 14 September?

Mr CONNOR: As you know, it has to go through Governor in Council. I could not get it through Governor in Council because of a number of logistical reasons; that is all. It will go through Governor in Council tomorrow, which means that I am then allowed to go public with it. I will extend an invitation to you. Tomorrow we are having the inaugural meeting of it, and you are very welcome to come along.

Mr MACKENROTH: Why was it necessary to go through Executive Council when there is no legislative basis to set it up?

Mr CONNOR: It is normal practice under this Government to get boards of this type approved through Governor in Council.

Mr MACKENROTH: Under what legislative basis is the board set up?

Mr CONNOR: It is not.

Mr MACKENROTH: But that is the basis for it?

Mr CONNOR: It has to be paid. The chairman is a significant appointment.

Mr MACKENROTH: How does your Cabinet process work? Do you take Executive Council minutes to Cabinet on the Monday and then they go to Executive Council on Thursday?

Mr CONNOR: That is right.

Mr MACKENROTH: You announced on the Tuesday that the board would be announced on the Friday. What happened between Tuesday and Thursday?

Mr CONNOR: When was this Tuesday?

Mr MACKENROTH: 10 September—Budget day. On Tuesday, 10 September, you announced that the board would be announced on Friday. That would lead one to assume that it had already gone through Cabinet on the ninth. That would be the way the process works, would it not?

Mr CONNOR: It did not.

Mr MACKENROTH: So when you put out your statement on the tenth, it was incorrect?

Mr CONNOR: It may have been. It was purely a logistical issue.

Mr MACKENROTH: Yes, but what I am saying is that your statement on 10 September was incorrect. Actually there were two of them.

Mr CONNOR: Exactly when the board would be convened? Okay, it was incorrect, because it had not been convened on that date. It is being convened tomorrow.

Mr MACKENROTH: So we really cannot take much note of what is in your media release, because you put out false information.

Mr CONNOR: Sometimes things go wrong. We live in the real world.

Mr MACKENROTH: That is what I am asking you. The point is that on 10 September you announced that the board would be announced on Friday, 14 September. You confirmed to me that you used the Cabinet process, where the board would have gone to Cabinet on the Monday, which would be the ninth. So one would assume that, when you put out the statement the next day, it had already gone through Cabinet. What went wrong?

Mr CONNOR: It did not go through Cabinet.

Mr MACKENROTH: Therefore, you put out a statement on 10 September knowing it was incorrect?

Mr CONNOR: It went through Cabinet last Monday.

Mr MACKENROTH: I understand that. But this statement that you put out on 10 September—

Mr CONNOR: Could I see the statement?

Mr MACKENROTH: Yes, sure. You obviously do not read them.

Mr CONNOR: You have written in "14 September".

Mr MACKENROTH: Yes, I did. Look up the top. It says "10 September" and it says "next Friday". I looked at the calendar, and the calendar told me that was 14 September, so I wrote it down.

Mr CONNOR: As I said, you will have to wait until tomorrow. I have extended an invitation to you.

The CHAIRMAN: The time for Opposition questions has expired. As to housing and institutional reform—in 1995-96 your department was appropriated \$7.1m from consolidated funds in relation to housing people who are leaving institutions. These funds were handed back to Treasury as identified savings, but institutional reform has continued with people leaving institutions this year and last year. Are these people ending up in boarding houses or being dumped in the community?

Mr WATERS: The answer to your question is no, they are certainly not being dumped. People leaving institutions and, indeed, people with disabilities within the community generally are treated with the highest of priority by the department to find appropriate housing solutions. One of the difficulties with people coming out of institutions, and with people with disabilities, is that they have special requirements for their housing. It is not simply a case of offering the first available house to a person coming out of an institution. There is therefore a lag time so that the correct housing can be acquired and, in many cases, modified, or in some instances it requires us to construct a house.

When the \$7.1m was provided, it was anticipated that possibly 193 people would be wanting to leave institutions. A total of 155 people have in fact applied—most of those applications coming through in May and June of this year. I can say that 30 of those people now have been successfully housed within the community. There are

another 28 where appropriate solutions have been identified but where the housing is yet to be provided. So in the short future we would hope that 58 of those people will have been successfully transferred into the community.

The people coming out of institutions and, indeed, people with disabilities generally are now receiving a case management treatment, so that we work very closely to find housing which satisfies their particular needs. In that respect they will continue to be given priority treatment as soon as their names and particular requirements are advised to the Housing Department along with their preferred location. The job of the department then is to find appropriate housing, modify it or, if necessary, as I said before, construct it. So people leaving institutions will continue to be given high priority in finding them the right sort of housing in the right locations as part of our ongoing Public Housing Program.

Mr BAUMANN: I take you back to Commonwealth housing reform. In recognising the shortage of supply of public housing within Queensland and the possible impact of the Commonwealth housing reform agenda, can you enlighten us as to just how you will ensure that people in urgent need are going to be supported?

Mr WATERS: The people in urgent need will very shortly be referred to a priority housing committee which is to be established to consider where housing may need to be allocated apart from the normal in-turn allocation process which has been the case in the past. The difficulty in allocating housing to people in urgent need is that a system is required that is seen to be and in fact is a very fair system, so that people who are housed ahead of others who have been waiting deserve to be and that the people who are waiting understand the reasons for that priority allocation. It is difficult within an administration to set up a system that does treat people fairly and which is beyond criticism. The Government has directed that a priority housing committee be established. The department is working now with a nominated chairperson to in fact establish the committee, looking closely at the experience of other States that have in fact got a priority housing committee operating to make sure that we draw on best practice and don't make the mistakes that have been made in the other jurisdictions.

When the committee is established, people who believe that they have an urgent need for housing—and that will be based on criteria which look at health, security and safety aspects—when they put their applications forward, it will be considered within area offices and, if their circumstances fit with that criteria, they will be allocated priority housing. If an area office for whatever reason determines that that is not the case, the applicant will be able to have their application referred to the priority housing committee, which will then reassess whether in fact the circumstances do suggest that a house should be allocated on a priority basis. The priority housing committee will also have a role to monitor the consistency of decision making across the State, to

see that it is being administered efficiently and fairly, and will be conducting an ongoing review of the process to ensure that the mechanism is free of criticism and is producing the results that Government expected.

Mr BAUMANN: The next question relates to Aboriginal and Torres Strait Islander housing expenditure.

Mr CONNOR: I ask Alex Ackfun, General Manager, Aboriginal and Torres Strait Islander Housing, to come forward, please.

Mr BAUMANN: I refer to page 62 of the Ministerial Program Statements and note that the capital grants and subsidies within the ATSI Housing Program is expected to rise from \$17.209m expenditure in 1995-96 to \$27.659m expenditure proposed for 1996-97. I would like to know how much of that expenditure went to or will go to the Torres Strait region in the years of 1995-96 and 1996-97, where I understand that housing conditions are in urgent need of substantial improvement.

Mr ACKFUN: There is currently a waiting list in the Torres Strait on Thursday Island and Horn Island in excess of 12 years. The Aboriginal and Torres Strait Islander Housing Program is attempting to address those long wait times and the inadequate housing solutions there at the moment and inappropriate housing. Some of our efforts are being concentrated in the Cape York area of Queensland and also, as I said, in the Torres Strait island region. The program is also addressing those outstanding needs through the provision of grants to deed of grant in trust communities to enable them to provide new housing or to upgrade existing dwellings.

During 1995-96, capital grants for housing purposes amounting to some \$4.2m were provided to Torres Strait island councils from a total expenditure of \$17.2m. The Ministerial Program Statements provide for about \$9.9m of grants to Torres Strait island councils during 1996-97 from a total grants program of \$27.6m. In addition, there has been a \$7.3m additional funding plan for housing on Thursday Island and Horn Island.

Since the determination of the Ministerial Program Statements, the capital grants and Capital Works Program will be modified resulting in an increase in the overall planned expenditure in the Torres Strait region. It is now proposed that a total of \$18.7m will be available for expenditure in the Torres Strait area during 1996-97. This will deliver an estimated additional 121 houses, which includes houses commenced last financial year and due for completion in 1996-97. Of those, 45 houses will be provided to deed of grant in trust communities through the provision of grants to councils, and 76 rental houses will be constructed on Thursday Island and Horn Island as part of the Aboriginal and Torres Strait Islander Housing Program.

Mr BAUMANN: I continue in this area and concentrate on the maintenance activities within ATSI. It would seem that expenditure on maintenance on the ATSI housing fluctuates substantially—from \$5.9m in 1994-95 to \$7.124m in 1995-96, and \$3.5m is proposed for 1996-97. Why is

there such a variation in maintenance activity from one year to the next?

Mr ACKFUN: In the 1994-95 original budget there was an allocation of \$4.3m set aside. The actual expenditure as reported in the annual report amounted to some \$5.9m. In the original budget of the 1995-96 year, \$4.6m was originally allocated. The actual reported figure in the statements now states \$7.1m expenditure. As you just correctly said, \$3.5m for 1996-97 is estimated to be expended in the maintenance area. The 1995-96 reported expenditure is higher than actual. Cash expenditure was actually \$6.5m, with the balance being a non-cash adjustment. That was due to correcting an accounting error arising from the transfer of the Aboriginal and Torres Strait Islander Housing Program from the then Department of Family Services and Aboriginal and Islander Affairs to the Department of Housing, Local Government and Planning in 1992. That was highlighted when the program moved from a QGFMS to FMIS in 1995-96, so the figure of \$7.1m includes an accounting error adjustment. Expenditure in 1995-96 was higher than originally budgeted due to a \$1.5m funding subsidy out of the QHC—Queensland Housing Commission—and higher than estimated rental revenue as part of our arrears reduction strategy.

The issue is not so much that the 1996-97 budget has been reduced, rather it is that sufficient funds had been made available last year to improve maintenance levels and also sustain the program in this 1996-97 year. At the same time there has been additional funding provided in other areas of the program to look after additional housing assistance to Aboriginal and Torres Strait Islander households.

Mr BAUMANN: I have one more question relating to ATSI in regard to apprentices. I refer to page 64 of the MPS. Under the first table on page 64, there is a note that 32 apprentices were employed in housing construction and improvements within the ATSI housing program. I ask: how many of these apprentices are Aborigines or Torres Strait Islanders? Do we know what happens to these apprentices once they have completed their training? In other words, is there a successful training program?

Mr ACKFUN: The Aboriginal and Torres Strait Islander housing program has two major community service obligations, or Government service obligations. One of them is providing subsidised rental accommodation to Aboriginal and Torres Strait Islander people as a specifically targeted group of disadvantaged and indigenous people of Australia. The other one is providing training and apprenticeships, employment and career development opportunities for Aboriginal and Torres Strait Islander people through the construction, maintenance and upgrading activities undertaken by the program. To achieve this community service obligation, the Aboriginal and Torres Strait Islander housing program has an established training and development program which employs Aboriginal and Torres Strait Islander people to build, design and upgrade housing.

All apprentices are, in answer to your question, Aboriginal and Torres Strait Islander people. The Aboriginal and Torres Strait Islander housing program is most likely the largest employer of Aboriginal and Torres Strait Islander apprentices within the State. Since the program started nine years ago, there have been 63 apprentices go through that program and 32 apprentices have achieved their indentures under that program. So the balance of 32 apprentices that have been left at the end of the report in the last financial year, they are currently going through their training. Of those apprentices, there were two female apprentices in the areas of carpentry and painting.

In the second part of your question, at the completion of their apprenticeship, the program has contributed to the process of increasing the number of qualified Aboriginal and Torres Strait Islander people within the broader community. To assist with the next phase of obtaining employment, the program supports the newly qualified tradesperson by actually trying to place them within our Aboriginal and Torres Strait Islander housing program, trying to find work for them after they have completed their training to other areas of the department, looking at placing them in private industry, that is, in the building industry, and certainly trying to help them to go out on their own.

Mr HEALY: Minister, I would like to ask some questions about the Rural and Regional Community Housing Program.

Mr CONNOR: Could I bring Jan Phillips forward? She is the manager of our community housing section.

Mr HEALY: Minister, as you know, I have an interest in this particular program and I have spoken to you many times about it.

Mr CONNOR: And I have delivered, too.

Mr HEALY: So, too, have my colleagues in south-west Queensland. As you know, many rural areas do not have established waiting lists for public housing; nevertheless the housing needs do exist. I notice on page 66 of the Ministerial Program Statements that \$50m has been provided under the new Rural and Regional Community Housing Program, which will target housing needs in some of the more remote areas of the State. There is a reference there to approximately 600 dwellings being provided by this initiative. It seems like a lot of houses for \$50m. Could I have an explanation of how it is expected that 600 houses can be provided for \$50m? Perhaps if you would like to expand on the program?

Ms PHILLIPS: Organisations that submit for funding under the rural and regional program will be expected to make a contribution towards the costs of those projects. That contribution may be in terms of a financial contribution or land. They will be encouraged to do that both through the advertising process for the program and during the consideration of applications.

It is also expected that there will be a high need for one-bedroom units, which can be provided at a much lower cost than other forms of housing, and

particularly so if a local authority provides the land for that project, thus bringing the costs down even further. The submission kits that have been prepared for this funding round also provide for streamlined assessment approval and project monitoring processes. It is envisaged that that will actually reduce the amount of project delays, thus bringing down costs further.

Mr HEALY: Thank you for that. Minister, on page 67 of the MPS there is an indication that spending on community housing is estimated to increase from \$35m in 1995-96 to \$110.5m in 1996-97. This is a massive increase in funding. What safeguards are to be put in place to ensure that this large increase in funding is spent equitably and with proper accountability?

Ms PHILLIPS: Apart from the funding—

Mr CONNOR: I can easily answer it. Would you prefer me to answer it?

Ms BLIGH: Yes.

Mr CONNOR: You want me to answer it; I will answer it. We put in place a \$50m package, as was said before, for community housing. What we have also done is put in place a Community Housing Grants Board, which was announced in Townsville. The actual make-up of the board will be announced tomorrow, including the chairperson.

Mr MACKENROTH: Jan Phillips—not Jan Phillips, Jan—

Mr CONNOR: Why do you ask the questions if you know all the answers?

Ms BLIGH: We did not ask the question; he did.

Mr HEALY: I would like an answer.

Mr CONNOR: Jan might like to finish it, seeing that they know all the answers, anyway.

The CHAIRMAN: We should concentrate on the answer. The member has asked a question.

Ms PHILLIPS: As the Minister has referred, all the submissions will be referred to the Community Housing Grants Board. The board has been introduced to improve the transparency and the objectivity of the decision-making process and it will recommend funding allocations across the program. A dedicated project team has been formed to coordinate the funding round process. An integral part of the assessment process will be community sector input. Eligibility criteria have been determined and all applications will be examined against those eligibility criteria.

There is a reporting system that has been developed within the Community Housing Division and that will enable the details of the submissions and the status of projects to be monitored much more closely than previously. Accounting systems have been developed and that will allow for supporting audit trails to be monitored. All projects and organisations that receive funding through this funding round will be approved by the proper authority under the State Housing Act 1945 and in accordance with the Financial Administration and Audit Act and Public Finance Standards.

The Government's financial interest will be secured by a first registered mortgage in conformance with statutory requirements. In circumstances where an organisation would prefer a lease, the department will retain title to the land. Additionally, the internal systems within the department have been improved substantially and particularly those within the Community Housing Division and these improvements have been made to ensure that accountability requirements are met and are maintained in the long term.

Mr HEALY: Just finally, I have a question in relation to the Community Rent Scheme and a particular initiative associated with that. On page 66 of the Ministerial Program Statements it indicates that the Community Rent Scheme includes providing approximately 300 places targeted to women and children escaping domestic violence. Could you just advise if there are some statistics on those who achieve assistance under the scheme and also how many in the target group received assistance in 1995-96, that is the first part; and secondly, how much additional expenditure in 1996-97 in this scheme will go towards assisting women and children in escaping domestic violence?

Ms PHILLIPS: Statistics are kept in relation to both CRS and the domestic violence expansion. The CRS program requires that services that are funded under that program provide monthly statistics, and then a comprehensive quarterly return is prepared. As part of that monthly reporting, services report on the number of households that have been specifically funded under the domestic violence expansion. In 1995-96, 239 households were assisted under the domestic violence expansion. The number of people within that target group who will be assisted by the program is expected to increase in 1996-97. There is a significant demand on services for this target group and it is important to realise that women and children who are survivors of domestic violence can apply under the main stream CRS program as well.

The total budget for the CRS scheme in 1996-97 is \$10m to fund 2,600 households under the CRS. Of those, 300 households will be specifically targeted for women and children who have experienced domestic violence. The total projected cost for 1996-97 is \$2m. Expenditure in 1995-96 was \$610,685. The additional funds this year will be used to fund 300 rent subsidies.

The CHAIRMAN: Before handing over to the Opposition, Minister, I have always acknowledged that the Community Rents Scheme was an initiative of the previous Government. I am pleased to see that you are improving it and continuing the funding. It is a very worthwhile scheme and I know that it has helped a lot of people. I call on Opposition members. There is about 15 minutes left.

Ms BLIGH: Mr Smith, I refer to the key initiatives listed at page 2 of the Program Statements. I note that the allocations for the asbestos removal and backflow programs outlined at page 101 of Budget Paper No. 2 are as follows: \$2.5m per annum for asbestos management as opposed to \$4.3m per annum in the previous

Budget, and \$1.5m per annum for backflow prevention as opposed to \$3.6m per annum in the previous Budget. Further, I understand that the cost and timing of asbestos removal and backflow prevention will now be the responsibility of individual departments. To your knowledge, what, if any, allocations have been made to departments to fund these activities? What monitoring processes will your program undertake to ensure that those activities will actually undertaken?

Mr CONNOR: With respect, and through the Chair, the public servant has been asked to comment on funding going to other departments which I think you will find is out of order. We are dealing with the Estimates for Public Works and Housing, not other departments.

Ms BLIGH: Chair, I am asking about a devolution of responsibilities from this program and whether, in fact, there has been any funding to pick up the devolution of those responsibilities.

Mr CONNOR: Can I just say that you specifically asked a question dealing with other department program funding. That is out of order, as I understand it.

Ms BLIGH: Then I ask it this way: has any funding from your program gone back into the consolidated revenue to be redistributed?

Mr GRIERSON: There is a little bit of confusion about the question, Ms Bligh. Max Smith is with a Q-Build commercial business unit. He only provides services to the customer who pays for them and orders them. He is not the man who controls the budget of maintenance for the asbestos program. If you want to target that, I would like to call another officer forward.

Ms BLIGH: That is fine.

Mr GRIERSON: Keith Farr would be a better officer, as he controls the budgets for those areas.

Mr CONNOR: I would ask if you would direct the question specifically to this program area, and not to other departments.

Ms BLIGH: What, if any, monitoring and enforcement processes of the program will be undertaken to ensure that the responsibilities devolved out to departments will actually be met?

Mr FARR: In relation to the Asbestos Management Program, there is money within this year's Budget of \$2.5m. That money will be spent on continuing the audit process of the Government buildings. The audit process will proceed. High priority removal projects will proceed, either from money within that Budget or within the overall maintenance appropriation for agencies. We will be ensuring that those in the high priority area are undertaken.

Ms BLIGH: If it is identified through your audit process as something other than high priority, is there any provision in your program to make sure that departments actually remove it? Are there any inspectors or monitoring processes?

Mr GRIERSON: To interrupt, the process will be that the \$2.5m will complete the audit program. If there is a requirement to remove immediate

dangerous asbestos, there are funds as part of that \$2.5m—

Ms BLIGH: I understand that. You have made that point.

Mr GRIERSON: Yes. If there are further funds required, all departments' maintenance programs, as a first priority, will be used to fund any urgent removals. So there is a \$100m-plus maintenance program across all agencies which this department still controls and that will be used as a first call for any urgent maintenance.

Mr CONNOR: We adopted this process because the previous Government used it for ozone depletion. A sum of \$1m was taken by the previous Government out of the funding in that area and then the general maintenance program was used for the same purpose. We were using a model that the previous Minister, Glen Milliner, had put in place.

Ms BLIGH: Mr Connor, given that the Budget for this year in both of those programs halves the Asbestos Management Program and cuts the Backflow Prevention Program by almost two-thirds, I wonder if you can explain why, in your press release in relation to this decision, you describe the Government's decision as an "upgrade" of the programs?

Mr CONNOR: First of all, the premise of your question is not true.

Ms BLIGH: You do not believe that a \$2.5m per annum expenditure is almost half of a \$4.3m per annum expenditure?

Mr CONNOR: Again, the premise of the question is incorrect.

Ms BLIGH: In what respect?

Mr CONNOR: In every respect. You have just had it explained to you. You are comparing apples with oranges.

Ms BLIGH: With respect, Minister, your program previously administered a \$4.3m budget. It has now been cut to a \$2.5m budget—

Mr CONNOR: Not true.

Ms BLIGH:—with the potential for other departments to expend their allocations on a wish and a prayer, and no guarantee has been given by any of your officers that there will be any enforcement. All that we can identify is a \$2.5m allocation which is significantly reduced from \$4.3m. I ask again: on what basis do you use the word "upgrade" in relation to that funding reduction?

Mr CONNOR: I will spell it out so that even you can understand.

Mr MACKENROTH: There is no need to be nasty.

Mr CONNOR: What was said to you—and I will try to put it simply—was this: before, there was a program that cost \$4m or thereabouts and that money was used for a broader program. What we have done, using the previous Government's model for ozone depletion, is that we narrowed the focus of that program funding and then brought in the overall maintenance budget of \$100m to be able to deal with that issue. That is the reality. That is what is

happening. Again, that is a model that the previous Labor Government put in place. Therefore, we are able to deal with the asbestos program with far more funding than we ever did before.

Ms BLIGH: I would suggest that the use of the word "upgrade" in this media release has as much relevance as the other media releases we have discussed today, Minister. In relation to the employment of apprentices, I note that you recognise the employment of 90 apprentices in the previous financial year as a key initiative. I note the failure in the Ministerial Program Statements to commit to a similar level of intake in 1996-97.

Mr CONNOR: Whereabouts is that? Can I ask for a reference?

Ms BLIGH: Page 30, the last dot point of the MPS. You refer there to the intake in 1995-96 of 90 apprentices as being a key initiative. In the planned performance indicators, you failed to actually commit to a specific level. Can you guarantee that at least 90 new apprentices will be employed with Q-Build during the 1996-97 financial year, that is, 90 apprentices to commence in February 1997?

Mr GRIERSON: Page 30 is just Q-Build.

Ms BLIGH: Yes. I am asking about the intake of 90 apprentices into Q-Build.

Mr CONNOR: As you know, Q-Build now incorporates the housing side of things as well. There is more untying of different departments now, is there not?

Mr GRIERSON: Q-Build will be untied from 1 July in many areas.

Mr CONNOR: Firstly, to answer your question from a policy point of view, I have a commitment that the last people who will be put off are apprentices. In other words, they are the last people who I would not be putting on. However, there have been changes to the Commonwealth and State Housing Agreement, because Q-Build handles that now. In addition, Q-Build offers a service to other Government departments, which have a choice. When we put on an apprentice, we make a commitment for a number of years in advance. I might bring Max Smith back again to give you more detail on that answer. I have a commitment to keep the intake of apprentices as high as possible. I would hope and expect to be able to continue with an intake of 90. However, if other departments do not use Q-Build and also because of the Commonwealth and State Housing Agreement limitations in that area as well, we may not be able to go that far. On a policy level, I have that commitment.

Ms BLIGH: But you are unable to give a policy guarantee at this stage?

Mr CONNOR: Max might like to expand on that.

Ms BLIGH: It is not his business to give policy guarantees, Minister.

Mr CONNOR: It is my decision. It would be crazy to put on staff when there were no jobs for them. It is up to us to sell Q-Build to other Government departments. It was your policy, was it not, to untie the other Government departments?

Mr MACKENROTH: But we also had a policy that people doing work for the Government had to employ apprentices. Is that still the case?

Mr CONNOR: We have not changed any policies in that regard. I am committed to putting on as many apprentices as I can, whilst being responsible at the same time. I would hope and expect that we can get at least 90 next year, but I cannot give you a written guarantee because at this stage we do not know how much work we are going to get from the departments.

Mr ELDER: Did you send a press release out on that?

Ms BLIGH: He did actually.

Mr M. SMITH: I can elaborate on the Minister's comments. The argument is still a bit more complex. With respect to the capacity of the organisation to train, we have to understand what income we have in the first place. We then add to that the mixture of the geographical position. Effectively, if we have got a lot of work in the country, that does not necessarily mean that we have all of our tradesmen out there. That does not necessarily mean that we can train all of the apprentices out there. It is a matter not only of the revenue stream but also the geographical mix and the capacity of the organisation to train.

That brings me to my next point. We are also talking about training here. Apprenticeships are one form of training in the building industry. I mentioned previously that we trained some 10 trainees at Woorabinda. We are looking at training another six trainees on Thursday Island in the near future. So they all add up to the commitment in Q-Build to training for industry and the youth of Queensland. As I said before, it is a mixture of the capacity of the organisation in terms of its revenue, the type of work that it gets and the geographical mix.

Ms BLIGH: Mr Smith, to your knowledge has advice been provided to previous Ministers for Administrative Services to the effect that the appointment of 90 apprentices may not be commercially viable and have previous Ministers given directions that 90 apprentices would still be employed?

Mr M. SMITH: There always is a relationship between the employment of apprentices and commercial viability. Those questions have always been asked over a number of years. Q-Build has remained commercially viable. Those two ends have met. In other words, the commercial viability of the organisation and the ability to train the apprentices has always been met.

Ms BLIGH: I have another question which I think is in your area. It is in relation to a program which includes the cleaning of airconditioning filters and systems by private contractors. Is that in your area of responsibility in Q-Build?

Mr GRIERSON: Could you say that again?

Ms BLIGH: I refer to a program for the cleaning of airconditioning filters and systems by private contractors.

Mr GRIERSON: Max could answer that. If you are going to talk about the built environment, the physical reason for doing it and so forth, we will call somebody else.

Ms BLIGH: In relation to the program which includes the cleaning of airconditioning filters and systems by private contractors, how many, if any, of tested airconditioning systems which are the responsibility of the department have proved positive in tests for equine morbillivirus, legionnaire's disease, hepatitis C or cholera?

Mr GRIERSON: We would have to take that on notice.

Ms BLIGH: Okay, that is fine. I would like to ask a question of Mr Graham Smith from SDS. Mr Smith, I refer to dot point 3 on page 56 of the Ministerial Program Statements and the key performance indicators on page 57. Can you provide details of products supplied which have led to the increase in the levels of sales by SDS?

Mr G. SMITH: I can, but I do not have the information here at the moment. Can I take that on notice?

Ms BLIGH: Yes. Would you be able to answer in respect of whether all of these supplies were purchased by accessing standing offer arrangements that were put in place by the Procurement Services Unit?

Mr G. SMITH: Some of the products we buy are from the standing offer arrangements; some we set up our own contracts for.

Ms BLIGH: On what basis do you bypass the standing offer arrangements?

Mr G. SMITH: In several cases there were no standing offer arrangements in place for the products we source. There are other circumstances where the product does not meet the client's requirements, in which case we do alternative sourcing for them.

Ms BLIGH: So there may well be products in respect of which a standing offer arrangement has been bypassed?

Mr G. SMITH: That is correct.

Ms BLIGH: Minister, are you aware of any behaviour by SDS purchasing which indicates purchasing from suppliers which have failed to achieve preferred supplier status during the standing offer arrangement process?

Mr CONNOR: No.

Ms BLIGH: As a matter of policy, what steps would you take to ensure that the standing offer arrangements are complied with? Where they are not, would you consider compensation to preferred suppliers who have lost money through an evasion of these arrangements?

Mr CONNOR: That is a hypothetical question.

Ms BLIGH: Do you have no policy—

Mr CONNOR: That is a hypothetical question.

Ms BLIGH: No, I am asking you a direct question: do you have a policy in relation to compensation of suppliers where they have lost

money through the evasion of standing offer arrangements?

Mr CONNOR: No. Nor did the previous Government.

Ms BLIGH: Mr Smith, I refer to a statement that was given in answer to a question in Estimates Committee C in relation to Education. It was indicated that schools were about to be untied from Q-Build and that an allocation of \$55m would go to the Education Department directly to schools for funding their own maintenance. I ask: when will that transfer occur? To what extent, if any, will schools still be tied to Q-Build for projects under that program?

Mr CONNOR: The first question is out of order, but he can answer the second one.

Ms BLIGH: On what basis is the first question out of order?

Mr CONNOR: First of all, you referred to a different department. Secondly, you referred to a different Estimates committee and different funding.

Mr MACKENROTH: When is it going to cease? He is actually doing it now. How can that be out of order? Just because you do not like it, that does not mean that it is out of order.

Mr ELDER: You do not have that prerogative. It is a legitimate question.

Mr CONNOR: If it refers to another department or another program area outside of this portfolio—

Ms BLIGH: I would like to repeat the question, if the Minister would allow me to. Mr Smith, I understand that \$55m in funding for the repair and maintenance of State schools will be transferred from Public Works to the Education Department in the coming financial year. Can you confirm that that is the case?

Mr M. SMITH: Certainly, the policy is at this stage, to my understanding—

Mr CONNOR: We have a policy issue. Again, that should not be directed—

Ms BLIGH: Minister, I ask you: is that the case?

Mr CONNOR: I have already given you my answer.

Ms BLIGH: What was your answer?

Mr CONNOR: I am not going to respond to an issue that relates to another department area.

Ms BLIGH: It is your budget, Minister.

Mr CONNOR: Okay, you refer—

Ms BLIGH: I am asking: will \$55m—

Mr CONNOR: Wait a second. You tell me where it is in those Program Statements or the Budget. You show me the line item and I will respond to you.

Ms BLIGH: It doesn't appear in a line item, which is why I am asking you a question in relation to it.

Mr CONNOR: Because it is in another department area.

Ms BLIGH: No, it is not. It is in your department currently, and I am asking if your department is about to absolve—

Mr CONNOR: With respect, you had an opportunity to ask the question during the hearings of Estimates Committee C.

Ms BLIGH: I am sorry, Minister, I am not a member of Estimates Committee C.

Mr CONNOR: No, but if you had sought leave—

Ms BLIGH: The question was answered at Estimates Committee C.

Mr CONNOR:—you would have had an opportunity to ask that, which is in the appropriate area. If it doesn't relate to my portfolio, if it is not in the Program Statements relating to my department—it is a policy area as well—we will just have to agree to disagree.

Ms BLIGH: Minister, I refer you to—

Mr ELDER: Mr Chairman, with due respect, we just want to continue for a second down this line of questioning. We have had to wait while the Minister has asked other officers in the department—

Mr MACKENROTH: Do you have a program such as that under your control, Mr Smith?

Mr CONNOR: Just wait a second. Sorry, go on.

Mr MACKENROTH: Mr Smith, do you have a program such as that under your control now?

Mr M. SMITH: The words "under control" would not be the right words, but certainly I—

Mr MACKENROTH: Well, under your supervision.

Mr M. SMITH: I deliver on behalf of the client \$55m or thereabouts of maintenance in Department of Education facilities.

Mr MACKENROTH: Is that program going to be taken away from Q-Build?

Mr M. SMITH: Certainly in the future there is an expectation that—

Mr CONNOR: Whoa! That is again hypothetical and a policy issue.

Mr MACKENROTH: It is not hypothetical because it has already been said that it is going to happen by another Minister.

Mr CONNOR: It is also a policy area.

Mr ELDER: The answer is "Yes".

Ms BLIGH: Minister, I refer you to page 34 of the Ministerial Program Statements and ask whether the \$281,764,000 estimate for building maintenance and construction services includes an allocation of money for maintenance in relation to State schools.

Mr M. SMITH: That is correct, as revenue for the organisation in the business stream.

Ms BLIGH: How much is that allocation?

Mr M. SMITH: I understand that it would be in the order of the \$55m that you quoted before.

The CHAIRMAN: Order!

Ms BLIGH: Minister, can you tell me whether—

The CHAIRMAN: Order!

Ms BLIGH: This is the last question on this line of questioning.

The CHAIRMAN: Your time has expired by almost five minutes. We will now have questions from Government members.

Mr BAUMANN: I would like to direct a question to the Executive Director of Commercialised Services, Mr Eric Carfoot. It is in relation to business units in the commercialised services. I simply ask: how commercially viable are the various business units in the commercialised services?

Mr CARFOOT: The seven existing business units are all commercially viable to date. Last financial year, 1995-96, they returned a total of \$14.983m to our owners, the Queensland Government, by way of tax equivalent payments and dividends. That comprised \$6.441m in tax equivalents and \$8.542m in dividends. The budgeted amount by way of our performance contracts with Queensland Treasury for the current financial year, 1996-97, increased that to \$15.685m, which comprises \$7.329m of tax equivalent payments and \$8.356m worth of dividends. On top of that, as part of the commercialisation process, the business units have taken on a debt equity structure appropriate to each business. As a result of that, there was in fact a payment of \$16.25m made to Queensland Treasury whereby we swapped equity for debt to in fact get that structure correct. The business units last financial year had a net profit after tax of \$24.945m. All the business units have a performance contract that they have signed with Queensland Treasury. All business units have competitive neutrality adjustments made to their bottom line to remove any advantages of being in Government, and all business units comply with the Trade Practices Act.

Mr BAUMANN: Mr Chairman, I would like to direct my next question to the Minister or one of his officers. The Budget announced the construction of the new watch-house for Brisbane. Could you or one of your officers inform us just what role the Department of Public Works and Housing will play in the construction of this project?

Mr CONNOR: Mr Grierson will answer that.

Mr GRIERSON: The clients, Police and Justice, are the two major agencies involved in the watch-house. Neither of those agencies are responsible as a core business activity for building. What we will do in this department initially will be site acquisition. There is currently a site under contract in Roma Street in relation to potential for a new watch-house. Having acquired the site, we will then do the value management and full evaluation of the brief with both Justice and Police regarding the requirements for the new watch-house, as specified by those two departments. We will then undertake

the calling of tenders through the State Purchasing Policy arrangements. That will be to select consultants from the private sector for design and then the actual building contractor to build the watch-house. This department will then project manage the entire project, including the payment of progress payments to the contractor and making sure that the project is delivered on time, on budget and to the specified requirements of Police and Justice. At the end of the exercise, when the new watch-house is up and running, the old watch-house will probably be disposed of. This department, through its Property Management Branch, would probably be involved in seeking alternative uses for that property. My guess right now is that we would dispose of it.

The CHAIRMAN: I would like to ask the Minister a question. Page 81 of the MPS indicates that more staff will be needed for the home purchase assistance portfolio management to manage an improved arrears management strategy. How much extra revenue will be generated from these additional staff?

Mr CONNOR: My housing manager, Tony Waters, will handle this one.

Mr WATERS: The staffing increases that you refer to are in relation to portfolio management within the home purchase assistance activity. They are going from 63 staff to 66, although the increase within the program is more than offset by a reduction of staff managing loans and advances, which come down by 5. So there is a net reduction of 2. The increase in staff for portfolio management is mainly to do with attempting to reduce losses to the home purchase assistance activity—losses which in 1995-96 were \$8.7m and which largely arose out of the time that it takes to dispose of houses that have been repossessed or come back into the possession of the home purchase assistance activity. Those additional staff are going to be used to try to turn around those properties much faster, with the hope that we can reduce losses. So it is a loss reduction, which I guess is equivalent to a revenue gain, that we are attempting to benefit from here. We will monitor the loss reduction against the cost of the additional staff very closely, with an expectation that we can produce a net benefit from the three extra staff.

The CHAIRMAN: I would like to direct a question to the General Manager of CITEC. The topic is the public access system. On page 42 the Ministerial Program Statements mention the public access system. Can you give us more details and expand on what the system does and what the future may hold for the system?

Mr PARKER: The public access system was developed in the 1980s and went into production in 1989. It allows private sector organisations which have appropriate personal computers and modem connections to get electronic access to Government databases. It provides access to, in the main, State and Federal Government databases, covering areas such as land, legal information, corporate information and, in some cases, some traffic incident and motor vehicle information.

The service has been operating since 1989 and has grown rapidly over that period to a point where last year it provided—2 million transactions were processed by the service to over 2,000 clients throughout Australia, ranging from large clients like the ANZ and Westpac Banking Group to small local solicitors. With respect to the Queensland community, the service has made it extremely efficient for organisations to undertake due diligence process when buying assets such as land to a point where it is now as fast for a solicitor in Longreach or Mount Isa or Cairns to access land information as it is for a solicitor in the urban parts of Brisbane. With expansions over the next year of this service to allow access from the Internet, one would expect the volume of transactions to continue to expand.

Mr HEALY: Minister, could I return to the community housing area again? The Community Housing Program, page 67 of the Ministerial Program Statements, indicates that expenditure in the Community Housing Program on salaries and wages and related payments has more than doubled from \$659,000 in 1995-96 to almost \$1.6m in 1996-97. Could you outline the reason for this rather large increase in salary and wages?

Mr CONNOR: Tony Waters, General Manager of Housing, will answer that.

Mr WATERS: The increase arises out of the separation of the Community Housing Division from what was previously the Public Rental and Community Housing Division. Within the combined division there were some staff that were shared. Salaries provided last year were for 13 positions dealing with community housing. When we split the two divisions, we ended up with 27 staff moving across to the Community Housing Division and the Budget papers this year reflect the salaries for those 27 people being paid under the Community Housing Program. In fact, there has not been an increase in salaries funding, there has simply been a split of the two divisions and so the salaries estimate is shown now for the same number of staff who were working on community housing but in the Community Housing Program.

Mr HEALY: Minister, my next question is in relation to a series of robberies of computers and other equipment from Government buildings that was reported in the media some time ago. Has your department taken any steps to protect against any further incidence of these robberies?

Mr CONNOR: Kev Davies, Director-General, will answer that.

Mr DAVIES: The responsibility for security in Government buildings rests with the director-general of the respective department. I have written to every director-general reminding them of those responsibilities and offered free security audits in regard to the discharge of their duties. Some of them have taken that up and the security has been increased in several of the buildings, but I am continuing to pursue that responsibility that is vested within each department.

Mr BAUMANN: Minister, if I could revisit commercialised services for a moment and refer to

page 26 of the MPS, I notice that Project Services constructed a number of substantial projects in regional centres throughout the State. Could you expand on how Project Services have contributed to better regional service delivery and planning in those centres?

Mr CARFOOT: Project Services currently have seven offices outside of Brisbane as far away as Cairns and as near as the Gold Coast and Sunshine Coast. We established those offices over the recent years because of a client demand, having in mind that we had untied clients and clients wanted the service to be delivered on the ground. This has led to in fact a far closer relationship with our clients and the local communities, a better understanding by our people of the designers and our consultants about what is required by the local communities and our clients locally. It has led to stronger relationships with the local contractors and consultants and in fact we believe delivered a better product to the people of Queensland.

Mr BAUMANN: Minister, I refer back once again to page 26 of the MPS and note that Project Services outsources the majority of its construction works. Could you outline what benefit the construction and consultancy industry has derived from Project Services' practice of outsourcing delivery of some of these major capital works?

Mr CARFOOT: Project Services currently outsources 95 per cent of its construction program that it manages to win from its clients. The 5 per cent that we do not outsource is not done by the business unit itself, it is done within the department through Q-Build and mainly for the training of the apprentices that were of some discussion earlier. On top of that, in the year just completed, 55 per cent of the traditional design documentation work that the Business unit won has been outsourced to private sector consultants. This has led to an ability of the private sector to survive in a very tough economic time as far as the building industry was concerned. The private sector is pleased to work through Project Services because of the consistency of our approach. The guidelines for the contractors and consultants have been agreed with industry through the department previously and they in fact have benefited by this consistency and dealing with building professionals on building industry matters.

Mr BAUMANN: Mr Chairman, if we have time to continue with one more question, I would like to refer back to Q-Build. Minister, I understand that Q-Build has recently developed and implemented in conjunction with private sector partnering a mobile maintenance management system. Would you please provide details of this system, which companies are involved with the project and what benefit it provides, if any, to service providers in the industry at large?

Mr M. SMITH: We have undertaken a pilot scheme with what we call a mobile data communications system at metro west—that is one of our regions in Brisbane—and the technology is all about sending data communications or data through the airwaves. We have now finished the pilot and it has been very successful and it has been praised

from our clients, from our own internal organisation and, might I add, with our consortia partners. The consortia partners are BHA Computer, which is a Queensland based firm, MINCOM Pty Ltd, which is also a Queensland based firm, and Telstra.

We are now rolling out the program to all the other regions within the metropolitan area and we expect in the next three years it will save up to \$1.5m through the process. The benefits—in the long-term, it is all about a paperless society and what we are about really is from the phone call from the client through to the payment to the contractors will all be via electronic form and for the program this year to actually give the mobile data communication technology to our subcontractors, so that means that the private sector will also be involved in it, and the payment will also be via electronic funds transfer. So you will have a phone call out to the private sector and/or the public sector provider and then electronic payment. In addition to that, there is also the benefits to industry. There is a reference site for this technology throughout Queensland such that overseas interests come over, have a look at the site, look at the way it works, and from that we then start to be able to provide application services providing support for Queensland industry.

Mr HEALY: Minister in regard to the recently produced report on the Commission of Audit, what steps have you taken to implement the recommendations of that report relevant to your department and how are these actions reflected in your budget for 1996-97?

Mr CONNOR: The Director-General will answer that.

Mr DAVIES: Most of our commercial units are untied and are not directly affected, however the audit does have an impact in a wide range of services in the department and our response to date has been to establish a Coordination Unit under a senior officer who is charged with liaising with the Commission of Audit implementation team to ensure that the objectives of that audit are implemented throughout the breadth of the department.

The CHAIRMAN: The time being 1 p.m., the time allotted for the consideration of the Estimates for the Public Works and Housing portfolio has expired. I thank the Minister and the public officials for their attendance. The next portfolio to be examined is Transport and Main Roads, commencing at 2.30 p.m.

Sitting suspended from 1 to 2.30 p.m.

MINISTER FOR TRANSPORT AND MAIN ROADS**IN ATTENDANCE**

- Hon. V. G. Johnson, Minister for Transport and Main Roads
- Mr B. Wilson, Director-General, Transport
- Mr G. Uhlmann, Deputy Director-General, Transport
- Mr D. Hunt, Executive Director (Transport Coordination)
- Mr B. Kersnovske, Director (Finance), Transport
- Mr L. Ford, Executive Director (Integrated Transport Planning)
- Mr P. Blake, Executive Director (Land Transport and Safety)
- Capt. J. Watkinson, Acting Executive Director (Maritime)
- Mr R. Wharton, Director-General, Main Roads
- Mr D. Muir, Deputy Director-General, Main Roads
- Mr N. Doyle, General Manager (Corporate Services), Main Roads
- Mr S. Golding, Executive Director (South East), Main Roads
- Mr W. Turner, Executive Director (Finance), Main Roads
- Mrs K. Peut, Director (Roads Program), Main Roads
- Mr J. Barton, Queensland Motorways Limited
- Mr V. O'Rourke, Chief Executive, Queensland Rail
- Mr R. Scheuber, Deputy Chief Executive, Queensland Rail
- Mr T. Fisher, Group General Manager (Workshops), Queensland Rail
- Mr P. Case, General Manager, Freight Operations, Queensland Rail
- Mr R. Hunter, General Manager, Project Services, Queensland Rail

The CHAIRMAN: I declare this public hearing of Estimates Committee F now open and welcome all those in attendance. I am John Goss, the member for Aspley, and the Chairman. I would like to introduce the rest of the Committee. The nominees of the Leader of the Opposition are: Mr Jim Elder, the member for Capalaba, who is also the Deputy Chair; Mr Terry Mackenroth, the member for Chatsworth; and Ms Anna Bligh, the member for South Brisbane. The nominees of the Leader of the House are: Mr Bill Baumann, the member for Albert; and Mr Graham Healy, the member for Toowoomba North.

Firstly, for anybody requiring the answers to questions on notice—they are available from Committee staff. The Committee will now examine the proposed expenditure contained in the Appropriation Bill No. 2 1996 for the Transport and Main Roads portfolio, commencing with Queensland

Rail and other GOCs and motorway companies. We will be breaking for afternoon tea at about 4.15 p.m. From about 4.30 p.m., the Committee will proceed to examine the organisational units within Queensland Transport until approximately 5.45 p.m. From about 6 p.m. to about 7.30 p.m. the Committee will examine the Estimates for the organisational units within the Department of Main Roads. There is some flexibility in those times.

Opposition and Government members will ask questions of the Minister and public officials. The first questions will be from the Opposition in each case. The Sessional Orders require that at least half of the time for questions be allotted to non-Government members. I remind members of the Committee and the Minister that the time limit for questions is one minute, and three minutes for answers. A warning bell will be chimed 15 seconds prior to the completion of the three minutes. Further time for completion of an answer may be given with the consent of the member who asked that question. Finally, for the benefit of the Hansard staff, I ask all public officials to identify themselves before they address the Committee. I declare the proposed expenditure for the Transport and Main Roads portfolio to be open for examination. The question before the Committee is—

"That the proposed expenditure be agreed to."

Before calling the Minister, I would like to mention that a resolution was passed by the Committee relating to questions about port authorities. Mr Elder requested that some of the questions be placed on notice, particularly any questions that could not be answered here or that he might not get time to bring forward today. That was in lieu of bringing the chief executives from the port authorities to Brisbane on the possibility of asking them one question, or perhaps not even having time to ask them a question. That resolution was agreed to this morning. Minister, would you like to make a brief introductory statement?

Mr JOHNSON: Yes. Thank you, Mr Chairman, members of the panel and the representatives from the Department of Transport and Main Roads and Queensland Rail. We are here today to discuss dollars and how well they are spent. You want me to justify the funding allocated to Transport activities in Queensland this financial year. This is a task I approach with great pride, because the Transport portfolio is vital to the economic and social wellbeing of all communities in this State.

I am pleased to say that the State Government has committed itself to expenditure of almost \$2 billion from the Consolidated Fund across Main Roads and Queensland Transport for 1996-97, including payments to Queensland Rail. Our integrated approach to the provision of transport services and infrastructure will ensure that the transport network meets the future needs of Queenslanders.

New Department

To achieve this we made some changes when we came to power earlier this year, including the

establishment of the new Department of Main Roads. By establishing a separate department responsible for an effective and efficient road network, we have been able to better focus our efforts and deliver better value to the community. The deamalgamation of Main Roads in Queensland Transport has produced benefits for both departments, allowing staff to provide services that correspond with world's best practice while maintaining an integrated approach to transport planning.

Integrated Transport Planning

This Government's commitment to integration will ensure that Main Roads, Queensland Transport and Queensland Rail continue to work together to achieve the most viable transport solutions. Major initiatives in this area include the draft Integrated Regional Transport Plan for south-east Queensland and the development of the Integrated Regional Transport Plans and strategies for Cairns, far-north Queensland, Townsville, Thuringowa, Mackay and Wide Bay. Other funding initiatives include public transport infrastructure at Robina and Nerang and numerous regional centres. Another important responsibility of the portfolio is overseeing the efficient operations of the eight port authorities as another vital component of the State's transport network.

Pacific Highway

Integration is also a highlight of projects planned for the corridor between Brisbane and the Gold Coast. A total of \$105m will be spent this financial year on the world-class Pacific Motorway, which is complemented by funding of \$8m for provision of busways and high-occupancy vehicle lanes between Logan City and Brisbane. Also, funding has been allocated to the extension of the Gold Coast railway to Robina, despite the withdrawal of Federal Government funding.

Queensland Rail

Lastly, the Government has a very strong focus on ensuring efficient transport services are provided for mineral developments across the State, particularly for the major opportunities provided by the north-west mineral province. Bulk transport over long distances is the natural market for rail. This Government is committed to ensuring that Queensland Rail is at the forefront of this new market. Queensland Rail faces new challenges in serving with traffic with the advent of third-party access, and will be meeting this new challenge head on, meeting competition with efficient operations and world's best work practice. I am confident that Queensland Rail can meet this challenge. I can assure you that the Government is providing full support.

This Government is committed to a Transport portfolio that strives for excellence and provides services that are flexible and responsive to the community's needs. With our dedicated staff and the Government's commitment to supporting communities and industries, I have no doubt that we are well on the way to achieving an effective transport network for all Queenslanders.

Mr ELDER: My first question is to Mr Barton from Queensland Motorways Limited. I refer you to the answer to question on notice No. 8. The answer indicates that the maximum debt on the Gateway Motorway is now expected to be \$440m in the year 2002 following the reduction of tolls announced recently. This compares with an estimated maximum debt of approximately \$360m in the year 2000 prior to the reduction of those tolls. This is an increase in the maximum debt of \$80m. Could you give an approximation of the extra amount of interest that Queenslanders will have to pay as a result of that particular decision, that is, the higher debt and the longer repayment period?

Mr BARTON: First off, without disrespect to anybody, I am just wondering why I was asked to attend this meeting—being an officer of a public company. But I am quite prepared to attend.

Mr ELDER: In that sense you are the chief executive officer of the Motorways company and, as such, as a secretary of a GOC, you are here at my request.

Mr BARTON: I am not the chief executive. I am the company secretary. As far as I am aware, the company is not a GOC. However, as I said, I am prepared to—

Mr ELDER: I accept what you are saying, but you are the responsible officer for the motorway. That indication was given to me by the department. You are the responsible officer, and you are here in that capacity.

Mr BARTON: I accept that I am here, and I am prepared to be here. In relation to the debt on the Gateway Bridge—I cannot give you a definitive answer on the extra interest that is to be paid over the balance of the payback period. It is dependent upon a number of factors, including the growth in traffic. It is also dependent to a large extent on interest rate movements.

Mr ELDER: The Motorways company has not done an assessment of that interest movement for that \$80m over the period of the repayment?

Mr BARTON: No, the profile has been done only on the basis of the payout period. The projections of traffic, based upon the toll structure—

Mr ELDER: Did you say the profile has not been done as yet?

Mr BARTON: A profile has been done, but I have not looked at what the actual interest total over that period is.

Mr ELDER: Could you provide that to me on notice? Mr Barton, what would you say to the argument that we would be better off, in terms of that interest, if the extra interest bill were avoided by the Government by just paying off the Gateway debt as a lump sum now?

Mr BARTON: I am afraid it is very difficult for me to give an opinion in relation to public policy.

Mr ELDER: Just as a general view, as secretary of the company, what would you say to the argument that you would be better off just paying it off in a lump sum and avoiding the extra interest payments?

Mr JOHNSON: If I could intervene, I believe that that is a little bit of unfair questioning to Mr Barton. If you would like to put that on notice, I am sure that we can supply you with that information. We certainly want to be providing accurate assessments and accurate answers here this afternoon. I do not think that any of these people should be put in a position where they can't answer those questions without being able to avail themselves of that material. I am sure that Mr Barton would like to prevail here.

Mr ELDER: Well, Minister, I will ask you the same question. Do you agree with the argument that, if the Government bit the bullet, removed the tolls and paid off the debt, taxpayers would save millions of dollars in interest?

Mr JOHNSON: No doubt they can save millions of dollars in interest, but the situation is that we have made a decision on that toll on the motorway in question. We have worked very closely with the Brisbane City Council, with the Lord Mayor, Alderman Jim Soorley, in addressing this need. We are certainly not in a position—and you were the Minister here just a few months ago, and you realise full well what the problems are confronting traffic congestion inside this city and on that motorway in question, and we are trying to address that problem. The situation is this: whilst there is congestion there and there's dollars involved, we do have the answers. Yes, we will have the answers to it, and we don't have them at our fingertips as such. I believe that, as the motorway company is a public company, we should be listening to the advice that Mr Barton has given this afternoon. He will furnish you with that information and our policies will be to work exactly with the Brisbane City Council, the State Government and the people in question in bringing about a result that will lighten that congestion and, at the same time, save taxpayers in this State dollars. While we are talking about saving taxpayers dollars, we are also being responsible to the whole of the State not just to the people who use that artery in question or any other artery for that matter.

Mr ELDER: So what you are saying is that you do not necessarily agree that removing the tolls and paying off the debt is in the interests of taxpayers? What you are saying is that you have to make responsible decisions?

Mr JOHNSON: No, you are the one who said that. You are saying, "You don't necessarily agree". We do agree that by lifting the toll we are being responsible here.

Mr ELDER: I am not asking about lifting the toll; I am asking simply whether, if the Government bit the bullet, removed the tolls and paid off the debt, you would save the extra money that you would pay in interest on that particular debt. I ask: do you agree with that or do you not agree with that?

Mr JOHNSON: We've got to borrow the money from somewhere, haven't we? We've got to find the money from somewhere. You are well aware of that. Being a former Minister, I would think that you would understand that fully. We are going about this in a very responsible way. Whilst we are trying to manage the debt that is currently there, we are also

about managing the traffic and the people who want to avail themselves of that artery. The same is applicable to any other part of this city.

Mr ELDER: Given that the argument that I have just put to you is the argument that Mrs Sheldon used to justify her decision to remove the tolls on the Sunshine Motorway, why did you not oppose Mrs Sheldon's removal of the tolls in Cabinet?

Mr JOHNSON: That was a policy of the coalition Government and it is a policy that we did not err with. We made the hard decisions; we'll continue to make the hard decisions. That was given the full blessing of Cabinet. I know that it has caused a lot of heartache to the Opposition, but it has been welcomed. When you were in Government, you made that promise also that you would lift that toll. You never did it. We made the hard decision. We did exactly that. At the same time we are saving the councils on the north coast probably considerable dollars from a lot of concentration of heavy traffic through their CBDs and other areas. Whilst we have made that decision, I think we have been applauded for it. It has been a responsible decision and we're going to wear it; I know that. At the same time it has been a good one, and I think you would have to agree with that.

Mr ELDER: So it was a political decision but a bad policy decision?

Mr JOHNSON: I wouldn't say it is a bad policy decision. No, it is not a bad policy decision. It is a very responsible financial decision, as it has turned out. You can say what you like about our policy, but there is one thing that we have been: we have been up front with our policy. We have delivered on our policies. As far as the bad financial management goes, it has not been a bad financial management decision because I believe that, in the long term, the returns are going to be more beneficial to the local authorities in that part of the State and also to the people who live in that area in question.

Mr ELDER: So you say it is a very responsible financial decision?

Mr JOHNSON: Yes, I do. I will reiterate that. I'll say it is responsible because we looked at that hard and fast; we looked at it very closely. The situation is that, as I have just said, what we are about here is addressing the needs and having a vision for addressing the needs of the people who use that motorway in question and those who also use the roads to dodge that motorway in question. Certainly, you would have to agree—

Mr ELDER: I am only asking about the financial—

Mr JOHNSON: Hang on a second; hang on a minute. You would have to agree that the situation here is that traffic and pedestrians don't mix; CBD and traffic don't mix. That is another reason why we made that decision. If you had dialogue or correspondence with the Maroochy Shire Council and people on the north coast, you would get the same answer.

Mr ELDER: I refer to your answer to my question on notice which indicates that the true cost of your very responsible financial decision, the true

cost of Mrs Sheldon's removal of the tolls, is not \$200m but \$400m. That assumption is based on a payment of \$12.6m per year that will be maintained over the level of the loan. I assume, Mr Barton, that the \$12.6m that you are currently paying will extend at that amount for a period of 21 years for the duration of the loan. Do you have the answer to my question 8? Main Roads is going to make a contribution of \$12.6m per annum until the balance of the debt is repaid in the year 2016; is that correct?

Mr BARTON: 2016.

Mr ELDER: Is that correct?

Mr BARTON: Yes.

Mr ELDER: Then, based on that assumption being true, why has the Government misled the people of Queensland? Until now the people of Queensland have believed that that is a \$200m decision. In a sense—and it is confirmed in your answer to the question on notice—it is not; it is a \$400m decision—a very responsible financial decision, as you put it.

Mr JOHNSON: No, you are the one who is misleading the people of Queensland here with this type of innuendo, if you want to term it that. We have been open, we have been honest, we have been up front with the people of Queensland on exactly what we have done. Whilst the tolls have been collected on that Gateway Bridge over a period of time, they were fast outgrowing their time and it was costing money all the time to pay back that money. Whilst we have given that commitment of \$12.5m over this period of time in question, I believe that we have managed this properly. We have managed it responsibly. In the long term, I believe that we are going to be applauded and we will be recognised for making that hard decision. I believe that this decision should have been made from day one, even in the former conservative Government's time.

Mr ELDER: Let me walk through this with you, Minister, and with the department. I am quite prepared to wait for an answer. The answer that you sent me to the question on notice, as I read it, comes to \$400m, not \$193m. If we talk \$193m, that is what it is worth at market value today. If you pay it off, it is \$193m. Is that correct? If a payment was made from consolidated revenue, it would be \$193m. That is the fact. That is the \$200m argument that Mrs Sheldon keeps using. However, in order to meet that debt repayment you will make a direct payment from consolidated revenue of \$83.6m, you will now commit yourself from Main Roads to make contributions of \$12.6m for the next 21 years, that is, \$264m, and, in addition, you are writing off interest-free loans totalling \$52.25m made to the company as equity contributions. My reading is that it is not a \$193m decision; by the time this is met, it is a \$400m decision. Is that right? Am I wrong?

Mr JOHNSON: Mr Chairman, I would like to refer that to my Director-General of Main Roads, Mr Wharton, who would like to have input into that.

Mr ELDER: By all means.

Mr WHARTON: Mr Elder, Main Roads were facing a \$12.6m a year payment anyway for the next six years. That was part of the deal.

Mr ELDER: That is fine, Mr Wharton. I understand that. I was Minister.

Mr WHARTON: So the extra funds are \$12.6m by 14 years, plus a half-year payment. As well as that, there is the \$83.6m that is being paid off the capital. So when you pay all that, we end up with the figure of—

Mr ELDER: Go back to the \$83.6m. That was what?

Mr WHARTON: The \$83.6m paid off was a one-off payment from capital.

Mr ELDER: Yes.

Mr WHARTON: Then \$12.6m for the remaining period of time, of which 14 years were not part of the original package. Do you understand what I am driving at? So the additional payment is \$12.6m by 14 plus \$83.6m.

Mr ELDER: So we have got \$83.6m that is being paid from consolidated revenue?

Mr WHARTON: That is right.

Mr ELDER: We have got the forgoing of \$52m in loans—the writing off of interest-free loans totalling \$52m.

Mr WHARTON: Those loans would have been written off no matter which way you funded the payout of the motorway.

Mr ELDER: They would have been written off regardless; is that what you are saying?

Mr WHARTON: Yes.

Mr ELDER: In terms of the debt profile, \$12.6m—we are talking about an adjustment of \$75m?

Mr WHARTON: So the total, as I see it, comes to \$260m as the final figure. There is the \$12.6m by 14, which is \$168m, the \$83.6m, and a half-year payment of \$6.3m.

Mr ELDER: Why would the equity contributions be written off anyway?

Mr WHARTON: They are just regarded as equity in the company.

Mr ELDER: In terms of the decision then, if \$52m would have been, as you say, written off regardless, can you provide me with the advice to previous Ministers that would have outlined that particular scenario?

Mr WHARTON: I was not in the department at the time but, certainly, if you like we could find that information for you. I do not know whether any advice was provided to Ministers. The fact is that there is an equity payment—

Mr ELDER: I assume that there would have been discussions with Ministers based on the debt profile and that those matters would have been raised. I would like that advice.

Mr BARTON: I might just add there, under the arrangements that were put in place I think in about 1992, there was approximately—I never saw the final decision of Cabinet, but I understood it was about \$110m to be provided over a 10-year period in equity to the Sunshine Motorway on the basis that

Stage 1 financing had been upset because of the toing-and-froing about the tolls—where the tolls were to have been levied.

Mr ELDER: How was that adjusted with Stage 2?

Mr BARTON: That was an approximately \$110m capital injection into the company, which was treated as an interest-free loan until such time as the companies were restructured under Queensland Motorways.

Mr ELDER: Yes.

Mr BARTON: So there was an amount—

Mr ELDER: What would have happened with the interest-free loan at that time?

Mr BARTON: It would have been converted into equity. At the end of the 30-year franchise period, all the assets of the company were to be transferred to the State for no value. The company would have had no assets and \$110m capital, and that would have been its only—

Mr ELDER: It would have been in the assets in terms of the transfer.

Mr BARTON: It would not have had any assets at all. It would have no assets but it would have a shareholders' equity of \$100m, of which there was no recovery. In liquidating the company, there were no assets, so there was no value in the shareholders' funds.

Mr ELDER: Mr Barton, also in that question you say that there is no direct impact from the toll reduction on the Gateway and on the Logan Motorway—or that is what is outlined. Are there any indirect—

Mr BARTON: I have missed what you are saying.

Mr ELDER: Who answered the question on notice in relation to my queries about tolls and tollways? Was that the Sunshine Motorway or was that—

Mr WHARTON: The department.

Mr ELDER: Maybe then my question should go to Mr Wharton.

Mr WHARTON: The answer to that question on notice says that there are not any direct impacts on toll reduction on the Gateway—sorry, that the toll reduction on the Gateway has no impact on the Logan Motorway.

Mr ELDER: Are there any indirect impacts on the Logan debt? Specifically, has there been any increase in the period during which the tolls will apply to the Logan Motorway?

Mr WHARTON: No.

Mr ELDER: None whatsoever? No indirects?

Mr WHARTON: If there are any amendments to the toll period on the Logan Motorway, they would occur associated with any toll restructuring that might occur some time in the future on the Logan Motorway. There is no restructuring of the debt for the Logan Motorway associated with the Gateway. They are independent.

Mr ELDER: No recent increases in tolls or, say, multitrip tickets?

Mr WHARTON: Not as far as I am aware.

Mr ELDER: None whatsoever?

Mr WHARTON: I am not sure that there has been any change—recent change—in the ticketing arrangements. As far as I am aware, there are not.

Mr ELDER: Not for tolls or multitrip tickets. When is the next CPI increase due for the Logan and the Gateway?

Mr BARTON: We are currently modelling the profile of the CPI against the current structure but with the opening of the Southern Brisbane Bypass and the restructuring of the toll booths along Logan—

Mr ELDER: But when are you likely to look at a CPI adjustment on the tolls for the Logan and the Gateway?

Mr BARTON: As far as the company is concerned, in approaching the Government about tolls, it would be done in relation to the rearrangement of the tolls on the Logan Motorway and the Southern Brisbane Bypass.

Mr ELDER: So it is not likely to be a straight CPI adjustment? You are likely to look at the adjustment on the Gateway and the Logan in light of the southern bypass and the impact of tolls on the southern bypass?

Mr BARTON: Within the parameters that we had when the Brisbane bypass project was initiated.

Mr ELDER: When would you normally have a CPI adjustment for the Gateway and the Logan?

Mr BARTON: We usually look at that when we are preparing each annual budget.

Mr ELDER: For the budget?

Mr BARTON: When we are looking at the company's budgets.

Mr ELDER: When will that be?

Mr BARTON: For Logan and for Gateway, again it will be the next budget.

Mr ELDER: No, when are you likely to look at your next budget?

Mr BARTON: The next budget?

Mr ELDER: Next year?

Mr BARTON: Next year.

Mr ELDER: So there is no CPI increase planned at all over the next 12 months? It is a bit like pulling teeth. All I need to know is if there are going to be any CPI increases on the Logan or the Gateway over the next 12 months.

Mr BARTON: The company is not approaching the Government on any increases in tolls.

Mr ELDER: What likely increase are the motorways looking for on tolls on the Logan and the Gateway?

Mr BARTON: Under our franchise arrangement, we can seek CPI increases.

Mr ELDER: Have you got any idea of what that might be? You can estimate.

Mr BARTON: It is unreasonable to adjust the tolls unless the coinage is a convenient coinage. So the tolls are not put up by odd amounts. A toll increase may be delayed, depending upon what that CPI increase applies. So if it was a 10c increase, we may seek a 10c increase, but it would depend upon what the coinage was at that time, otherwise you lose efficiencies in the toll collection process through the plaza.

Mr ELDER: You will have electronic ticketing by that stage, will you not?

Mr JOHNSON: Could I say in answering the honourable member's question that if there are other issues that you are not happy with and you would like them put on notice, we will certainly provide you with answers.

Mr ELDER: Based on the decision that you have made, the current financial modelling for the reduction in the tolls, particularly for trucks, sees an expected increase in truck traffic of about 30 per cent with no assumed change in car traffic. If the adjustment in truck usage is only 20 per cent, what type of flow-on figure would that have for the debt? I imagine you have profiled this and built in an assumption of 30 per cent to give you a profile of 440. What does the 10 per cent adjustment have in terms of flow-on effects?

Mr WHARTON: It would be relatively small, Mr Elder, because the actual contribution of truck traffic to the toll amounts on the Gateway Bridge are relatively small. Therefore, a change of 10 per cent in the total numbers of trucks, particularly at the lower toll levels, would be relatively small. I could not give you an exact answer as to what it would mean to the debt structure.

Mr ELDER: Can you provide that? Someone here will know what I am looking for in terms of that profile.

Mr TURNER: In fact, it would not impact on the debt profile as such, because actually what would happen is that the service fee that is payable currently by Gateway to the department would in fact adjust. Therefore, the debt profile would remain much the same.

Mr ELDER: Thank you.

The CHAIRMAN: The time for Opposition questions has expired. I refer to Queensland Rail's proposed introduction of the new tilt-trains, and I have noted the allocation of \$53m, as outlined in Budget Paper No. 3, page 95. Minister, can you provide an update on this project?

Mr JOHNSON: I would say from the outset that this very exciting project is well in hand for completion by mid 1997. It was also an initiative of the former Government and I recognise that. To date, this project involves approximately \$106m. As a part of the involvement, there is an acquisition of two eight-car tilt-trains valued at \$71.8m, and the upgrading and signalling of level crossings at \$27.9m. Members will remember that there was about \$18m in the Budget just announced for the

continuation of that program. Track and bridge modifications are another \$5.4m, and there is a figure for miscellaneous items of \$0.9m. That makes a total of \$106m.

In terms of the progress on the building of the tilt-trains, we were in Maryborough just the week before last and inspected the project first-hand with Evans Deakin and Walkers. This project is on target. They expect that most of the sets will be completed by the end of 1996. The trialling will start in early 1997 and, hopefully, the trialling will be completed by about April 1997. Queensland Rail will take delivery of these sets somewhere about June or July of 1997. The first delivery will be 11 June and the second delivery will be somewhere about 26 August.

All cars are currently at varying stages of fabrication and the current progress is that train 1 is about 45 per cent complete and train 2 is about 18 per cent complete. It is expected to have the trains completed, tested and staffing completed to introduce this service by the end of 1997. This is a service that I believe Queensland Rail has to be applauded for and all the people who have worked within the operation have to be applauded for.

Major associated work in upgrading signalling to cater for high speed tilt-trains involves the relocation of signals to suit longer trains' stopping distances and upgrading level crossing protection to improve safety levels with the higher speed trains. Also, 27 level crossings will be upgraded from flashing lights to boom gate standard. Three crossings will be upgraded from signage only to a boom gate standard and eight crossings will be upgraded from signage to flashing lights standard. Forty-one other crossings will have various minor upgrades. Two contracts for the bulk of the signalling works were awarded to the consortium of Union Switch and Signal and Kilpatrick Green on 6 September. Contract completion is scheduled for November 1997.

The CHAIRMAN: What is being provided in the budget to improve access for people with disabilities?

Mr JOHNSON: That is a very good question and one that is very contentious, not only in Queensland but also right around the nation. It is applicable not only to Queensland Rail but also to all modes of public transport. The provision of facilities for improved access for people with disabilities will be a costly exercise. For disability standards for accessible public transport, the cost to QR is between \$180m and \$350m, depending to some extent on how the standards are interpreted. We cannot really put an accurate assessment on that figure, but we have \$2m in the budget this year towards the cost of implementing some of these programs. Required facilities will therefore need to be done on the basis of relative priority.

Citytrain has established a draft priority list determined by giving consideration to the following: patronage of the station in question; whether the station is at a line junction; whether the station is a core station; whether the station has special needs, for example, near a hospital; or other priority issues, such as rolling stock modification. The draft

standards will impact heavily on the following key areas: access onto and between all station platforms, requiring either long ramp structures or lifts—and you might notice those on some of the Gold Coast lines at Helensvale, Coomera and so on, which are in place now; possible raising of platforms to reduce the step from the platform to the train; visual information displays to all rolling stock; rolling stock door modifications; modification to station buildings to provide required amenities such as disabled toilets, handrails, tactile strips and so on; the provision of improved signage and audible communication; and rolling stock modifications, particularly to Traveltrain rolling stock, to provide required aisle widths and appropriate sleeping berths, and shower and toilet facilities.

As you can see, a great deal of money is involved. It will be an astronomical figure at the end of the day and it is one that I have to say that Queensland Transport, in conjunction with Queensland Rail, certainly recognises. As I say, whilst there is \$2m in the 1996-97 budget for the start of this program, the proposed items to be covered by this funding are as follows: disabled toilets for the ICE train; the replacement of the vestibule stanchions in the EMUs and the SMUs; and the installation of a lift from Central Station to Wickham Terrace. These three items will cost approximately \$0.9m. Priorities are still being considered for the balance of the program.

I am happy to say that I attended the ATAC meeting in Canberra in June and this issue is high on the agenda of all State Governments. It has been treated with a great deal of priority. I have to say that this Government is treating this issue with a great deal of respect. We are not dodging the issue and it is one that we are placing great emphasis on.

The CHAIRMAN: I ask a question on something that I have perhaps been critical of and have taken a great interest in, which is the time performance of Citytrain. Could you provide any details of the current timetable performance of Citytrain?

Mr JOHNSON: This has been a very contentious area in recent times. It is very close and near and dear to the hearts of many of our city patrons. At the outset, I have to congratulate Queensland Rail for the efforts it is putting into Citytrain, especially Glen Dawe, who is doing a grand job as the general manager. On-time running is of paramount importance to Citytrain's customers. The following factors predominantly contributed to this result: a very tight timetable geared more towards maximising usage of rolling stock assets than to on-time reliability; tight section running and turnaround times meant that delays tended to compound with only limited opportunity for recovery throughout the day; and door closing announcements exacerbated the tight time table by adding an additional eight to 10 seconds to the dwell times at each station. These announcements were introduced as a safety measure to reduce the instance of passengers being caught in the automatic door systems. Ageing rolling stock is operating at utilisation levels well in excess of best practice levels, thus limiting maintenance time and

effectiveness. This is one area at the moment that is a very serious worry for Queensland Rail and this Government. An extensive construction program in respect of inner-city tunnels, the port track, and South Brisbane to Yeerongpilly dual gauging have all contributed to disruption of services. We have been apologetic, and Queensland Rail is well aware of the inconvenience caused to the patrons of QR.

The construction of the new timetable involving minor improvements to the scheduled times for about 10 per cent of trains was implemented in July 1996, and we believe it will address a lot of these anomalies. There has been an initiative of weekend mobile maintenance of rolling stock at train stabling locations throughout the network. There has been an increase in preventive maintenance activity also. There has also been an absolute focus on the basics of on-time running, involving extensive communication and improvement of the operational interface between rolling stock maintenance and train operation staff. Lastly, there has been a progressive commissioning of vital infrastructure in the inner-city CBD, for example, the inner-city tunnels, Roma Street platforms, et cetera.

The one sad thing about the Citytrain network is that we are at maximum capacity at the moment—somewhere between 95 per cent and 96 per cent. We do not have excess stock to cater for breakdowns. This rolling stock should have been ordered some three years ago. I am happy to say that we are currently negotiating the purchase of new rolling stock for the Brisbane urban network. We are currently carrying about 38 million passengers per annum. We are hoping to grow that to somewhere around 50 million by the turn of the century.

The CHAIRMAN: Finally, safety is a major issue for Queensland Rail with its large network of operations. What were the results of the safety audit that you requested in respect of Queensland Rail?

Mr JOHNSON: That safety audit was carried out. As you well realise, when we were in Opposition I was one of the people who was very critical of derailments and the poor state of repair of some of our infrastructure across the length and breadth of this State. That is why it was a part of our policy and program upon assumption to Government to carry out a full safety and maintenance audit of the Queensland Rail network. That audit was carried out by a Mr Kevin Band. That was an internal audit in Queensland Rail. He is a very accomplished and very well respected railwayman from the UK who is now working with Queensland Transport.

The audit was carried out on five safety aspects of rail operations—QR's rail safety management systems, the track maintenance safety standards, public and passenger safety and security, train order working, and level-crossing safety. The audit concluded that QR's safety performance is of an extremely high nature, and passenger safety, we have found, is the best in the world. It found that employee and public safety can be improved. As to safety management—QR has given the management systems section of the audit a high priority. The Department of Transport has agreed to QR's request

to second Kevin Band to QR to assist in certain key aspects affecting QR's safety management.

Work carried out to date pursuant to the audit has included: identification of QR's major risks and the control of those risks; the development of 20 core safety policies based on the major risks; the development of documented safety roles and responsibilities for QR senior managers, including responsibility for safety standards; the calling of quotations from external consultants for a major review of track and track-side safety; the preparation of a new 1996-97 safety plan with specified performance targets; the preparation of specifications and approval for expenditure of \$400,000 on an improved safety information database; and safety validation of the Gold Coast line; inner-city quadruplication; and QR's new operational procedures.

Track maintenance is another area that has been of great concern to us. The audit found that the coal and mineral lines are of an exceptionally high standard. It concluded that the 7,000 kilometres of freight lines are of a poor standard due to a lack of investment in the past. The only option was to maintain them to the existing standards. It is certainly an initiative and one of the objectives of this Government to put in place the improvement of that 7,000 kilometres of track in question. We have made inroads in this budget towards addressing that very issue. Also, passenger safety and security is another issue that we have prioritised—\$22.1m. That follows on from the former Government's initiative of providing safety and security, especially for the urban network system in Brisbane. Train order working and level-crossing safety are also a very important part of this initiative.

Mr HEALY: Minister, I refer you to Budget Paper (No. 3), in particular to the capital works program on page 94, which outlines that \$17m is being spent on the Trainsafe Citytrain Security Package. I think \$3m has been allocated for 1996-97. Could you provide some details and expand a little on the Trainsafe package and the Citytrain security issues?

Mr JOHNSON: That is a good question. The issue is contentious and very close to the hearts of patrons of our QR network in the City of Brisbane. The security of the Citytrain network is a high priority for this Government, and Citytrain is committed to providing a safe and secure environment for both its customers and staff alike. To date, there has been much activity directed at Citytrain security in 1995-96, and the former Government did address this issue in the past. We are continuing on with this program by allocating \$17m.

Initiatives include: an audit of Citytrain security by Queensland Transport on behalf of me, as Minister; the commencement of a review of Citytrain security by the Trainsafe Parliamentary Committee, to be concluded in 1996-97; the establishment of an intergovernmental committee to identify key policies and strategies to better manage the security of public transport in south-east Queensland; and the development of a joint Queensland Rail/Queensland police strategic plan for Citytrain security, which will

be considered in 1996-97. This is an area that we are going to tighten up and place great emphasis on, because we are certainly sick and tired of the scum of society taking advantage of our patrons. As a Government, we are not going to tolerate it. I believe the wider community of Brisbane will certainly not tolerate this element, either.

We have also looked at the WA concept and we are looking at other concepts. We are carrying on from where the former Government left off in addressing the needs of rail safety and rail security for our passengers. Over the past two years, surveillance cameras, better lighting and improved fencing have been fitted to many suburban rail stations and selected car parks, especially the busy ones. We are continuing on with that program. The day cannot come quickly enough when all 115 stations in the network offer the same level of surveillance and protection for our patrons.

As to future security initiatives—the Government publicly announced, as I said, the \$17m, three-year Trainsafe program on 10 July this year. To further improve Citytrain security, \$3m will be invested in 1996-97, and a detailed scope of work for this investment is currently being developed. The Trainsafe package comprises a list of initiatives also. These include: legislative changes to provide appropriate powers for QR security officers to adequately deal with offenders; closed-circuit television at stations and on trains; better lighting and fencing at stations; more secure car parks, as I mentioned; reduced fatalities due to trespass on railway property; extended station staffing hours at core stations to enhance security; first to last train, six days per week; special nominated guardian trains at night with private security guards on board for the complete duration of the service; the extended trials of personal distress buttons; on-train monitoring of passenger behaviour through the extension of the CCTV concept by including a monitor in the guard's cab; and a better defined working relationship between the Queensland Police Service and Queensland Rail.

The CHAIRMAN: The time for Government questions has expired. We will now have questions from the Opposition.

Mr ELDER: Minister, as you would be aware, there is a clear intention of the Federal Government to use the threat of denial of competition policy payments to the State to force more competitive regimes, including third-party access, across Queensland Rail over the coming years. What will you be doing as Minister to fight those particular bullyboy tactics?

Mr JOHNSON: I thank the honourable member for that question. Since I have been the Minister in the past seven months, I have made it perfectly clear from the outset that I have one agenda, and that one agenda is to grow the business of Queensland Rail and to work very closely with management and staff—right down to the bloke who drives the last dog spike—to make this operation great. As you are well aware, with the corporatisation of this operation we now have to be commercially competitive. That is something that was adopted by

your Government and by the former Federal Labor Government when they became signatories to the third-party access and to the national competition agenda. As you are well aware, Queensland is now a signatory to that. With the coal and mineral lines, we are currently under a moratorium of five years. There is about another year to run on that moratorium.

What we are about is building our business and making ourselves competitive in this field of operation so that when that four years is up, Queensland Rail is going to be the leader in rail business not only in this State but also in the Commonwealth, and we will be keeping third party out. Whilst we are party to third-party access, we know that there is \$2.33 billion coming to the Queensland Government over the next 10 years. This department, under my stewardship, is certainly not going to do anything that will jeopardise our share of that \$2.33 billion. Whilst big business is certainly a part of the agenda of the National Competition Policy, we are also in the business of proving our worth in Queensland Rail.

The other thing I want to say in completing my answer to this question is that we have given a commitment to adopting world's best work practice in the workshops of QR. We are rebuilding the Townsville South yard to cater for what we believe is going to be a lot of business from the North West Minerals Province based on Mount Isa. We intend to capture that business. I believe that if you were in Government you would be doing exactly the same thing. We are about protecting the jobs of Queensland Rail workers. We are about making Queensland Rail the best railway in this nation. When third-party access does become a part of the national agenda, we will certainly be in the business of taking our railways across the borders into other States to enter into the competition provided there, too.

Mr ELDER: You said you would be working hard at keeping third party out. What areas of Queensland Rail's operation do you believe need to be protected, then, from the competitive regime?

Mr JOHNSON: Can you say the last part of that again, please? I am sorry.

Mr ELDER: In terms of keeping third party out, what areas of the Queensland Rail operations do you believe need to be protected?

Mr JOHNSON: I believe that all areas of Queensland Rail need to be protected. We are currently negotiating with a company called Airtrain for third-party access to build a line from the Brisbane Airport to join up with the urban network in Brisbane. Whilst that procedure has been under way, we have certainly accommodated those people. We have worked very closely with them. We have had our doors open at all times to cater for any questions that they wanted to level at us. We have accommodated them through Treasury, through Premier's and through the Department of Transport and Main Roads.

As I said, I believe that we are situated to take advantage of making this railway one of the best in the world. We believe we are the best in the nation at

this point in time. We are about securing jobs, securing the future not only for the people who work within Queensland Rail but also for the future generations that are going to take advantage of this great operation in this State. It has been there now, as you are well aware, for 131 years. We are about setting the program in place now for the next 130 years to provide those jobs again into the future, and at the same time catering for the growth that is presently occurring in this State which is about to be taken advantage of.

I have mentioned the North West Minerals Province. I am aware that we have competition coming to us from third-party access. I know that at this point in time there are people making moves to try to become third-party operators on our lines. Whilst that is happening, we are also in the business of showing the companies involved that we can provide the best prices and that we have the best competitive rates. Therefore, at the end of the day, they will utilise the services of Queensland Rail.

Mr ELDER: Can I just ask you: how are you going to keep third party out, and what areas do you believe should be protected from the competitive regime?

Mr JOHNSON: How we are going to keep—

Mr ELDER: In the competition regime.

Mr JOHNSON: I am sorry?

Mr ELDER: From the competitive regime. The two questions that I asked were—

Mr JOHNSON: How we are going to be a competitive regime—

Mr ELDER: That wasn't my question. My question was: what areas of Queensland Rail operations do you believe need to be protected from a competitive regime, and how are you going to keep third-party access out?

Mr JOHNSON: I believe that all parts of Queensland Rail need protection. As you well know, when you were in Government you made the decision to let third party in under the National Competition Policy. Have you forgotten that? No, I don't think you have. One of the former Ministers said to me one day that he will never know why it was ever signed. We are about growing this business so that we can keep third party out. If we make the work practice within QR the best, I believe that we are going to come to the point in, say, four years or whenever when third party probably won't want to be a party to it. At the same time, we have people coming in now on the north west mineral lines. I believe that with our concept of world's best practice we will keep these people out.

We are certainly working to capacity to make sure that this is the best railway. I think you would have to agree that we want it so that we can keep those jobs in place, whether it be in the minerals section, whether it be in the CSO sections, whether it be in the workshop sections or wherever. While the workshops are catering for and addressing the needs of QR—and you know full well that the workshops at Ipswich and Redbank are currently doing work for National Rail—we want to grow that

business. I believe that at the end of the day we are going to be in a very competitive position, such that the third-party people won't want to be party to our railway.

Mr ELDER: Despite the Treasurer's assurances that all issues are on the table for consideration from the Commission of Audit and the Commonwealth's use of competition payments, do you still maintain that Queensland Rail can avoid significant privatisation of its services, keep third party out and protect its competitive regime?

Mr JOHNSON: You have referred to Mr FitzGerald's Commission of Audit. I know that a lot of people within the Opposition continually refer to it. Whilst this is a document of, you could say, suggestions in more ways than one, these are certainly not the policies set in granite by this Government. Whilst that report was put out, we are certainly not going to implement all of its recommendations. Whilst we have studied the document and there are some very good points in it, we certainly do not agree with them entirely and we are not going to implement them entirely. At the end of the day, I believe that we are in the business of addressing our needs—as we currently are, as I just said, in relation to the National Competition Policy or third-party access. At the end of the day, I believe that we are going to qualify so that that document—or any other document, for that matter—is not going to be worrying about Queensland Rail because we will have the runs on the board. I might ask Mr O'Rourke if he would like to elaborate a little bit further on that issue.

Mr ELDER: Good.

Mr O'ROURKE: I just might support the Minister here. Queensland Rail, across all of its business units, is heading towards world's best practice with a target of the year 2000. We are well aware of the challenges of on-track competition, and we believe that we can meet those and also facilitate on-track competition where we are not able to provide a more efficient service. To handle the issue of third-party access, we have already set up within Queensland Rail an independent network access group and we have separated our costs in transparency above and below rail, so we are in a position to be able to handle those. At the end of the day, we believe that the program that is in place in Queensland Rail is such that we are on a par with the world's best practice. We can accommodate the issue of third-party access as an integrated railway, unlike the moves towards separation that happened in the southern States and other parts of the world. We believe that QR can handle those sorts of issues as an integrated and efficient railway.

Mr ELDER: We are not talking about keeping them out, we are talking about——

Mr O'ROURKE: We will meet them, as the Minister said. The only area that third-party operators have not got some path to access is in our coal business, which has a moratorium until the year 2000.

Mr JOHNSON: If I could just add on there, the situation is that we are not trying to lock anyone out at all. What we are trying to do is prove that we

have the best operation so nobody will want to compete at the end of the day, anyway. Whilst we are talking about Queensland Rail—we have no intention of splitting Queensland Rail up, it is not a part of our agenda. Also, I will say this: I have said since I have become Minister that what we are about here is making this one of the great businesses of Queensland and I believe we are well on the way to doing it.

Mr ELDER: So you were a bit overexuberant when you said previously that you would be keeping third-party access out?

Mr JOHNSON: We are not being overexuberant at all. We know from the national——

Mr ELDER: Not Queensland Rail, you. You continually oppose third-party access; you answered me previously saying you would keep it out.

Mr JOHNSON: Yes.

Mr ELDER: What the chief executive has outlined is that you are working at an integrative system which includes third-party access. So now I would like to ask you: do you now support your Premier's desire to involve Japanese interests in joint ventures in the provision of rail infrastructure, for instance in the Stuart coal basin?

Mr JOHNSON: Yes, I will take that question—it is a good question, too. If I could say this to you—and I will just go back to the latter part of that last question. What we are about here—and I have said it through the media and I will continue to say it—is protecting an operation in Queensland, when we are talking about Queensland Rail, and jobs that are involved. I think that is probably something that has been close to your heart, too.

To go to the question now about the Stuart basin—the Surat basin, sorry—and the question that you have said about the Premier, yes, while there is certainly probably a few issues on the drawing board there, this Government, as I think you would realise, does not have the dollars for some of these major capital projects. Whilst we will invite private enterprise to be performing part of these functions, at the same time Queensland Rail is going to be there as part of the competition.

Mr ELDER: So just let me get it right so that I can just finish on this: you do support third-party access? You are not keeping third-party access out?

Mr JOHNSON: You can put it whatever way you like.

Mr ELDER: I am just asking you.

Mr JOHNSON: I will answer it, all right. What I am saying is that at the end of the day there will certainly be areas within Queensland that we are probably not going to be able to keep third-party access out of, but what I am saying to you is—and I will continue to say it, and I have said it through the media and I will continue to say it—that we want to make this the best railway in Australia so that we can carry goods at competitive rates. At the same time, we will certainly work with the private sector in building infrastructure that is going to enable us as an entity in our own right to carry off business, too, whether it is carriage of minerals or whether it is

carriage of any other type of goods, and that is not only applicable to Queensland Rail.

Mr ELDER: Mr O'Rourke, can you outline in broad terms the impact of efficiencies gained over the past five years in Queensland Rail on this year's budgetary position, and will the continuation of existing measures provide the savings and efficiencies necessary to make Queensland Rail competitive?

Mr O'ROURKE: Over the last five years, Queensland Rail has engaged in one of the most significant programs of reform of any railway in this country and that program is continuing on foot, as I mentioned earlier, with a target to head to world's best practice in all of our businesses. In terms of productivity improvements, the railway has shown productivity improvements on an average of about 12 per cent over the last five years and our staff numbers have reduced from about 21,000 down to 15,000 over that period of time, and I believe that that whole process has been handled in a proper manner in that there has not been any forced redundancies and no-one has been forced out of the organisation.

Our locomotives and wagon productivity have increased at quite dramatic rates. What we have seen over the period of five years is a growth in our business from about 80 million tonnes to somewhere around about 96 million tonnes, and we are looking at forecasts of about 117 million tonnes by the turn of the century. In fact, the outlook for the 1996-97 year is that Queensland Rail will carry about 107 million tonnes of freight, which is the first time any railway in this country has ever carried that amount, which is about 46 per cent of the freight tasks of railways in this country.

Mr ELDER: So will the continuation of the existing measures provide the savings and efficiencies necessary for you in the forthcoming year?

Mr O'ROURKE: Yes, we believe that the programs on foot will take this organisation to a position where its freight business will be at world's best practice by the year 2000. Its coal business will be at best practice also by the year 2000.

Mr ELDER: Minister, what policy changes have you put in place then, bearing in mind that last answer, since February 1996 to actually improve efficiency and productivity in Queensland Rail?

Mr JOHNSON: What we have done here—the infrastructure in Queensland Rail, there is certainly an area there for a lot of money to be spent and we are addressing the needs of infrastructure upgrades. As you are well aware, the \$590m upgrade of the northern line that was put in place by your administration will be completed by the end of this year. There is \$162m to be spent on the northern line from Mount Isa to Townsville, and that is well under way at the moment—concrete sleepers from Hughenden back to Townsville and steel sleepers on to the west. The other thing is that we have just put in place a deal with Austrak for a sleeper building business that will supply 350,000 sleepers to upgrading of that line and concrete sleepers will

employ 30-odd people in Townsville. This is all capital works programs that are going to be going towards upgrading the infrastructure of Queensland Rail. We are going to be spending \$14m on the Drummond Range between Alpha and—

Mr ELDER: Minister, I am aware of your capital works program. I want to know what policy changes.

Mr JOHNSON: Well, the policy changes are that there is no policy changes, as such. What our policies are—I think they have been set in granite and the situation is that we are about rebuilding the infrastructure of Queensland Rail and we are doing exactly that.

Mr ELDER: Is Mr Terry Fisher here? In 1992, the railway workshops strategy predicted significant falls in workloads over the next five years, largely arising from reduced demand from the freight group. Is that trend still evident?

Mr FISHER: In terms of maintenance work, yes, and the reduction in that maintenance load was due basically to a scrapping of a lot of old wagons, but indeed that is on the operational side of the business. In fact, on the capital works side of the business we have gone into a new business of constructing wagons.

Mr ELDER: So the increases have been there?

Mr FISHER: Effectively, we have had a reduction in work in one area of the business and an increase in work in another.

Mr ELDER: Is there sufficient work for the centres of excellence at Redbank and Rockhampton? Are they operating at full capacity?

Mr FISHER: The workload at both Rockhampton and Redbank over the next two to three years in fact will be increasing slightly with our capital works program, particularly the overhaul programs are in place around about to 1998 and the current level of employees employed at both Rockhampton and in certain areas at Redbank will be there in the foreseeable future.

Mr ELDER: So not quite yet at full capacity, but gearing up to 1998?

Mr FISHER: Yes, the developments of the workshops will be completed around about December 1997 and will be fully operational by December 1998.

Mr ELDER: Does the Stuart one-stop shop have sufficient work to operate at full capacity?

Mr FISHER: Yes. In terms of the one-stop shop, that is, within the freight group—it does not generally come under my responsibility, but the one-stop shop at Stuart became fully operational in March of this year.

Mr ELDER: So are the workshops group nearing the stage at which they can be competitive across the broadest range of operations, say, with the private sector—if you were running that comparison?

Mr FISHER: As we move through the next two years, the answer to that question will be a definite "Yes". Indeed, over the statements that Mr O'Rourke has made of moving to best practice by the year

2000, the workshops group will be moving to best practice by 1998.

Mr ELDER: In a question on notice that you answered, there was a reduction of 154 staffing positions, or about 8.5 per cent of the work force, in the workshops group over this year. Where have all those particular groups come from?

Mr FISHER: Could you repeat that?

Mr ELDER: A total of 154 staffing jobs in the work force of the workshops—about 8.5 per cent of your work force—will go this year. Where will those jobs come from? That was an answer to a question on notice that I was provided.

Mr FISHER: In general, the reductions are across each of the workshops within the State. In particular, the major emphasis will be placed on Ipswich and Redbank as we close the Ipswich workshops next year. Further to that, we are actually employing some additional people on a fixed-term basis to meet what we believe to be future commitments in the Capital Works Programs and a number of initiatives, as the Minister pointed out, in respect to bringing private work into the workshops.

Mr ELDER: In relation to those 154 particular positions, can I get on notice where those particular staff reductions will occur? You have said Ipswich. Do you have that there?

Mr FISHER: No, I do not have the detail of that.

Mr ELDER: Can you provide it?

Mr JOHNSON: Yes.

Mr HEALY: Minister, I refer again to the Capital Works Program. There are a couple of areas on which I would like you to expand. They are both in regional and remote areas of Queensland. You touched on one earlier, that is, the Drummond Range, and the \$14m to be spent on that, with \$3.3m in 1996-97. I ask you to expand on that particular project. Could you advise when it is expected to commence? The other one is in relation to rolling stock maintenance facilities at Charleville, Alpha and Hughenden—noting that an amount of half a million dollars is to be spent on the Charleville depot in 1996-97. Could you expand on both of those initiatives?

Mr JOHNSON: I will deal with the first part of that question first. In relation to the Drummond Range, which is located between Anakie and Alpha—as you are probably well aware, there have been some major derailments there in recent years, and this has been detrimental to the patronage of QR. It is something that has worried us greatly. We have given a commitment to spending \$14m there over the next five years to upgrade that piece of rail in question. There is \$3m allocated in the budget this year.

As you are well aware, there was a commitment from us prior to going into Government that we would do something about rebuilding the rail infrastructure at Alpha and putting in a new greenfield site at Charleville and upgrading the facility at Hughenden. If I could just go back to Alpha—the situation there is that that work will be

carried out by some 15 to 18 men who will be based at Alpha. That work will also be carried out over those five years. They will be utilising part of the now disused railway locomotive facility in Alpha. These people will provide a very important and very integral part of that Alpha community by putting more roads back into that community but, at the same time, carrying on the business so that we can get QR's business to grow in that part of Queensland. The Spirit of the Outback is taking some eight hours to traverse the piece of track between Emerald and Longreach, which is totally unacceptable. We believe we can knock considerable time off that trip by the upgrading of that piece of line in question.

If I could move on to Charleville—we have made provision in the budget this year to spend \$500,000 towards a greenfield site for a field maintenance facility that will carry out running repairs to wagons, especially on the Quilpie line and the line just east of Charleville and also the Cunnamulla line to the south of Charleville from Westgate south. Over a period, a lot of those wagons have been pushed into some of those yards and left there in a derelict state, whereas with this type of an operation we believe that it can probably provide employment for somewhere between eight and 10 people. We can carry out a lot of the routine maintenance work that will enable us to allow those wagons to become functional again and be able to carry on—whether it be in that area in question or somewhere else—without having to drag them back to a major centre for repairs and rebuild.

As to the other part of your question in relation to Hughenden—there is already a railway maintenance facility there. It is anticipated that approximately five tradesmen will be employed at Hughenden on an ongoing basis. Whilst these tradesmen will be employed there, we are currently looking at ways of gathering further business for that facility. As you are well aware, in time we are hoping to do an upgrade on the Hughenden-Winton line. It is certainly not going to be pulled up or mothballed. However, I believe that, with the marketing ideals that we have in mind for QR, we will be able to grow that business—whether it be through tourism or some other need—and there will certainly be a greater need for that Hughenden facility.

Mr HEALY: I am going to take this opportunity of asking a question specific to my own electorate. It is in relation to the heritage-listed Toowoomba Railway Station. Included in that complex is a historical refreshment room complex, which is very near and dear to many people in the Toowoomba area. I know that Queensland Rail has been looking at this particular project over the last couple of months. Could I ask you to outline what is proposed for that complex?

Mr JOHNSON: I know that this is an area that is very near and dear to your heart. I congratulate you on the hard work you have put in there in trying to maintain that facility in Toowoomba. Queensland Rail has an obligation to carry on with that facility there in question—the railway workshop. As to the diesel locomotive shed—that facility will be retained. We will be working on full retention of that facility.

We have given that commitment to the people who work there. I think they know full well where we are coming from. I have given that commitment, and QR has given that commitment in your presence. That facility is a very important and very integral part of Queensland Rail's ongoing everyday needs in that area in question. This year, we witnessed on the downs the first wheat crop in probably six and a half years. That qualifies even more so the need for the retention of that facility. We have in place at the moment a vision for the upgrading of that workshop there. That is something that we are currently working through with Queensland Rail and the Government as to exactly how we will do that. I can assure you and the people who work within that facility in Toowoomba that we will be entering into consultation with them on exactly how we address that area in question. What was the other part of your question?

Mr HEALY: The railway station and refreshment rooms.

Mr JOHNSON: As you are well aware, the railway refreshment rooms in the old Toowoomba station were closed down in July this year after 117 years. These rooms are the last of their type in Queensland. They stand among a handful of similar vintage refreshment rooms across Australian railways. Queensland Rail proposes to fully restore those rooms in question to their former glory whilst retaining the old architecture and the character of the period. Once completed, they will forever be a monument to the history of Toowoomba and the railway station there in question. As you would be well aware from the day that you and I and some of the people from Queensland Transport were there, the old crockery, cutlery and silverware has faithfully been preserved and is still in use today. That is certainly part of the attraction that we want to provide for there. Whereas we are about promoting these rooms, we are also about encouraging people to take advantage—once this is put in place—of coach tours there for, say, Devonshire teas, lunches, etc. The venue will also be available for hire for conferences, weddings and other functions. We believe that it is certainly going to be one of the heritage value areas of Toowoomba. We are currently waiting on a consultant to provide us with a report on how we will restore those rooms and how we will go about putting that procedure in place.

Mr BAUMANN: I know that you are very well aware that noise has been a major issue at various places along the Gold Coast rail corridor. Could you or one of your officers please comment on what action is being taken by QR to address those noise issues, particularly in the section that is already constructed to Helensvale? Could you also comment on what initiatives are being undertaken on the extension further to Robina?

Mr JOHNSON: As you are well aware, the Gold Coast rail line has not been in operation for very long. In the past seven months and during the initial works on the completion of the track and getting the facility operational there were noise issues, and there are still a lot of areas of noise amelioration that we have to contend with. That is

not only applicable to rail but also applicable to Main Roads. The Beenleigh-Helensvale section, if we can call that Stage 1—details of the proposed action to address noise complaints received from commencement of operations are as follows: operation noise study completed Stage 1, July 1996; recommendation completed on further noise mitigation measures at four sites and further monitoring at five sites; letters to all complainants on Stage 1 were sent in August detailing noise study and recommended extension to barriers; further noise studies at the five locations were completed 13 September with one further noise barrier extension recommended; additional study at Monterey Keys area is being undertaken on the installation of noise barriers on the QR boundary as well as the Department of Transport boundary. That will enable negotiation with Department of Transport on the funding for that.

Stage 2, Helensvale-Robina—inspection of Stage 2 noise barriers was undertaken and recommendation forwarded on minor extension, etc., to avoid the problems experienced by Stage 1 barriers. Approximately 13 kilometres of noise barriers will be constructed on the entire Gold Coast railway at a cost of \$4m.

Future actions—letters will be sent to five further monitoring study areas advising results of study and that QR proposes an extension of one barrier only. Upon completion of Stage 2, a full operational noise study will be undertaken to determine the effectiveness of noise barriers. That will be communicated to adjacent residents. Quarterly update letters to residents on Stage 1 will be sent advising the progression of full IMU services—full implementation is expected by September of 1997—and progress of additional noise barriers. You can see that we are working very hard in addressing this problem. As you can also understand, through budgetary restraints, we don't have the dollars available to us to address the needs of all people. But we are conscious of the fact, and I can assure you that we will be doing everything in our power to address the problem areas.

Mr BAUMANN: Thank you for the effort in that regard. I will stay on the subject of that particular rail line and acknowledge that the railway extension to Helensvale thus far has been an outstanding success. We are aware that that extension is well under way. Could you give us an update on the progress of the extension of the link down as far as Robina?

Mr JOHNSON: In relation to that piece of track in question or proposal, the Stage 1 to Helensvale as you are probably well aware commenced operation on 26 February 1996 with a full 30-minute peak service frequency utilising all available IMUs and SMUs. Stage 2 is currently under construction for a targeted completion date of December 1997—that's this Christmas—opening to Robina.

Current major works are as follows. Civil 7 contract, Helensvale-Nerang—the contractor there is Abigroup Contractors. The current cost of that contract is \$10.5m. The contract was awarded on 7

September 1995. All works were expected to be completed by mid-October 1996.

Civil 8 contract, Nerang-Robina—the contractor there is the Leighton group of contractors. The contract cost is \$18.5m. The contract was awarded on 12 July 1995, and all works are expected to be completed by early November 1996. Civil 10 contract, Nerang station area works—the contractor there is Epoca Constructions Pty Ltd. The cost of that contract is \$1.4m. The contract was awarded on 2 July 1996. Works are under way with completion expected January 1997. Power signalling, Helensvale-Robina—the contractor is Kilpatrick Green Pty Ltd. The contract cost is \$2.4m. The contract was awarded in July this year—1996—and works are on schedule to meet the targeted commissioning for the end of 1997.

Material supply contracts, that is, for track works, overhead wiring and electrical supply—all works are in hand to meet the construction program. Supply of the extra six 3-car IMUs, ex Walkers-ABB Maryborough—the current schedule for delivery is April-October 1997. I inspected some of those units when I was in Maryborough about 10 days ago, and they are certainly on target for delivery by that time. The full IMU fleet should be in service to meet the end-1997 completion to Robina. I am happy to say that everything is on target in that area.

Mr BAUMANN: I return to Citytrain. I understand that there has been a trial of personal distress buttons during 1995-96 by Citytrain. Has that been successful? What is proposed in the future?

Mr JOHNSON: Those distress buttons have been trialled. There has been a lot of hearsay that we have totally disregarded that concept, but we have not. Personal distress buttons were trialled at Park Road during 1995-96, but the results were inconclusive. Those devices now require a more rigorous test before commitment could be given to their wider adoption throughout the Citytrain network. The personal distress button system has the following features. They offer increased security for passengers at rail stations and car parks. The buzzer activates a siren at the station with flashing lights and also sends a message to main control that identifies the person in distress. Where video surveillance equipment is available, it can be used to view the nature of the incident. A message can be conveyed via the centralised public address system to warn off an offender. Main control can contact the police or security staff.

Whilst providing a greater degree of customer confidence in respect of security and acting as a deterrent, the system is highly dependent on effective response times by police or private security guards, which would impose increased operating costs for Citytrain and hence Government. This is largely because the rail network is very spread out over a route of approximately 300 kilometres for six urban lines. As you are well aware, we are catering for about 112 stations. Mr O'Rourke might like to elaborate on that.

Mr O'ROURKE: We are having an additional trial of those personal distress buttons. We will be

bringing them in to another nine stations very shortly. I think that the first test, whilst it proved certain things—we need to do a bit more work on that. Another nine stations are now going to be involved: Bald Hills, Toombul, Ebbw Vale, Oxley, Wynnum Central, Kingston, Northgate, Strathpine and Indooroopilly. We are planning to introduce those some time during October. I think personal distress buttons are a part of the overall program of security initiatives that Queensland Rail has in place.

I would just like to say that we are now starting to have some significant improvements in terms of controlling vandalism and graffiti on the Citytrain system. The dollars that were involved in vandalism on trains were about \$605,000 in 1994-95; this year, we have got that down to almost half, to about \$330,000. The cost of graffiti on trains has also declined significantly: where it was about \$310,000 in 1994-95, it is down to about \$180,000 this year. So I think the combined effects of cameras on trains, the tests on personal distress buttons and the whole issue of greater surveillance through our services is having a big effect on improving the security of our trains.

Mr ELDER: I have a number of questions remaining on rail. I am going to try to squeeze them in in the time available. I just need, if I can, precise answers. If they are not, then I will just move on.

I want to complete my line of questioning of Mr Fisher in relation to workshops. To achieve the level of efficiencies that you require within the workshops area, will there be any need to further reduce the total number of employees in the workshops group if you are to meet world's best practice?

Mr FISHER: The original strategy that was agreed to in 1992 considered against the then workload and the forecast workload that we would reduce employees from around about 2,900 to approximately 1,100 people. We currently have a situation where we have got about 1,600 permanent people and around about 250 fixed-term people. As voluntary early retirement continues to 1998, we would see the reductions continuing to around the 1,100 to 1,200 people, thus achieving the level that we consider to be efficient.

Mr ELDER: Minister, are you comfortable with the ongoing reductions in the number of employees in the workshops group to ensure those efficiencies and competitiveness?

Mr JOHNSON: The situation is that we have addressed this need. What I am saying here in relation to our policy is that we are certainly working on retaining the number of personnel we have got and utilising the personnel we have got. What Mr Fisher has said is that we are certainly going to have reductions in some of those areas, and whilst we have given commitments to Townsville—we are certainly going to grow that business in Townsville—a key issue in relation to the level of work in the workshops is that this Government now explicitly recognises the community service nature of the some of the workshops rather than telling QR to hide it. For example, the Townsville workshops and the Charleville depot are exactly where we are coming from there. If I could say that this Government is also

about focusing on regional areas. That is why we are keeping that workshop in Townsville operational. You made mention earlier to a question to Mr Fisher about the business of the one-stop shop at Stuart. Certainly we are in the business of growing that business. As I said earlier about Redbank, Redbank is going to be a state-of-the-art shop and we—

Mr ELDER: I understand that. I am just simply asking—

Mr JOHNSON: The thing is that we are going to have certain cutbacks there; there is no doubt.

Mr ELDER: I am simply saying that if, as you outlined, you are going to meet world's best practice—to be efficient, to be competitive, to actually take on issues like third-party access—and to do all of those things that you say you will do with Queensland Rail, are you comfortable with the reduction in the number of employees in the workshop?

Mr JOHNSON: Very, very comfortable.

Mr FISHER: Could I add to that? Over the period—

Mr ELDER: No, no, he is not comfortable—or is he?

Mr MACKENROTH: He said he is.

Mr FISHER: I was just going to add to the point that the reductions that are taking place within the strategies depend on the workload and depend on us achieving and getting work outside of Queensland Rail. I would like to put it to the Committee that we have taken on 250 people over the last two years.

Mr ELDER: I understand what they depend on, Mr Fisher. I am asking whether the Minister is comfortable with that same prerequisite.

Mr JOHNSON: I think you would have to agree that we are growing that business, not winding it down.

Mr ELDER: Do you support the freight group achieving a break even point for its operations? What is the current target time frame for reaching that break even point?

Mr JOHNSON: What was the last part, I am sorry?

Mr ELDER: Do you support the freight group achieving a break even point for its operations? What is the current time frame for that?

Mr JOHNSON: To the first part of the question: yes, we certainly do support the freight group reaching a break even point. You have also got to remember that this Government is committed to also supporting the community service obligations, which we are about, and I know you were about, too, when you were in Government. I think we have some \$630m in the budget this year for our CSOs. The target for reaching that group is the year 2000, and that is where we stand at this point in time.

Mr ELDER: Fine. Is Mr Case there from the freight operations? I note your staffing profiles have fallen by some 793 full-time employees—nearly 13

per cent of your work force. Where have all of those particular jobs come from?

Mr CASE: Mr Elder, I cannot locate that number of 793. Where did you draw that from?

Mr ELDER: That is straight out of that question on notice that I received from the Committee. I know you are representing Mr Hensch. If you have not got it, I am quite prepared to take it on notice.

Mr CASE: I think that is a fairly wide-ranging question and we would have to take that on notice. It comes generally across the whole system.

Mr JOHNSON: Are you happy with that?

Mr ELDER: I am happy with that. That is fine. I note in that that the reduction in 1995-96 was only 158 positions. Can you explain why there was such a small overall reduction in group staffing levels, then, during 1995-96?

Mr CASE: Yes, I believe I can. The main line upgrade works have been going on now for several years. It was during the last financial year that we took on some 390, 400 fixed-term people to complete that work. They are due to finish about the end of this year.

Mr ELDER: Mr O'Rourke, does the freight group have a projected staffing level for the achievement of a break even point in terms of its operations?

Mr O'ROURKE: The break even number for freight in the year 2000 would be something of the order of about 4,000 people at that period of time. That is over a period of five years and, if I might say, the progress of Queensland Rail in matching its staff levels with its workloads will be at a slower rate than has occurred over the last few years. I believe that, with the programs that are in place, we are able to manage those different staffing levels in a caring and sensitive way across the system. Really, what is happening is that a lot of the investment that we are now putting in place is starting to come on line right across the system. As Mr Case mentioned, a significant issue there is, of course, the main line upgrade program where we have got quite a large number of fixed-term people who were engaged for certain periods of time.

Mr ELDER: So roughly 4,000 by the year 2000?

Mr O'ROURKE: It is of that order.

Mr ELDER: What is the current loss incurred by Q-Link? Is there any prospect of Q-Link operating profitably in the foreseeable future?

Mr O'ROURKE: If I might say, Q-Link will break even in a couple of years. If I go back in history, Q-Link initially was costing about \$112m to earn \$15m. At the moment, the revenue for Q-Link is of the order of \$37m, \$38m and our costs are down to about \$60m. So it is getting close. That is on a fully distributed basis. I would expect by well before the year 2000 that our revenues will get to the levels of about \$50m and our costs will be saved and that the Q-Link business will be a thriving business. Of all the railways in Australia, Queensland Rail has continued in modernising its small freight business. We believe it is a good business providing good

services to country Queensland, and it is a business that will break even.

Mr ELDER: Within two years. How many staff are employed now within the Q-Link operations?

Mr O'ROURKE: I think Q-Link, all up, is of the order of about 400 people.

Mr ELDER: Minister, in light of a number of answers from your officers, are you comfortable with the ongoing reduction in the number of employees in the freight group to ensure that the efficiencies and competitiveness targets that you have set yourself are met?

Mr JOHNSON: We are comfortable. Going back again to Q-Link, as Mr O'Rourke reiterated, the staffing levels are around 400. Part of the policy of this Government is that we have always said that we would disband the Road Transport Division of Q-Link and reoffer it to private enterprise. Those people currently employed in the division will be melded into the network of Queensland Rail. There will be no jobs lost there. We are about growing that business to keep the complement we currently have.

Mr ELDER: So you will meet the election policy by selling the road network side of the Q-Link?

Mr JOHNSON: Where duplication is provided against Queensland Rail.

Mr ELDER: And provision——

Mr JOHNSON: And, if I could add, where currently there is no private enterprise operating in some of those rural communities, Queensland Rail will provide that service.

Mr ELDER: No employees will be lost?

Mr JOHNSON: They will be melded back into the network.

Mr ELDER: And are you quite comfortable with those ongoing reductions in the number of employees in the freight group as outlined by your department?

Mr JOHNSON: Yes.

Mr ELDER: Mr O'Rourke, in relation to the Whyte Island refuelling facility, can you advise whether any money has been set aside for the relocation of this facility?

Mr O'ROURKE: The Whyte Island fuelling facility was a capital investment of the order of about \$3m. Operations are continuing there. It is quite a modern and efficient facility.

Mr ELDER: Has any money been set aside?

Mr O'ROURKE: There are no dollars set aside for any re-establishment of that facility.

Mr ELDER: Has any money been set aside for the relocation of that facility?

Mr O'ROURKE: There is no money set aside for the relocation of that facility.

Mr ELDER: Has any money been set aside to investigate its relocation?

Mr JOHNSON: If I could take over from Mr O'Rourke and say to the honourable member that we are certainly looking at the situation in relation to this

facility. We never agreed with the location of that facility in the first instance. We are currently confronted with the situation that, if it is removed, it is going to cost in the vicinity of \$2m. That is why, at the moment, we are talking with the environment people, in conjunction with Queensland Rail and Queensland Transport, to look at exactly how we will address this anomaly.

Mr ELDER: Has any money been set aside for the relocation?

Mr JOHNSON: At this moment no, but if we have to we will certainly be finding it.

Mr ELDER: Has any money been set aside to investigate the relocation of the facility?

Mr JOHNSON: We are currently looking at the future of that facility. No, no money has been set aside.

Mr ELDER: Has any money been set aside for an environmental audit on the facility?

Mr JOHNSON: I think the environmental audits have been done in the past. It should never have been built there in the first place and we have been left holding the baby with this one. We will certainly address it as time progresses.

Mr ELDER: Has any money been set aside for an environmental audit of this facility?

Mr O'ROURKE: Mr Elder, if I might answer that question, as part of the development of the Whyte Island facility there was quite a comprehensive environmental plan in place for the site. There were discussions with the environmental people at that time.

Mr ELDER: I am familiar with the project. I am asking the Minister and yourself: has any money been set aside for an environmental audit of this facility?

Mr O'ROURKE: There is.

Mr ELDER: How much?

Mr O'ROURKE: Not in terms of dollars. It will be part of our overall environmental management plan, but we are in the process of having an audit on that facility.

Mr ELDER: I know that you have environmental audit responsibilities. I am asking: has any money been set aside for an independent environmental audit of this facility?

Mr O'ROURKE: That is a question I would want to take on notice, because I am not aware of any money set aside for an external audit of that facility.

Mr ELDER: So the only activity would be internal audits or the auditing of environmental concerns raised within the organisation? It would be an ongoing——

Mr O'ROURKE: It would be part of our overall environmental management plan and, as part of our normal process, we engage consultants to do the work for us.

Mr ELDER: Mr O'Rourke, who has the responsibility for the noise barriers along the standard gauge line to the port?

Mr O'ROURKE: I guess at the end of the day the responsibility for that rests with Queensland Rail—the implementation of those barriers.

Mr ELDER: What money has been allocated for the erection of further noise barriers in the Wynnum area, other than those already planned in the area of Bernays Road, Wynnum West?

Mr O'Rourke: Of the order of about \$5m has been set aside for noise barriers on that corridor. The impact assessment study in 1992 identified that there were 22 sites to be dealt with along there.

Mr ELDER: Is that new money or carryovers from what had been planned previously?

Mr O'ROURKE: That money has been set aside. It is capital dollars that had been set aside to handle that program.

Mr ELDER: But money was set aside in last year's budget for the same purpose. I am asking: is it new money or carryover money?

Mr O'ROURKE: It would be carryover money from previous years that is allocated to put those barriers up.

Mr ELDER: Has any new money been allocated to that particular project?

Mr O'ROURKE: Not at this stage, no additional money. However, in the discussions we are having with residents along there, if it is required to allocate new dollars or new money for additional barriers, we will do so.

Mr ELDER: You will look at it in terms of the budget?

Mr O'ROURKE: Yes.

Mr ELDER: Are there any current plans to upgrade Wynnum North or Lindum Stations?

Mr O'ROURKE: I am not aware at this stage that we have any current programs to upgrade those stations. However, as an ongoing program for Queensland Rail, we are looking at modernising and upgrading all of the stations across our system. It's a matter of priority for a number of them.

Mr ELDER: In terms of station upgrades across the network, is there any new money or extra money in this year's Budget?

Mr HUNTER: The only funding that is there is for disabled access and for the TrainSafe program to provide security cameras and things like that. There is nothing specifically to rebuild stations.

Mr O'ROURKE: Just to add to that, as part of the normal provision of services, within our Citytrain expenditure area we are also doing works at a number of stations across the system, improving lighting, fencing and so on, as part of the general upgrading of stations without major capital expenditure.

Mr ELDER: I am aware of the time. I have three or four pages on TrainSafe and a whole range of other issues, but we are out of time.

The CHAIRMAN: The Committee will stand adjourned for 15 minutes.

Sitting suspended from 4.17 to 4.34 p.m.

The CHAIRMAN: The Estimates Committee will recommence with questions from Government members. Minister, what have been the benefits of the Government's decision to absorb the South East Queensland Transit Authority back into Queensland Transport rather than having it as a separate and independent organisation?

Mr JOHNSON: In answer to your question—in the debate in Parliament in late 1995 on the establishment of SEQTA, as you are well aware, the coalition totally opposed the formation of that body. However, it is believed that the role SEQTA planned was already performed by Queensland Transport. At the same time, we believe that the powers and the responsibilities of the Director-General of Transport were overlooked. We believe that the expertise was already in place within Queensland Transport to manage the planning needs of the department not only here in the south-east corner but across the whole of the State. Upon assuming Government in March this year, the coalition maintained its position through the merger of SEQTA into QT by delegating to the Director-General of Queensland Transport the responsibilities for SEQTA.

The coalition also enacted its policy position of separating Main Roads from Queensland Transport. So what we have done here in reality is put SEQTA back where it always should have been—within the confines of Queensland Transport. With the split in the department, the necessary organisational structure has been put in place so that the planning roles within QT are being carried out by that body—you can call it SEQTA, call it what you like. But the expertise in that area is now under the directorship of the D-G of Transport, whereas the other areas that it covered under Main Roads are under the directorship of the Director-General of Main Roads.

Some roles originally envisaged to be performed by SEQTA, such as the coordination of public transport services and the provision of integrated ticketing, are also being carried out by the Public Transport Division of Queensland Transport. Some of the key achievements of the new Transport Planning in South-East Queensland Branch include the finalisation of the draft integrated regional transport plan for the south-east corner of Queensland, development of proposals for a regional busway system focusing on Brisbane and planning for the upgrade of the northern section of the Pacific Highway. It is intended that this branch, currently totalling 9, will be increased in the near future to 12 personnel and ultimately 16. This compares with the separate bureaucracy of 40 personnel which was planned for SEQTA under the former administration. The new branch in Queensland Transport is highly focused on ensuring that south-east Queensland gets the best possible transport outcomes for Queensland, and we will be achieving this through the development and the implementation of the IRTP. It is doubtful that SEQTA, as originally proposed, could have equalled the department's record of achievement in transport planning over the last six months. The response from the department over that six months has been absolutely fantastic, and they have showed true professionalism.

Mr HEALY: Could I ask a question specific to far-north Queensland, and in particular Bamaga? As you are aware, the recent wet season coupled with heavy aircraft movements caused significant damage to the airstrip at Bamaga. Can you tell us what the situation is with the airstrip and what the Government is doing about ensuring that the communities at Bamaga retain essential air services?

Mr JOHNSON: That is a very contentious issue in far-north Queensland. The Minister for Families, the Honourable Kevin Lingard, has already raised with me the issue of the Bamaga airstrip. It is correct that the airstrip at Bamaga, which is currently owned by the Department of Families, Youth and Community Care, was damaged earlier this year. My Departments of Transport and Main Roads have already made preliminary plans for its reinstatement before the beginning of the next wet season. The airport was built during the Second World War on swampy ground. It appears that time, weather and wear have taken their toll. The Civil Aviation Safety Authority closed it to regional airlines a couple of months ago. I have spoken to numerous pilots who have flown into there. They have also told me of its unsafe condition. It is something that greatly concerns this Government.

The airport will be handed over to the Injinoo community after reinstatement, and it is expected that at least one of the regional airlines—that will either be Flight West or Sunstate—will resume services when this occurs. Currently, small commuter aircraft are providing connection services between Bamaga and Horn Island, which is only 12 minutes' flying time away. The expected cost of repairs to this airstrip is between \$1.3m and \$1.5m. The State Budget has provided funding for these repairs, with some of the funding—approximately \$300,000—to be provided by the Main Roads Department from its Transport Infrastructure Development Scheme and the balance to be sourced from the public transport infrastructure allocation in the Department of Transport budget.

Mr HEALY: My other question in this section is in relation to a number of media reports recently on the introduction of a hand-held computer device for use by Queensland police officers in assisting both accurate and rapid detection of offenders against traffic, transport and related legislation. I understand that this technology is part of the newly developed MINDA computer system. Could you explain the meaning of MINDA and briefly outline the benefits for enforcement activity since the system was initiated in Queensland?

Mr JOHNSON: Thank you for the question. The MINDA system involves a network of mobile hand-held computers operated by Queensland police officers and Queensland Transport enforcement officers. The MINDA enforcement activities commenced on 22 April this year and were initially confined to the south-east corner of Queensland due to the limited operational area of Telstra's mobile data network. Recently, MINDA operations were expanded to cover Townsville and Cairns following an extension of the mobile data network.

At present, there are 46 MINDA devices in operation, with 40 being utilised by Queensland police and the remaining by six Transport inspectors enforcing mainly registration and loading regulations in relation to heavy vehicles. Detection of offenders takes approximately four seconds and the patrolling officer has complete, accurate and up-to-date details of a suspect or his or her vehicle through access to details of vehicle registrations, driver licences, stolen vehicles and wanted persons via the mobile data network. Previously, this query process could have taken up to 20 minutes if the police radio channel was used.

However, preliminary statistics show that the first 18 weeks of MINDA operation include the following key results: detection of approximately 4,040 unregistered and uninsured vehicles being driven on public roads; the apprehension of 2,400 persons wanted on warrant, and the vast majority involving outstanding fines for significant amounts; and the detection of 2,430 persons driving vehicles on public roads whilst unlicensed. Expenditure on MINDA to date includes the development cost, which has been approximately \$1m; however, additional revenue from fines, penalty and registration fees collected is estimated to be \$3.5m.

Mr BAUMANN: I refer you to page 1-9 of the MPS, in particular the table detailing program outlays for the Transport Planning and Coordination Program. I note there the allocation of \$8m for a new initiative funding the Pacific Highway busway. I ask you or one of the relevant officers to highlight the significance of the construction of a busway in the reduction of traffic congestion, and hence more efficient use of the available road space.

Mr JOHNSON: As you are well aware, this was a key election commitment from this Government, and as you are also well aware, we are about building a world class motorway to be constructed between Brisbane and the Gold Coast. The northern end, between Brisbane and the junction of the Pacific Highway and the Logan Motorway at Loganholme, will receive a major boost in capacity and safety by the investment of \$520m over the next five years. However, the entire South East Freeway and the northern end of the Pacific Highway carry larger volumes of traffic and it is a logical focus for public transport that will reduce the need for private motor car and other commuter-type vehicles.

A strategy of simply upgrading general motor traffic capacity would not be a sustainable, longer term solution, so the Government's strategy will include: construction of a two-lane, two-way busway with approximately 15 bus stations over the 14 kilometre section between the Brisbane CBD and the Gateway motor interchange; adding high occupancy vehicle lanes on both sides of the existing carriageway over a 15 kilometre section between the Gateway motor interchange and the Logan Motorway, which will encourage the use of public transport by ensuring a congestion-free run for buses between the CBD and Loganholme; and using a bus will be faster than driving in peak periods, and we believe we can chop the time here by some 20 minutes.

In addition, the high occupancy vehicle lanes will give a priority not only to buses but to cars carrying more than just a driver. Our current average for this period is about 1.2 persons, which is totally unacceptable and we would be happy if we could get that up around 2.5 or 3. If we want to arrest this decline and make better use of our road space, we have to take this serious step with the HOV lane. However, this \$8m will be used for the planning and development of the impact management of this busway concept, consultation, property acquisition, design and also in the preliminary reconstruction work, and that is currently in the planning stages now. Construction work is expected to begin in late 1997 and to be completed in the year 2001.

Mr BAUMANN: Population projections suggested that the population of south-east Queensland would increase by 60 per cent between the years of 1992 and 2011. This, of course, will undoubtedly place great strains on transport infrastructure and services. Perhaps you could outline what Queensland Transport is doing to manage the impact of this growth?

Mr JOHNSON: Queensland Transport is approaching the issue of travel growth in south-east Queensland through a major initiative to develop an Integrated Regional Transport Plan, or the IRTP as it is commonly known, in cooperation with the local authorities in the area from Noosa to the border and west to Toowoomba. Bear in mind that this was an initiative that was put in place by the former administration, and bear in mind again that we released this to the general public for comment just recently. It is only in draft form—there seems to be a lot of people out there who seem to think that this is set in granite, which it is not.

Rather than simply predict travel demands and increase road space accordingly, the IRTP sets desirable and realistic targets up front, and these are: to decrease the proportion of trips by private vehicles by 9 per cent, to increase vehicle occupancy by 6 per cent, to increase the proportion of walking and cycling trips by 5 per cent, and to increase the proportion of trips by public transport by 50 per cent. Going back to those earlier figures of private vehicles and the occupancy of 9 per cent and 6 per cent—we are hoping to increase even on that.

Funding for 1996-97 will be used to cover public consultation and detail implementation programs. Included here will be: the completion of the current draft Integrated Regional Transport Plan for the south east of the State, including community consultation and the development of an implementation plan for a totally integrated public transport system, and \$333,000 has been allocated in this year's budget for that; the South Coast Area Transport Study; assisting the IRT implementation in the Gold Coast area, and there is another \$135,000 for that; the Sunshine Coast Transportation Study, jointly funded by three councils and Queensland Transport, which has an estimated cost again of \$135,000; and Queensland Transport is sponsoring work to evaluate the technical feasibility of six key busway corridors and likely passenger demands in

the 1996-97 budget. We have earmarked there another \$500,000 towards that project.

Mr BAUMANN: I refer the Minister back to page 1-8 of the MPS, in particular to the development of a draft Integrated Regional Transport Strategy for FNQ 2010. We recognise that far-north Queensland is another high-growth area of this State. Perhaps you could outline what action Queensland Transport has taken to ensure that this region's needs are going to be addressed in the future?

Mr JOHNSON: This is another very important growth area. As I said in relation to SEQTA earlier, we talk about the needs of specific areas and, really, north Queensland is no different to the south-east corner. Queensland Transport has recognised the immediate and long-term pressures in the Cairns area and in far-north Queensland in general. To ensure that the transport needs of the area will be met, QT is the lead agency preparing the Integrated Regional Transport Strategy for the FNQ 2010 regional planning process. This will provide the framework and principles which the transport network will develop, support the economic development structure plan, land use planning and other elements of the FNQ 2010 regional planning process and be similar to the IRTP in the south east.

This demonstrates Queensland Transport's commitment to integrated transport planning and also the unique environmental and geographical constraints of urban development in the Cairns region. As a part of this process, we will have the involvement and the support of local government and other major stakeholders in the region. We will identify and prioritise issues, develop principles and frameworks for resolving issues and provide guidance for more detailed planning. The draft of the IRTS will be available at the regional planning committee in December 1996 and it will also be released for widespread public consultation in the first half of 1997. The IRTS has proved to be a cost-effective method to analyse the interaction of transport land use and ensure sufficient planning solutions. We have earmarked \$150,000 in this year's budget for that concept also.

Mr ELDER: I have a couple of questions about ports. I have condensed the port authority questions in relation to staffing levels and tonnages into one question on notice, which I will table. I have a number which I will ask. In terms of that, if you wish to take them on notice, fine, but I suspect you will be able to answer these. As the Minister would be aware, the FitzGerald Commission of Audit canvasses the privatisation of many of Queensland's publicly held assets, including the ports. It is a matter for the record that I am strongly opposed to such privatisation, in no small part because of the vital role that these ports play. Dotted right along the Queensland coast, they play a very important part in the development of industry and the creation of employment opportunities in their respective communities. They are very good corporate citizens who pay their way and have the best interests of their community as a fundamental guiding principle.

What policy guidance are you giving to the department and the authorities on this vital issue?

Mr JOHNSON: The situation is about growing the business—no different from Queensland Rail. The guidance we are giving to Queensland Transport and the departmental officers is exactly that. The port of Brisbane, the port of Gladstone and the port of Townsville are three major growth areas. We are about taking advantage of the opportunities that are available in the areas in question. Whilst there has been a lot of innuendo and a lot of talk about privatisation of ports, it is something that has never, ever been on my agenda. I certainly am in the business of making sure that we can keep those ports viable and operational within this State. I believe that, whilst the returns on the port of Brisbane are currently at about 6 per cent, I envisage that we should be able to be competitive with commercial rates of around 15 per cent. This Government certainly has an agenda to do that.

With respect to the ports—recommendations include reviewing non-core activities, such as the airports and city developments, with a view to enhancing competition and selling of these assets. Where the appropriate opportunities existed for rationalisation and privatisation of ports—not without extensive consultation again—they are now reformed as corporate entities. Whilst these operations themselves have the vision to be able to grow the business, they will certainly be doing that. We will be treating those operations as corporate bodies—no different from QR. As to the growth through, say, Townsville—we have a vision for Townsville with the north-west minerals province and the Korea zinc project, which your Government announced. We are certainly in the business of making these ports the best in the land. We believe that we are going to have operations there equal to anything in private enterprise and there will be no need for it at the end of the day.

Mr ELDER: Are there any budgetary provisions within your department or within the various port authorities to facilitate further investigation of privatisation options?

Mr JOHNSON: No, there is not.

Mr ELDER: The Federal Transport Minister, John Sharp, said on the *7.30 Report* last Monday that he would use competition payments as part of a process of encouraging State Governments to reform port authorities. He also said that he saw privatisation as being an important part of the process. Has the Federal Minister or anyone else indicated to you that competition payments, which mean at least \$40m a year to Queensland, will be withheld unless you proceed with the privatisation of port authorities in Queensland? What actions will you be taking to address your party's clear policy in support of the privatisation of Queensland ports?

Mr JOHNSON: In relation to what you have said that the Federal Minister has said—at no time have I had dialogue with him. No standover tactics have been put on Queensland to conform with Federal policy. You say that \$40m will be withheld. I have never—

Mr ELDER: I did not say that. That was John Sharp's comment.

Mr JOHNSON: You made reference to that in the question.

Mr ELDER: Yes. I am repeating what your Federal Minister said.

Mr JOHNSON: I have often talked with John Sharp. At no time have we ever discussed this issue. I believe that our ports in this State at the moment are in a very good position to take advantage of corporate gain and commercial gain. Whilst we can do that and whilst we can prove that, I do not think we will be seeing interference from afar.

Mr ELDER: What actions will you personally be taking as Minister to address your party's clear policy in support of privatising Queensland ports or otherwise?

Mr JOHNSON: The action I will be taking is to prove—and I will be saying this to the chiefs of the port authorities—that we have to be commercially viable and commercially competitive with our fellow ports around the nation. At the same time, we must attract foreign trade here so that we can take advantage of our unique geographical location to South East Asia and our other trading partners. That is certainly what this Government has in mind. We have a vision to grow Queensland Rail's business, interfacing with the port of Brisbane. We certainly have the same vision to do that with Gladstone. We have proven that we have that with the port of Townsville. We believe that, by addressing these visions that we have and by putting those projects in place, we are going to be in a very good strategic position to take advantage of not only our trading partners to the north but also a lot of the goods that are produced by the southern States, so they can come through our Queensland ports. That is exactly what we are about.

Mr ELDER: Does that mean you do not support the privatisation of port authorities?

Mr JOHNSON: At this time it is not a policy of this Government to privatise ports. You can ask that question all day and all night and my answer is going to be: no.

Mr ELDER: So you agree with your Federal Minister that, in terms of competition policy and in terms of competition payments, it is likely that they will encourage you to privatise ports or withhold competition payments?

Mr JOHNSON: No, that has never been a question at all. I believe that Queensland ports are exceptional when it comes to Australian ports. I think we recognise the problems that they have had industrially in the south. We have not had that in Queensland. We do not intend to antagonise the situation. We are about building and growing that business through our ports, and we are not going to alter from that vein. At the same time, we have to make our operations more competitive. We are certainly going to do that. All our port authorities have been instructed to do exactly that. They recognise that the illusive dollar is there. We have to grow that business—whether it is Brisbane or any other port for that matter. We certainly have a big

agenda for ports in this State. I can assure you that, at the end of the day, the people who work within those ports and the people who operate those ports are going to be up there amongst the best in the world, and that is exactly where we are coming from.

Mr MULHERIN: I seek leave to ask a couple of questions of the Minister.

The CHAIRMAN: Leave is granted.

Mr MULHERIN: I refer the Minister to the Ministerial Program Statements at page 1-14, note 1, which refers to the Mackay Small Boat Harbour. Last year's budget indicated that \$8m was set aside for this important facility. The Mackay Port Authority has committed \$6m up-front funding and requires an additional contribution of \$8m from the State Government for this project to proceed. The project could commence within six months if agreement could be reached on funding between the Mackay Port Authority and the Government. Whereas I acknowledge the Minister's commitment to this project, I ask: why has funding not been carried over from last year's budget into this year's budget?

Mr JOHNSON: The reason that the funding has not been carried over is that there are other important areas within the budget of Queensland Transport and Main Roads that we do recognise have to go ahead. We have not totally abandoned the concept of putting the money forward for the Mackay Port Authority. I have had constant dialogue with the Mackay Port Authority. As I have said on numerous occasions, we are working around how we are going to address this agenda.

Whilst the Mackay Port Authority said they had \$5m for this project and the former State Government earmarked \$8m for the project, we have said that we are working with the Mackay Port Authority. If they are prepared to spend their \$5m up front, we can come in behind them at a later date with the necessary funds. I believe at this point in time that the Mackay Port Authority have increased their estimated cost to \$16.1m for the whole exercise, against what it was—\$13m. So that means that we are looking for nearly \$10m—\$9.9m—Government and \$6.2m from the Mackay Port Authority. I will say this to you, and I have said it to you before: it is definitely not dead and buried. We are working with it. At the appropriate time we will be making a statement on it.

Mr MULHERIN: You are committed to the project. Will you guarantee funding in the 1997-98 budget, which would allow construction to commence in the 1996-97 year if the Mackay Port Authority is up front with their funding?

Mr JOHNSON: That is something that we are currently working with Treasury on. It is matter of finance again—finding those dollars. I am not saying, "No, we won't", and I'm not saying, "Yes, we will." I have given you the assurance that I am working extremely hard to get those funds so that we can go ahead with that project. This Government realises just what the benefits of that project will be to the City of Mackay. I know the hard work that you have put in, too, and the other members around Mackay, Ted Malone and De-Anne Kelly and a few others. We

will certainly secure those funds. At the appropriate time when we do, I'll make the appropriate announcement.

Mr MULHERIN: Is the fact that there is no firm commitment to funding the reason there has been no recommendation on who the developer is, considering the local Marina Assessment Committee forwarded its recommendations to the department on 25 June?

Mr JOHNSON: You know yourself—I think that that is a fairly obvious answer to that question. You know that, if the funding is not available, nobody is going to go out there and subject themselves to an operation, to a project, without knowing where the dollars are coming from. That would certainly be bad business. I wouldn't invite anybody to participate in entering into a contract with somebody if they didn't know if the dollars were there. That is certainly not something that will happen under my stewardship within the Department of Transport and Main Roads. But, at the same time, I'm not in the business either of hunting away people who do want to invest in Mackay or any other venture for that matter. As I just said, when we can secure those funds, I will certainly be talking to the Chairman of the Mackay Port Authority and to the membership of that board and stating to them fully what our intentions are and where we're coming from. I have said that at all times. That is the line I have taken in the past. That is the line that I'll continue to take. When we have secured those dollars through Treasury, I'll make that announcement.

Mr MULHERIN: Do you think the delay in putting that funding package together will turn those developers away? Do you think they will hang around while you try to come up with a package? When are you likely to come up with a package?

Mr JOHNSON: That is obvious. No-one is going to wait around while they wait for somebody to make a decision. If I was in the position of one of those developers and I was waiting for somebody to make a decision on where the funds were coming from, I would certainly get itchy feet and be looking for somewhere else to go, too. I will say this to you in all sincerity: I am greatly concerned about the people who have been involved in that project to date. I would certainly like to see something happening. I can tell you now that we are working behind closed doors to get this to become reality and to bear fruit. I am hoping that we can make a decision in the near while that is going to be beneficial and fruitful to not only the Mackay Port Authority but also one of those developers that you make reference to.

Mr MULHERIN: You referred early to privatisation and you stated that it is not your Government's policy at this stage to privatise ports. Do you intend to privatise airports such as Mackay and Cairns that are owned by the port authorities of Cairns and Mackay?

Mr JOHNSON: That is a question that has been levelled on numerous occasions. As you are well aware, the Cairns Port Authority owns the airport at Cairns and they have made a few noises

about that in the past. We are certainly listening to what they have to say. At this point in time, we don't have a decision on either of those airports. At the appropriate time, we will be making the announcement.

Mr MULHERIN: Do you believe that privatising those airports would deliver better services to the local communities of Mackay and Cairns and also to the business communities?

Mr JOHNSON: You could take that question a dozen ways. Some of these privately owned operations provide very good facilities; some Government owned operations provide very good facilities. I think that the service as provided by the Cairns Airport at the moment is very good. I know that there is tremendous growth there and I know that there is going to be tremendous growth in your own region around Mackay. I think at the end of day it is the way the operation is managed; it is the way the investments are put in place. At the end of the day, it is value for dollars—managed properly. We are talking about commercial ventures here; we are talking about, in a lot of instances, catering for the general public. You know yourself that you have to have the best operation to attract the people in question. I think at the end of the day, whether it is private or whether it is Government owned, they have to be commercially competitive.

Mr MULHERIN: I do not doubt that an airport has to be commercially competitive, but what is the difference between an airport and a port authority when it comes to privatisation? On the one hand you said that you are not committed to privatising a seaport, but you are leaving it up in the air, so to say, about airports.

Mr JOHNSON: I didn't say I was going to privatise airports.

Mr MULHERIN: Is it the policy of your Government to privatise the airport or is it not?

Mr JOHNSON: Our Government has made it perfectly clear that, whilst we can make those operations commercially viable, we will entertain whatever entity is in place at this point in time. The whole thing is, whether it is an airport, whether it is a port or whatever, we are in the business of making sure they are commercially viable, and that is exactly what our agenda is at this point in time.

Mr MULHERIN: So it is fair to say that it is not your Government's policy to privatise airports?

Mr JOHNSON: I am not saying what our Government policy is on that at this point in time. I think that a lot of this has come from the FitzGerald Commission of Audit. As I said earlier here today, that Commission of Audit is certainly not the total policy of this Government; it is not set in granite. I will say that, whilst there are probably some very good ideas and some very good decisions to come out of that Commission of Audit, at the end of the day it is not our policy.

Mr MULHERIN: Why can you not give the same commitment to airports as you have given to seaports?

Mr JOHNSON: At this point in time, as I just said, we will wait and see what happens.

Mr MULHERIN: You made reference to seaports—that it is not Government policy to privatise. Why can you not make the same commitment to airports?

Mr JOHNSON: The whole thing is that those airports that you are making reference to—you know as well as I do that they are not core business of those seaports, so therefore it is a totally different situation.

Mr MULHERIN: I beg to differ. I believe that the airport at Mackay makes a big contribution to the overall operations of the port authority. It contributes greatly.

Mr JOHNSON: That is your point of view. At the same time, you can say that—you can say whatever you like about it. But what I am saying is that, if it is commercially viable operation, why change it? You seem to be saying that there seems to be a hidden agenda there somewhere, that we have a hidden agenda to privatise airports, seaports or whatever other Government owned operations. You think somebody's going to be thrown out of work or something will be made less competitive. We are certainly not in the business of winding down operations and making them worse than they are. We are certainly in the business of growing those businesses, whether they be seaports, airports or whatever. At the end of the day, we want to retain those for the people of Queensland as commercially viable operations.

Mr ELDER: Minister, when can we expect a clear position on policy in relation to ports and airports?

Mr JOHNSON: I think our position on policy is perfectly clear at the moment.

Mr ELDER: You said previously that you were not going to discuss your policy. I just want to know when it will—

Mr JOHNSON: I think you will find that our policy is in place, that we have come to Government—

Mr ELDER: What is your policy? If your policy is in place, what is your policy?

Mr JOHNSON: You know what the policy is.

Mr ELDER: No, I do not. That is why I am asking the question. What is your policy?

Mr JOHNSON: Mr Chairman!

The CHAIRMAN: Order! Once the question is asked, the Minister is entitled to reply to that.

Mr JOHNSON: Thank you for your protection.

Mr ELDER: Point of order, Mr Chairman. I do not know the Minister's policy, and that is what we are waiting to hear—his policy.

Mr JOHNSON: You are not trying to bully me, are you? You would not bully me?

Mr ELDER: Would I attempt to bully you?

Mr JOHNSON: I do not think you would. Just

to take your question, you know what our policy is—

Mr ELDER: No, I do not.

Mr JOHNSON: We are certainly not in the business of privatising for the sake of privatising. You know where we stand with the ports. We have said that we are about making them commercially viable. If we can make them commercially viable the way they are, I think you know what our policy is. We have said the same with Queensland Rail. We have done that exactly. We are trying to grow that business. Whether it be any of the GOCs, we are certainly not in the business of throwing something away that we can make dollars out of for Queenslanders.

Mr ELDER: I am not attempting to bully you, I just need to know what your policy is. So far you have spent 15 minutes in not being able to state clearly your policy.

Mr JOHNSON: I have told you about 10 times, but anyway, you do not want to listen.

The CHAIRMAN: Time has expired for Opposition questions. I now revert to Government questions. I would like to move on to page 1-12 of the Ministerial Program Statements with regard to the Transport Operations (Marine Safety) Regulation. I understand that the Government is addressing major concerns about the current arrangements for marine safety administration in Queensland. What are the proposed changes and how will these changes impact on the marine industry? I am particularly interested in how those changes will affect the designers, the builders and the ship operators operating under the current system?

Mr JOHNSON: In answer to your question, this is an area that has been of great concern to the Government—the marine safety area. Under the Transport Operations (Marine Safety) Act, we are about to introduce new legislation that will address some of the anomalies that are currently in the existing legislation—something that we always opposed. The current industry concerns include the low profile of marine safety in Queensland as a result of the abolition of the former marine board, threats to the national and international competitiveness of ship designers and builders, and difficulty in operating Queensland ships interstate due to the non-availability of a Government inspection service for Queensland-built vessels. This is something that greatly concerned us and all the shipbuilders and the boatbuilders within this State have been isolated from the domestic market and the international market as a result of the former legislation. That is something we are about, once again, addressing—to regrow that business, to have reinvestment in Queensland so that that industry can again become the forefront of shipbuilding in this nation.

The current legality of proven safe operational practices approved by the marine board is not reflected in the current legislation and there is difficulty in gaining approval for major national and State aquatic events in this State. Since we have been in Government, twice we have had to have emergency Executive Council minutes put through

so that some of these events can be put in place and allowed to perform on a certain date at short notice because of the restrictions by the former legislation. This is totally unacceptable and something that this Government does not wear. Whilst it has got restrictions on the investment in the boat building industry, it also has great restrictions on the recreational industry within this State.

Once we do create the new marine board, it will be made up of marine industry representatives. The board's functions will include an advisory role to Government. It will provide an avenue of appeal against departmental decisions affecting a person's safety obligations, it will recommend official marine casualty inquiries and approve exemptions from the Act and regulations where marine safety is not affected. It will also provide for a Government ship design and construction approval service. The fee for service will reflect the cost of providing that service and it will protect existing operators who have operated safely under the dispensations from legislation approved by the former board. Also, it will remove the administrative barriers to the holding of aquatic events in Queensland. There will also be minimal impact on the accredited ship designers, builders and surveyors as their current role will be preserved and also incorporated in the Government's approval systems.

The CHAIRMAN: I understand that Queensland Transport is implementing a system of as-of-right management for the operation of larger vehicles, such as road trains, B doubles, buses and overdimension or overmass vehicles. What are the benefits of this initiative?

Mr JOHNSON: As-of-right management of larger vehicles—what has really happened here is that it has released police officers from the issue of permits and is allowing more time to be devoted to other police issues, whether it be protection of life and property or whatever else; reduced the compliance cost of industry and Government without a safety detriment to the road-using community; it allows for productivity gains to industry with the potential to reduce transport on-costs to community; abolished permit-issuing processes conducted by Queensland Transport, allowing resources to be redirected to other sources; and eliminated permit fees which have imposed a cost on industry.

If I could say also, it would provide industry with standardised routes that are consistent in application to all operators. So we believe that it is a very responsible move and one that is going to be beneficial to industry at large.

The CHAIRMAN: Just further on that question, Minister—there is a perception by motorists that oversized vehicles will have a right to drive anywhere. That is not so?

Mr JOHNSON: No, oversized vehicles are not going to have a right to drive anywhere. Currently there is a trial in the south east of the State for B trebles. That trial has been under way for some time and is near completion. I will say as far as oversized vehicles having a right to drive anywhere—no, that is certainly not an agenda of this Government or the Department of Transport and

Main Roads. It is something we are very concerned about as road safety. We have had numerous complaints already about oversized and overlength vehicles travelling in some of our south-eastern corridors.

If I could say to you in conclusion: we are about and we are committed to road safety. We are committed also to upholding the laws of the road. Whatever type of configurations are involved we will certainly be addressing to make sure that it is conforming with the requirements of the general public at large.

The CHAIRMAN: Thank you.

Mr HEALY: Minister, can I refer you to the maritime program and particularly in relation to comments that have been made in the MPS in relation to the prevention of oil pollution. One of the major responsibilities of the program is just that. Could you outline Queensland Transport's involvement in marine pollution prevention and response?

Mr JOHNSON: In reply to the honourable member's question—in accordance with the national plan to combat pollution of the sea by oil, Queensland Transport is a lead agent for responding to oil spills in Queensland's coastal waters and the World Heritage listed Great Barrier Reef Marine Park. As part of this responsibility, Queensland Transport has developed detailed and specific contingency plans for responding to major marine incidents and associated oil spills. I will say these contingency plans are providing a high level of preparedness to respond to marine pollution incidents by ensuring strategic placement of specialist pollution equipment, a highly trained pool of response personnel, and regularly practised and thoroughly tested response plans.

Also, the benefits of QT's high level of preparedness was revealed recently with the response operation of the vessel the MV Peacock, which ran aground in Piper Reef up off Cape York. The grounding provided an excellent scenario to thoroughly test Queensland's contingency plans for marine incidents and marine pollution response. The incident occurred in a very remote and isolated part of Queensland's coastal waters—some 700 kilometres north of Cairns. Consequently, a substantial logistic effort was required to mobilise this vessel. I have to say the methods deployed by Queensland Transport were commendable because they did that without any spillage, loss of vessel, loss of life or anything else. They have to be commended for it.

Queensland is also recognised as one of the leading States in terms of marine pollution response. The officers from QT have been retained by the Australian Maritime Safety Authority to train personnel from interstate and overseas. So I think the record speaks for itself. We are justifiably proud that this depth of experience and planning resulted in exactly what I said a while ago about the MV Peacock.

Mr HEALY: Minister, I understand that the department is implementing a dealer interface system

which will change the way that motor vehicle dealers transact business with the department. How will this impact on the relationship with the dealers and affect the industry?

Mr JOHNSON: The dealer interface system allows accredited car dealerships to perform registration business with the department on an electronic basis. This will save time and money for both the industry and the department, and also for the insurance companies which could be involved in these deals. Dealers will no longer need to actually visit customer service centres to complete registration transactions. All business, from paperwork to automatic payment via the Reserve Bank, is performed electronically. This will save many hours of staff time. The department will not have to retype information into its own computer systems, as it will arrive and be processed electronically. This will save much time in busy customer service centres, which currently we have found to be overworked and understaffed in many areas. An enhancement in the next few months will assist insurance companies with more timely and accurate compulsory third-party insurance policy records. The benefit directly to the public will be that the department's registration records will be more up-to-date and accurate at a lower cost to the consumer.

The system has been piloted and has now been in use for approximately three months. It has been well accepted by the industry and looks like it will be installed in a growing number of sites very soon. Finally, the project is one of the first to use the Government-wide electronic message system and the project was specifically targeted at improving the department's relationship with the dealers.

Mr BAUMANN: Minister, at page 1-13 of the MPS, you have referred to a commitment to upgrade the marine incident database within Queensland Transport. What has been the trend of marine incident casualties in Queensland over recent years? What benefits can you see flowing from this upgrade?

Mr JOHNSON: The marine incident and prevention role played by this Government is an extremely important role. We have been looking at ways to improve the safety of lives and also of possessions. An important tool in developing the appropriate safety initiatives is to actively record and evaluate incidents in question. I will address some of those.

A total of 239 marine incidents occurred in Queensland during 1995, which represented an increase of 48 incidents or 25 per cent on the 1992 to 1994 annual average. However, while incident and injury levels increased, the number of fatalities decreased in 1995 when compared with the previous three-year average. Therefore, during 1995, seven lives unfortunately were lost, which is four fewer than the average number of fatalities over the 1992 to 1994 period. The number of persons injured increased in 1995 compared to similar periods in the previous years. Sixty-six persons were injured in marine accidents in 1995, 22 more than the three-year average of 44.

The analysis of marine incidents in the context of vessel registrations reveals that since 1991, reported marine incidents have increased by 7 per cent. One reason for the increase in reported marine incidents over recent years has been improvements in the data collection mechanism, such as following up incidents reported in newspapers, making marine insurance companies aware of the requirements of the legislation and also a quality management approach to the data entry. It is for this reason that the Department of Transport will be upgrading this database.

The major benefits of upgrading the marine incident database are that the maritime safety decision makers will be able to more effectively identify and qualify safety problems, and determine realistic policies and programs which will reduce the occurrence and severity of the marine incidents in this State, and also measure the effectiveness of introduced policies and programs through timely performance monitoring and being consistent with the national marine safety strategy goals. Other benefits include gaining efficiencies in processing and managing marine incident investigations and the provision of ad hoc data analysis and the production of half-yearly statistical reports for the Queensland Parliament. I believe that boating incidents in this State should be treated no differently to motor accidents. We are as gravely concerned about accidents on the water as we are about accidents on the road. That is one reason why we are going to be policing and monitoring this situation very closely.

Mr BAUMANN: I also understand that the Department of Transport is implementing a new school transport safety package. You would be well aware that many operators and organisations would be grateful for some more knowledge of the components of this new package. What issues will it address and what other potential benefits will flow from this package?

Mr JOHNSON: The School Transport Safety Consultative Committee was established by the former administration in 1994 and it comprises a range of school transport safety stakeholders. The coalition has encapsulated the recommendations of this committee in a new program called School Safe or Safest. The Safest package will consist of the following components: Safest guidelines, Safest subsidy schemes, the Safe Routes to School Program, the Safe School Bus Routes Program, the School Crossing Supervisor Scheme, Safest resource kits and Safest public information.

The Safest Subsidy Scheme will help to provide pick-up and set-down areas in schools by contributing a 50 per cent subsidy to local government for transport-related infrastructure work. Vulnerable road users such as pedestrian and cyclists will be targeted through the Safe Routes to School Program, which will be run at selected primary schools throughout the State. The issue of standees on school buses will be addressed through the Safe School Bus Routes Program. An initial safety assessment of particular routes identified by the Department of Transport will be conducted following a more detailed audit of those routes found

to be potentially hazardous. The Safest public information campaign will be an integrated program dealing with all aspects of school transport. Part of the campaign is a book entitled, "A Guide to Safe Schools Programs". Components will be integrated so that the public can access them through a single interface with the Safest package.

The Safest program addresses a number of school transport concerns that have been identified by the committee and other stakeholders. The package should therefore result in increased community satisfaction with the Government's commitment to school transport safety and therefore, at the end of the day, the safety of the kids and the people who use those systems.

Mr BAUMANN: Referring to page 1-18 of the MPS, I understand that Cabinet has given approval for the introduction of speed cameras on State-controlled roads in 1997. Could you expand on the approach taken by the Government in introducing these cameras to Queensland? Could you outline the expected benefits we may see from this decision?

Mr JOHNSON: This was a very contentious issue at the time, I can assure you. No doubt, the former administration, under the stewardship of Mr Elder—and he has a grin on his face! You certainly had this in place, didn't you, Jim?

Mr ELDER: I knew this would cause a lot of heartache for you when you made the decision.

Mr JOHNSON: It did cause me a lot of heartache, too.

Mr ELDER: I knew you would have some heart pangs about this decision.

Mr JOHNSON: We were honest with the general public. As I have said before in the House, and the honourable member will vouch for it, I was always totally opposed to speed cameras. I thought they were another method of reaping dollars off motorists to fund some other type of program for a Government. I have witnessed them in Victoria. The situation is, I believe, and this Government believes, that they are another mode of addressing speed management in this State. I know it is a decision that has not been well received by some people. However, I have to say that the RACQ carried out an analysis and 70 per cent of adults over 25 years of age supported the concept and 80 per cent of those aged between 17 and 25 supported it. The development of this strategy will be an improvement, and we are going to have a review of the speed limits through the State on State-controlled roads before this program will be implemented. It will improve the consistency and credibility of speed limits, implement and improve systems for deploying speed enforcement resources, improve enforcement technology, and use complementary public education programs to facilitate the perception of speeding as socially unacceptable and dangerous.

However, as I just said, these cameras will be utilised on State-controlled roads. It has been proven that over 50 per cent of all speed-related crashes occur on this part of the road network, which represents just 21 per cent of the total road network of Queensland. We believe we will save

some 7,900 hospital bed days per year, which will not only reduce the burden on the Health budget but will also reduce the stress in the lives of ordinary Queenslanders. We believe that we will also save some 70 lives on Queensland roads with the implementation of this program. That will save a lot of heartache and angst for Queensland families. Dead people do not have problems; the maimed and injured lying in hospital beds around the State with their loved ones caring for them are the ones who have problems. We believe that a lot of that will be eliminated. It is a plus, and I take full responsibility for it. As the Minister for Transport in this State, I believe we have to be responsible for the lives of everybody who uses our roads, walks along our footpaths and so on.

Mr HEALY: You have mentioned speed cameras and the review of speed limits in other areas of Queensland. The Queensland Road Safety Action Plan has been fairly well documented in the Ministerial Program Statements. Queensland's road toll was excessively high in 1995—456—and was the highest figure since 1988. Are there other areas that you can outline in respect of the Road Safety Action Plan which are designed to reduce the road toll?

Mr JOHNSON: Yes. In April this year, we launched the Queensland Road Safety Action Plan. A lot of people will say that we are introducing speed cameras to raise revenue. I hope we do not pick up \$1 from speed cameras. If we do not pick up \$1 but we save 70 lives or more, it will certainly be a winner. The top 10 initiatives in the action plan were put in place to try to make the Queensland public aware of what we are trying to achieve. You mentioned that there were 456 fatalities last year. That is far too many. We are up around 225 to 230 now, which is still too many.

We have a 10-point program to reduce road fatalities: first, the extension of Random Road Watch; second, the Statewide implementation of the Speed Management Strategy; third, a reduction in fatigue crashes; fourth, the coordination of road safety public education and enforcement campaigns; fifth, an enhanced random breath testing program; sixth, targeted pedestrian and cyclist countermeasures; seventh, extended use of red-light cameras; eighth, the implementation of the Driver Safety and Education Strategy; ninth, community-based road safety programs; and tenth, reducing the risk to young people.

Every two months, an implementation report will be produced with information from managers of each of the above programs on progress. It is expected that a high-level strategic steering group, for example, the Road Safety Council, involving representation from both Government agencies and the community, will be established to oversee the implementation and continuation of the policy of involving other Government agencies and the larger community in road safety. This Government is hell-bent on improving road safety. We will stop at no measure. If we can reduce fatalities on our roads, we will do everything in our power to do so. Queensland Transport will be working very closely with the

Queensland Police Service in doing exactly that. We do not make any apologies for that.

The CHAIRMAN: The time for questions from Government members has expired.

Mr ELDER: Minister, I have a question about your anti-speeding campaigns. It flows on from your answer in relation to speed cameras. What is the cost of the present campaign under way with the Police Service? I refer to the ad on television of a night-time featuring two police officers talking about how driving at 10 kilometres over the limit in certain conditions leads to fatalities. Does anyone have an idea of the cost of that campaign?

Mr BLAKE: The current campaign is one that we have just kicked off. In fact, we currently have allocated about \$200,000 for the running of those ads. But in the last financial year we received some additional assistance from the Motor Accident Insurance Commission to help with our anti-speeding campaign. We are anticipating that we will get some funding from the Motor Accident Insurance Commission this financial year, but those figures have not been finalised yet. When we do get a contribution from the Motor Accident Insurance Commission, it will be used to extend that program.

Mr ELDER: I think it is a reasonable program. The transcript of the ad indicates that the two police say that a young guy was driving too fast on a wet road, resulting in two people being injured and one fatality. The officer said that driving at about 10 kilometres over the limit was excessive, that it added six car lengths to the stopping distance and that, had the motorist been driving within the speed limit, he would have avoided the fatality. What value is there in that expenditure if police officers show discretion, as was the case with the Treasurer, in respect of people who drive at a speed in excess of 10 kilometres an hour over the speed limit?

Mr JOHNSON: The case of the Treasurer is something that is outside the responsibilities of anybody in this room. That question has been answered in another forum within this complex. To my way of thinking, whether it be a Queensland Transport officer or whether it be a member of the Queensland Police Service, I respect their professionalism. What happened that day I do not know. I am not going to enter into that.

Mr ELDER: I know you do not know.

Mr JOHNSON: At the same time, I am no saint, either, when it comes to speeding. I have been pinched a few more times than I would have liked.

Mr ELDER: And you have paid up, too, haven't you, Minister?

Mr JOHNSON: My word I have. We are about addressing the problems confronting us in the State through speeding. I think that is applicable to everybody.

Mr ELDER: Your point is well made. I am not critical of the campaign. The campaign is an important one, as is the cooperative relationship you have with the police in this campaign. My question was: what is the value of those campaigns for

Transport if the program is ignored and the law is not enforced?

Mr JOHNSON: You were the Minister seven months ago, and I thought that you would have agreed with what we are trying to achieve today, too. What we are about is saving lives on our roads. We have got to work with Queensland police. Queensland Transport, as you know, is the legislator. It puts these laws in place. In Queensland, the police are the ones who uphold the law. If we break the law, we are the ones who pay the penalty. That is another reason why we are putting these speed cameras in place: to try to reduce the element which does not pay attention to that.

I mentioned a 10-point plan. We could probably spend all day talking about road safety. However, we are about saving lives. As I said to either the honourable member for Albert or the honourable member for Toowoomba North, we do not make any apologies for standing on people's toes when it comes to saving lives. We are certainly going to do that. If the Director of Land Transport and Road Safety would like to elaborate on that, he is welcome to.

Mr BLAKE: With speed cameras and the overall speed enforcement undertaken by the police, we are trying to carry out an enforcement program mainly to cut down on the people who exceed the speed limit in what you might call unsafe circumstances.

Mr ELDER: Sure. But there will be no discretion shown with respect to speed cameras, will there?

Mr BLAKE: In regard to any sort of speed enforcement, whether it be by cameras or by radar, the police always have the opportunity to exercise some discretion according to the circumstances.

Mr ELDER: The likelihood is that you will end up with a ticket posted to your residence for the transgression; isn't that the case?

Mr BLAKE: Yes, the likelihood is that in all speeding activities where you are detected by the police, the discretion is such that you will normally get a ticket. But the police do exercise discretion on a daily basis.

Mr ELDER: So I could expect to see speed cameras on the road between Brisbane and Caloundra.

Mr JOHNSON: No, we would probably see them between Brisbane and Capalaba!

Mr ELDER: Then it will be a poor revenue raiser in terms of me, believe me!

Mr BLAKE: In fact, in answer to that particular question—

Mr ELDER: I will not be one of those people who has to pay, Vaughan. I will be one of the people you will be happy with, because your program will have failed.

Mr BLAKE: In answer to that particular question—the 110 zones on the way to Caloundra are not coming up as significant road safety/speeding-related crashes occurring on that

stretch of road. In fact, the introduction of the 110 zones—

Mr ELDER: It is interesting that you say that. It is not you who could answer this question, but why would you have a radar there if it was coming up that it wasn't a significant contributor to accidents? It is not a revenue raiser, Paul, I hope!

Mr BLAKE: The whole basis of the Random Road Watch program is that police will even turn up in places which have not been necessarily identified as significant—in other words, a black spot—but they will turn up all over the road network. So occasional radar use even on a stretch of road that may have a good safety record is still important in terms of changing motorists' behaviour.

Mr ELDER: You are telling me they are very important to be put on roads because you never know what stories come out of the day when you place them. Minister, I have a question for you in relation to ministerial offices and ministerial staff. In this case, I want to gauge the role generally and in terms of your office that your driver plays.

Mr JOHNSON: I missed that last part.

Mr ELDER: That your driver plays. Your ministerial driver hails from Longreach and he is now based in Brisbane, isn't he? He lives in Brisbane?

Mr JOHNSON: Yes.

Mr ELDER: So when he chose to be your driver, he chose to move and base himself here in Brisbane—true?

Mr JOHNSON: Well, if I can say this to you—

Mr ELDER: No, no—

Mr JOHNSON: No, just hang on a second. He does not come from Longreach for a start. He comes from Barcaldine. I do not know what this has to do with the budget Estimates.

Mr ELDER: It is the budget Estimates of your ministerial office, but it is not a hard line of questioning. I am just trying to establish—

Mr JOHNSON: What I will say to you in relation to my ministerial staff and in particular my driver is this: he was located and living in Brisbane for five months before I employed him as part of my staff, fulfilling the role of my driver.

Mr ELDER: Okay. Although he came from Barcaldine, he is based in Brisbane and he lives in Brisbane and you employ him as being Brisbane-based.

Mr JOHNSON: Yes, he is Brisbane-based.

Mr ELDER: That is fine. So he does not at any time accompany you back to Longreach or Barcaldine when you drive?

Mr JOHNSON: I have never driven back to Barcaldine or Longreach since I have been the Minister.

Mr ELDER: And he receives no travelling entitlements because he may be from Barcaldine but Brisbane-based. He receives no travel entitlements—none at all?

Mr JOHNSON: He has had no need to.

Mr ELDER: That is fine. I am just painting a picture for someone else, Minister. I knew you would always do the right thing in relation to your driver and your staff. Mr Wilson, in terms of charging any administrative fee that is related to the collection of the \$15 increase in stamp duty for the registration on new cars caused by the \$3 tyre tax—will you be charging extra administrative fees in that? There has already been an administrative fee rise in terms of registration. Will there be any further administrative fees in relation to the collection of that stamp duty?

Mr WILSON: Not to my knowledge. I might need to ask Paul Blake once again. The simple answer is that there is no extra cost incurred because the fee change does not affect our transactions.

Mr ELDER: So it is merely a rise in the stamp duty or likely to be a rise in the stamp duty.

Mr WILSON: Correct, yes. So there is no extra work for us, and no extra administrative fee would accrue to us.

Mr ELDER: In terms of the comment on page 13 of Budget Paper No. 2 about harmonisation of stamp duty charges—and it just follows on from this line—you are likely to see, if we were to harmonise stamp duty, rises across-the-board. Are we considering harmonisation of stamp duty charges, for instance, for the registration of second-hand vehicles?

Mr WILSON: This is Budget Paper No. 2, is it?

Mr KERSNOVSKE: What page number, sorry?

Mr ELDER: It was on page 13 of Budget Paper No. 2. It was a comment about harmonisation of taxes and charges.

Mr WILSON: I think you can tell by the pause that it is not something we have been involved in to this point, and the plain fact is—

Mr ELDER: That is the point: you have not been involved at this stage. There has been no discussion at all with Treasury in relation to harmonisation?

Mr WILSON: No, simply because all stamp duty matters are Treasury matters, not ours.

Mr ELDER: Yes, but their collection will be yours, and there would be an administrative fee if it was necessary or some additional administrative cost or the prospects of it if it did not fit within your system or you needed to employ extra staff or you needed to employ improvements in the systems. That would be the case, would it not?

Mr WILSON: Yes, I would think so.

Mr ELDER: And you have not had those discussions as yet.

Mr WILSON: But the simple answer is: no, we have not been involved in any discussions.

Mr ELDER: Minister, with reference to pages 2 and 3 of your Program Statements, you talk about ongoing annual savings of \$80m flowing from the road reform initiative. Actually, I might leave that for

Main Roads, if I may, because it will just be complicated for those that you have got with us today. Let me talk about your busways program. You have committed yourself to \$8m this year in the busways program. What type of infrastructure will that provide? Will it provide any infrastructure at all—that is, capital infrastructure—for the busways, or will it basically just cover the necessary work that you have to do in providing the underpinning investigations, in other words, reports?

Mr JOHNSON: What that \$8m will cover is virtually the planning and the project management of the early stages of the project. As you could appreciate, \$8m is certainly not going to build busways. It is going to go a fair way towards that project management. I will just get my director-general, Mr Wilson, to elaborate further on that.

Mr ELDER: I think you have answered it. It basically funds the planning studies and the work that you need to do to actually underpin the development. No hard-core infrastructure is going to come from that decision.

Mr WILSON: No. Just to expand on that, though—in terms of achieving the completion of that project at an optimal pace, then we couldn't realistically spend more than that because we have that planning and design work to do up front. There is a cash flow profile for the project that has been communicated, which, as is normal, increases dramatically over the following years.

Mr ELDER: Will those studies investigate the use of the old airport motorway corridor as a busway?

Mr JOHNSON: The old which? The old airport motorway?

Mr ELDER: Yes, as a busway.

Mr WILSON: If I can carry on. The simple answer is, "No". That \$8m is for the South East Freeway busway, not for other busways.

Mr ELDER: So has any money been put aside for any further investigation of alternative busways or other busways?

Mr WILSON: Yes. There is money that has been set aside in our Integrated Transport Planning Division for investigations for the rest of the busway network for south-east Queensland.

Mr ELDER: Does that include investigations of the old airport motorway corridor as a busway?

Mr WILSON: I would need some advice here.

Mr FORD: Les Ford, Executive Director, Integrated Transport Planning. The broad answer to the question is that it is possible that, in looking for the network of busways to service the needs of the community over the next 20 years, all options will be looked at. We have about five or six corridors identified for general study at the moment. As those studies are refined over the next one or two years, all options will be looked at.

Mr ELDER: So it has not been ruled out categorically?

Mr FORD: It has not been ruled out at this stage.

Mr ELDER: Minister, when could we expect some substantial work towards the building of the busways network, in other words, bricks and mortar?

Mr JOHNSON: Well, the busways network, as you are well aware, we have put in the second stage of the Pacific Motorway upgrade. There is certainly a very big component there for the first section of a busway in this city, and we have been working very closely with the Brisbane City Council, as Mr Ford just said, in identifying other corridors that can be of substantial gain to the patrons of public transport in Brisbane. To go back to the first part of your question about when we are going to see some works on the busway—you will see that next year, once we get the northern section of the Pacific Motorway under way.

Mr ELDER: Do your Forward Estimates of your Integrated Transport Planning Program include substantial funding increases other than those funded by asset sales?

Mr WILSON: The Forward Estimates include next year's for the South East Freeway busway project and the Estimates provide for that to come from the Consolidated Fund. From a Queensland Transport point of view, that is the end of the story.

Mr ELDER: But what happens if the assets of Suncorp fall over, in which case you will be left with finding \$400m which was to be used to fund this program over the next three years? That is not something you control.

Mr WILSON: That is something beyond our control.

Mr ELDER: That is why I asked the first question. The Forward Estimates do not include substantial increases other than those that are funded by that particular proposal. If that particular proposal falls out, then you have to find the money elsewhere.

Mr WILSON: Can I just clarify, though? It has not been particularly communicated to us that there is any connection between any source of revenue and the—

Mr ELDER: But it is clearly articulated in Budget Paper No. 2 that that is where the funding from the busways will come from.

Mr WILSON: As a possible source, I think.

Mr ELDER: It says it is a source.

Mr WILSON: Can I perhaps just also elaborate a little?

Mr ELDER: Is there any prospect at the end of the day of the Roads budget being used to fund the upgrade of the South East Freeway and busways if the others fail?

Mr JOHNSON: Absolutely not. That is something we have made perfectly clear. As you are well aware, this year's Roads budget is \$877m—\$140m-odd over and above last year's budget. There is a component in there of some \$105m for the upgrade of the Pacific Motorway. I can tell you now that there are no dollars going to be pulled out of the Roads budget that is going to disadvantage any other part of the State to grow the Pacific Motorway.

Mr ELDER: So we can categorically say that the Roads budget from today will not be touched if the funding streams for the busways program falls over by some quirk of fate?

Mr JOHNSON: You have got it from me, old mate, in black and white, set in granite. If you want me to say it again, I will say it for the next hour and a half, if you like.

Mr ELDER: I was just going to ask you—

Mr JOHNSON: No, you asked the question, I will answer it. There has been a little bit of innuendo around this place for a while now that, as a result of our programs in relation to the Pacific Motorway, the Roads budget of this State was going to be invaded at the expense of some of the rural and regional areas, but I can assure you that that is not the case.

Mr ELDER: So if that quirk of fate comes, how will you fund your commitment to public transport infrastructure in south-east Queensland?

Mr JOHNSON: A lot of people are asking questions about that. Queensland Transport and Main Roads are in the business of the planning and the project management of these schemes, whether it is done by private enterprise or whether it is done by the Department of Main Roads road transport construction services—and in conjunction with the Treasury, as you are well aware, that is where the financial needs of this State come from and we will—

Mr ELDER: What role would the private sector play in the provision of busways?

Mr JOHNSON: When the projects are let, there is no doubt the private sector will be doing—

Mr ELDER: You mean construction; you do not mean running the busways?

Mr JOHNSON: No, they will not be running the busways, but they will probably be putting their bit in to build them. As far as the funding goes, we will be negotiating with Treasury on that funding. We will also be negotiating with our Federal counterparts.

Mr ELDER: So when you talk about opportunities for private sector involvement in busways, whether it be here or regional busways, you are purely talking construction?

Mr JOHNSON: Construction, exactly.

The CHAIRMAN: As the time is now five to 6, the Committee will adjourn for five minutes.

Sitting suspended from 5.55 to 6.03 p.m.

The CHAIRMAN: Minister, I am going to get rather local now and talk about Linkfield Road at Bald Hills and the Gympie Arterial Road. What are the benefits in this connection of Linkfield Road at Bald Hills?

Mr JOHNSON: In relation to Linkfield Road at Bald Hills—this new two-lane road link includes a bridge crossing on the South Pine River. Consulting engineers Cardno and Davies were commissioned to prepare an impact assessment study for the project in March of this year. The first draft of the impact assessment study will be available in October 1996, that is, next month. A comprehensive public

consultation program is in progress, and indications are that the community has a good knowledge and a good acceptance of this project in question. Funds have been provided to complete planning and design activities in 1996-97, and funding for the construction is proposed in the draft Roads Implementation Program of 1997-98 and also 1998-99.

The long-term benefits of this link include reduction in the number of commercial and other vehicles on Old Gympie Road past the Bald Hills State School, a reduction in traffic flow through built-up areas of Strathpine Road, and improved commercial vehicle access to the Brendale Industrial Estate. So whilst that is the essence of the Linkfield Road in question, it is certainly well and truly on the agenda of this Government for delivery.

The CHAIRMAN: In rural communities it is vital that roads to essential services are of a good standard. What is the Department of Main Roads doing to ensure that these roads are maintained and properly kept to this standard?

Mr JOHNSON: In relation to the 1996-97 budget, excluding the Pacific Motorway and other capital works and special initiative funding—the Roads Implementation Program provides for some 40 per cent of the funding to be allocated to maintenance of the existing State-controlled road network. This funding ensures that all roads in the system are maintained to an acceptable level of service, including roads in rural Queensland. I think I have said here today that we are about upgrading and building new roads in this area.

As to the Transport Infrastructure Development Scheme, or the TIDS program as it is commonly known—funding to local government controlled roads in Queensland provides for projects which, among other things, ensure access to essential services at the local level. One obvious example is the provision of all-weather access for an isolated community to its local airport. That is something that we are endeavouring to address in the term of this Government and in forthcoming budgets. However, innovative methods also have been developed to improve the efficiency of the existing system and to ensure that roads are not allowed to deteriorate beyond acceptable conditions. That is certainly what is happening in rural and remote areas of this State today.

One initiative aimed at improving the conditions of the network and, hence, improving access and motor efficiency is the concept of accelerated maintenance, where roads are rehabilitated prior to major deterioration occurring. That is something that Department of Main Roads engineers in rural and remote Queensland are constantly monitoring. The first of the planned accelerated maintenance trials will be undertaken on a network of rural roads in the South Burnett area. This is better and safer for the users of the system and less expensive to the Department of Main Roads in terms of long-term maintenance costs. Whilst we are about upgrading some of these roads, we are certainly in the business of providing some of those missing links. As you are well aware, the Winton to Hughenden road will be

upgraded to a sealed standard. We will be having a look at the road between Lakelands and Cooktown in the near future. That is probably the largest centre in Queensland that does not have access to a large city or a larger point by an all-weather sealed road. These are concerns that we have, and it will certainly be a priority of this Government to address some of those projects.

The CHAIRMAN: An area of considerable community concern was the recommendation of the Integrated Regional Transport Plan for south-east Queensland to establish peripheral transport corridors around Brisbane. What is the Department of Main Roads planning in relation to a western bypass?

Mr JOHNSON: There is no doubt that that is a recommendation of the IRTP. Many avenues have been opened up in the draft copy of the discussion paper which we published just recently. No approval has been given by the coalition Government for commencement of any study for a western bypass. There is no funding in the current budget for a western bypass. However, the south-east Queensland region 1995 framework for growth management, issued in November 1995 by the Minister for Housing, Local Government and Planning, also identified a corridor for future investigation of a western bypass of Brisbane. Any future consideration of such a route would require a comprehensive analysis of alternatives, supported by a detailed impact assessment study for short-listed options. Clearly, this work would be undertaken by independent consultants, with full public consultation being an integral part of the process.

This Government will not shy away from addressing future transport needs and making the hard decisions in planning for the future. We will certainly be listening to the community. I believe that is what it is all about—responsible consultation. As part of our commitment, we will be making sure that that public consultation is going to be increased. There are other ways of managing traffic, too. We are in a unique situation in this city at the moment. The idea of the IRTP is to address specifically the needs for corridors not for us but for our kids and future generations to make sure that they are not burdened with what we are burdened with today.

Mr HEALY: Again I am going to take the opportunity to get a little parochial and refer to my electorate. Your answer to this question and my opinion may differ in relation to Toowoomba's share of road funding in the budget. Could you outline the road funding initiatives in the Toowoomba area and how this compares with other areas on a reasonable share basis?

Mr JOHNSON: Toowoomba is probably one of the exciting areas for Queensland Transport and Main Roads and also Queensland Rail in coming times. Annual funding at district levels has been maintained at very good levels. At the same time, the southern district, which is centred on your City of Toowoomba, is an area of moderate growth and, therefore, it would be difficult to justify increases in funding when compared with other areas of the State

that are having to cope with rapid growth. Current funding is generally keeping pace with urgent needs.

I will just address the issue of Federal funding. Queensland's overall share of the total Federal Roads budget in 1996-97 has increased by some \$15m to date, with further allocations yet to be approved by the Federal Minister. However, overall National Highway funding has been reduced to accommodate the Federal Government's \$750m contribution to the Pacific Highway upgrade between Newcastle and Brisbane over the next 10 years and other new Federal initiatives, such as the Roads of National Importance Program and \$36m annually for the return of the Black Spot Program. That Black Spot Program of \$36m—while the cake has not been divided up, we are quietly confident here in Queensland that we will receive a considerable share or what we believe will be our fair share. We have made representations for that. I believe our representations will be fruitful. However, to date, the Federal Minister has not yet announced National Highway funding for major new projects, and I can talk here about projects in Townsville and other parts of the State.

A number of high-priority projects in the Toowoomba region are awaiting Federal funding, and I don't hide from that fact. We have had negotiations with the Federal Government. One is the Oakey bypass. We are looking for \$12m there. Another is the duplication of the Gatton Bypass—an extra \$26m. Subject to competing priorities for the National Highway funds available, construction of the Oakey bypass is planned to commence within the next three years. The need for a second range crossing, for which Federal funding is being sought for hardship and land acquisition, has been identified in the forward strategy of the National Highway system. That is virtually where we are at the moment. Negotiations are well in place with the Federal Government for those funds that I have just earmarked or highlighted. Those negotiations are ongoing and we believe that they are at a very fruitful stage.

Mr HEALY: I turn to the area of north Queensland. Earlier, you touched on proposed works for the Cooktown area. If you want to expand on that, you are most welcome. However, I wanted to ask a question about accelerated programs. What accelerated programs does the Department of Main Roads have to address priority road infrastructure needs?

Mr JOHNSON: This is going back to an earlier part of the question. We certainly have a very responsible vision for roads programs throughout this State, no matter what part of the State it is. As part of the our Accelerated Maintenance and Regional Roads Development Program, the Regional Roads Development Program replaces the Rural and Regional Roads Recovery Program—or the four Rs, as it is commonly known—and the Accelerated Roads Implementation Program, implemented by the former Labor administration and published in the addendum of the RIP in December 1995.

There is \$5m over each of the next four years to undertake accelerated maintenance trials, the first of which will target a network of roads in the South

Burnett area. There is \$630m over five years to complete the eight-laning of the Pacific Motorway between the Logan Motorway and the Smith Street motorway and the six-laning there to Pappas Way at Nerang. There is also a continuing commitment to special initiative funding of \$5.4m in the 1996-97 budget to complete four-laning of the Pacific Highway between Reedy Creek and Tugun, and also \$520m over five years to provide a busway and HOV lanes between Brisbane CBD and Logan Motorway.

I made reference before to \$22.7m over five years to complete the bitumen seal between Winton and Hughenden. There's \$9.4m over five years for State-controlled and local road upgrades to support sugar industry development on the Atherton Tableland, and also an extra \$4.5m over the next two years to the Northern Regions Road Program to commence road upgrading of the Wills developmental road between Nardoo and Fiery Creek, including a component of a \$500,000 contribution to complete the Gregory River Bridge at Gregory Downs.

Whilst this is a very exciting program, there are certainly other areas within the State that we haven't discounted. The Department of Main Roads and Transport officials are currently monitoring those particular roads in question from time to time to decide whether to bring them forward on some of the programs or place them on the next five-year program.

Mr HEALY: I would like to ask a question about the southern bypass. In 1995, the alignment for the southern bypass project was altered by the previous Government. Could you provide details on the extent of the alterations, the reasons for those alterations, and expenditure implications?

Mr JOHNSON: The southern bypass was under the administration of the former Government in 1995. The alignment was altered following approaches from Stretton residents who expressed concern about the close proximity of the road and associated noise concerns. The road was shifted to provide minimum clearance of 60 to 70 metres from properties and the cost increase of the project was \$8.69m as follows—additional work to contractors, \$2.349m; relocation of previously relocated 750 diameter Brisbane City Council water main, \$211,000; rehabilitation works to western severance of Paratz property, \$500,000; settlement of claim for additional wet weather risk due to extended contract period, \$525,000; payment of delay disruption costs, \$1.6m; reduced resale of Paratz's western severances, \$2m; provision of bonus for early completion, possible acceleration costs, \$1.47m. That is a total cost of \$8.69m.

I have to say that a further \$9.5m has been expended for extra earthworks material generated from the alignment shift, which was not wasted, as it was used for construction of embankments for the future four-lane construction of the Logan Motorway east of Wembley Road.

Mr BAUMANN: The move towards open competition in road construction services addresses the fundamental principle in the budget that service and infrastructure be provided to achieve best value

for money. Keeping that in mind, in the Department of Main Roads' move to open competition, what has the department done to alleviate local government's concern that social and economic pressures are adequately recognised, that is, funding to ensure the viability of some of those local communities?

Mr JOHNSON: The road network strategy recognises both economic and social goals in guiding where those funds are to be invested. At the same time, a protocol agreement has been signed between Main Roads and the Local Government Association of Queensland to ensure that issues of concern to councils can be addressed promptly should they arise. In this case, Main Roads has not adopted the slash-and-burn approach as some other State road authorities have done by putting all of its road construction and maintenance work to open tender. Local governments have been assured of continuing preferred supplier status for routine maintenance subject to improvements in productivity.

The three-zonal system has been adopted by this Government to manage the impact of increased competition requirements on local governments for construction. I have to say that the coast and city zone—that is the open competition zone, or the open competition required—is that the population density and general level of activity is sufficient to manage impacts. Then we have the intermediate zone—open competition encouraged and is preferred position—and sole-invitee contracts for local government used where appropriate to address social, community and employment issues. Main Roads will work with councils to assist them to adjust to the open competition environment and backup will be considered if necessary where councils are unsuccessful with the bid.

However, in the last zone, which is the western zone, or the remote zone if you want to term it that—sole-invitee contracts for traditional work and the status quo for council work forces. We believe this is a very responsible way to address this. At the same time, we are about here recognising the needs of some of our rural and remote communities in western Queensland, northern Queensland and the peninsula and gulf regions. Whilst it is in line with trying to promote those areas—not so much promote those areas but keep work forces in place for local councils—we believe that it is a very responsible decision and, I have got to say, one that has received accolades from local government. It has been received very well by local government.

Mr BAUMANN: You may have to bear with me with the next question. There are four parts to this question: part 1, could you advise what the funding arrangements are for the Pacific Motorway project? Part 2, what are the relevant timings for the project? Part 3, when do you expect that planning will be completed and actual on-site work will commence? Part 4, what is the Department of Main Roads doing to ensure that traffic travelling along the road will not be disrupted in any great way?

Mr JOHNSON: I thank the honourable member for that question. It is one that, no doubt, a lot of people here are interested in. Before I do—and

the honourable member for Capalaba raised a question just prior to the recess and the starting of the Main Roads budget and I said in reference to private enterprise building busways—there is probably a fair chance there, too, that private enterprise will be invited to finance some of this infrastructure. So I did want to put that on the record, Mr Elder. At the same time, we do not walk away from that.

I would like to say here the funding of this \$630m project has been provided in the State Budget and work will be detailed in the next roads implementation program with effective completion by March in the year 2000. Planning currently is in progress with design of the early works such as bridging, service roads and public utility alterations. Construction of these early works will commence in January 1997 and be completed by December 1997. There will be six major road contracts for this project commencing at various times between August 1997 and October 1998.

The following principles will be applied during the construction phase to ensure disruption to motorists is minimised: scheduling and sequencing of the work, for example, provide service roads for users and detours prior to major road contracts being awarded; maintenance of operating speed and capacity of the highway to keep two lanes open to traffic in each direction during heavy weekday flow periods, weekends, holiday periods and other special events and maintain local access to communities and businesses; use of incentive bonuses and penalties for contractors to reduce the level of disruption; use construction techniques to isolate the construction works zone from normal road traffic wherever possible; and consult with and keep the community and road users fully informed in advance of alterations to traffic flows.

In conclusion, a series of performance criteria will be developed during the construction and operational phases of the project to reduce the level of disruption to motorists. Indicators will be based on such measures as length of traffic queues, maximum time delays, response time to incidents and adverse public feedback.

I can assure you also that our departmental people, under the stewardship of Bob Higgins, have to date carried that out very ably. Nothing will alter over the construction and over the project management of this project.

Mr BAUMANN: Thank you. Part 4 of that question is of particular interest to the service providers providing public passenger transport to and from the city, as you would be well aware. I thank you for your answer.

The CHAIRMAN: The time for Government questions has expired.

Mr ELDER: Minister, I refer you to page 2-14 of the MPS for Main Roads and the particular table that relates to your major capital works projects. Can you please provide budget and actual figures for 1995-96?

Mr JOHNSON: Page 2-14, was it?

Mr ELDER: 2-14 of your Main Roads MPS.

Mr JOHNSON: Yes, go on.

Mr ELDER: Can you please provide budget and actual figures for 1995-96 for equivalent categories or perhaps provide another column of figures for projects which you have abandoned or showed that you were not committed to, and what elements of those were carryovers?

Mr JOHNSON: Right. I will call on my Executive Director of Finance, if you do not mind, Mr Bill Turner, the executive director to—

Mr ELDER: Or I can take it on notice.

Mr TURNER: I think that might be preferable, actually, Mr Elder, if that is okay. Minister, we can produce that by the end of the session.

Mr ELDER: Okay. I note the Federal Government's decision to cut an average of 16 per cent from the funding of the national highways program over the next three years. It will have an impact here. The allocation to Queensland this year is similar to that of last year, which is around \$190m. Does this mean that, next year and over the next few years, national highway funding to Queensland is going to dry up completely and no new construction projects will begin in this State?

Mr JOHNSON: No, that is definitely not true. If I can say from the outset, I have had meetings with John Sharp. It is because of Budget restraints that have been laid down by the Federal Government all States—not only Queensland—have suffered cutbacks this year. Whilst our share of the cake has not been as much as we would have liked, we believe we have been treated very favourably by the Federal Government. At the same time, Mr Sharp assures me that over the coming years that that share will certainly be more considerable.

Mr ELDER: But he has just outlined a program for the next few years, which shows clearly that maintenance funding will be maintained if not increased, but I do not see any new—

Mr JOHNSON: Maintenance funding will be—

Mr ELDER: Maintained, if not increased. There is that likelihood but I am asking about new construction programs and the likelihood of new construction programs similar to the ones that you outlined earlier.

Mr JOHNSON: If I can—

Mr ELDER: Hang on, I am asking the question and you can answer then.

Mr JOHNSON: We certainly will.

Mr ELDER: You will get your three minutes. I refer to programs similar to the one that you outlined earlier, the Gatton bypass, which has an economic benefit to this State of somewhere near 11:1 in terms of a cost-benefit ratio. So it is those projects that are vital, and I do not see in that program any new construction for the next few years.

Mr JOHNSON: I can say we are having ongoing negotiations with the Federal Minister at all times for a considerable number of programs right throughout the State and not only the Gatton bypass, or the Oakey bypass, but also other works in

north Queensland and the near coastal areas on the Bruce Highway. Our Federal funding—I believe we have made great inroads into those negotiations to date but I will ask my director-general, if do you not mind, Mr Wharton, if he would like to just elaborate on that a little further.

Mr WHARTON: Thank you, Minister. Mr Elder, the Federal Government only announced one new project, I think, in the Budget announcement and that was Wallville bridge. They subsequently announced the Woolcock Street project and that is all so far. That means that, as the years go by, the projects that have been under way, as they stop, so the funding levels tend to drop. What it means is that they are just not prepared to show their hand at this stage to say which projects will be getting up and which will not. We have got a list of a substantial number of projects in front of them.

Mr ELDER: I know you have.

Mr WHARTON: We also have a 10-year and a 20-year strategy which we are about to put before them as well.

Mr ELDER: So funding for those proposals now will be ad hoc in terms of discussions and will be primarily based on discussions between yourself and the Minister's office?

Mr WHARTON: The Federal Government used to give us a fixed share of permanent works funding.

Mr ELDER: That is right, and outline the program.

Mr WHARTON: And outline a program, but they have moved in recent years not to have fixed shares for States and to operate on a project-by-project basis.

Mr ELDER: So the only ones you are aware of are the two that you outlined earlier, and anything else will be negotiated over what period?

Mr WHARTON: We are pushing all the time to get particular projects approved, particularly for planning purposes. I do not have an indication at this stage when we will get approval for the next one. For instance, Woolcock Street was just the other day. I am hopeful that we will hear about some more in the near future.

Mr ELDER: But Woolcock Street was committed to in December of last year.

Mr JOHNSON: It might have been committed to, but at the same time it was never signed off by the Federal Government. I think that is something that you should be aware of. If you were not aware of it, you should have been made aware of it. There are numerous other capital works programs throughout the State that the Federal Government did not sign off. At the same time, we are not entering into what has happened in the past. We are certainly about what we are trying to achieve for the future.

As I said earlier, John Sharp is well aware of what some of the capital works programs are. You have Gunalda Range, near and dear to the hearts of many people on the southern side of the Bruce Highway. That is a black spot area. There is also the Thomson River job at Longreach, an \$18m project

and we have entered into negotiations with the Federal department for that program. Also, the director-general has mentioned the Woolcock Street project and there is the Duckworth Street project also in Townsville. We are quietly confident that we are going to win with some of those programs. Another one is the duplication of the Ron Camm Bridge in Mackay, and we have entered into negotiations with that project. They are ongoing. For anyone to say that they have been put on the back burner or thrown to the winds is just not right. I believe that, at the end of the day, we are going to have a fruitful outcome from those representations.

Mr ELDER: Dealing with Woolcock Street, during my time as Minister, in late November last year, the department provided me with advice that the Federal Government had approved funding arrangements to the extent of \$31.7m for that particular project at Woolcock Street. That information was subsequently published in the addendum to the Roads Implementation Program I tabled on 15 December last year. I ask either of the two directors-general or yourself: was the advice I received from Queensland Transport correct?

Mr JOHNSON: Whilst there seems to be a little bit of controversy here, I will ask my Director of Road Programs, Mrs Karen Peut, if she would like to reply to you on that question.

Mrs PEUT: What actually happened, Jim, was that we were all in Townsville on 24 November last year and there were announcements made. Certainly there was plenty of press coverage of it and evidence of press releases. Unfortunately, the paper work or the 3A—former Minister Brereton did not finalise that form 3A and put it into the system before the election was called.

Mr ELDER: I asked: was the advice I received from Queensland Transport correct?

Mrs PEUT: Was the advice correct that it had been approved?

Mr ELDER: Yes.

Mrs PEUT: How can I answer that? You had the advice from the Federal Minister. We had advice in terms of a press release and organised the announcement. We had no reason to believe that the Stage 3 approval would not come through, as is the case we expect Woolcock Street will come through in the next week or two.

Mr ELDER: Can you tell me what the instrument of communication was to me that caused the advice to be provided to me?

Mr JOHNSON: If I can—

Mr ELDER: What instrument of communication caused that advice to be given to me?

Mr JOHNSON: If I can take up that question, it is not the position of Mrs Peut to be answering that question.

Mr ELDER: You can answer the question. I am sure Karen would rather pass it across to you.

Mr JOHNSON: I will ask the Director-General of Transport, who was the Director-General of Transport at that time, if he would like to elaborate on that.

Mr WILSON: I would like to, but I am not in a position at the moment to. I do not have any information at my fingertips at the moment to go back through that.

Mr JOHNSON: Would you like to take that question on notice?

Mrs PEUT: I would be happy to take the question on notice and come back with something. That would be fine.

Mr ELDER: Sure, but it clearly states in the addendum to the RIP what that commitment is, does it not?

Mrs PEUT: It certainly does, and you signed it.

Mr ELDER: And it was signed off.

Mrs PEUT: It was signed off by you on our advice and on the advice from the Federal Minister direct to you.

Mr ELDER: Signed off by me on your advice and in negotiation with the Federal Government. Thank you, Karen.

Mr JOHNSON: It was never signed off by the Federal Government, though.

Mrs PEUT: Can I elaborate for one moment. In the ALTD notes of administration, there is a requirement for a form to be filled out. The form was not forthcoming. It is quite a normal process when a Federal Minister will make an announcement, usually in conjunction with the State Minister, and that form may not come through for a couple of weeks. As you are aware, the Federal election—

Mr ELDER: Isn't that to be resolved between yourself and the Federal department?

Mrs PEUT: There is no doubt.

Mr ELDER: So the instructions were given, the documents were signed off. Is that not a process thing with the Federal Government and your department?

Mrs PEUT: The document never came forward and that is something that we constantly chase the Federal department for, paperwork.

Mr ELDER: But that is a process thing, is it not?

Mrs PEUT: Absolutely, but it is a requirement under the notes of administration that that form must come forward.

Mr ELDER: But in terms of commitments from both Governments and the documents being signed off at ministerial level—

Mrs PEUT: Minister Brereton did not sign the document prior to the election.

Mr JOHNSON: If I could intervene, I ask Neil Doyle if he would like to elaborate on that.

Mr DOYLE: My understanding is very similar. Certainly I recommended the program of work that you signed then as Minister. It was on clear advice both through the then Minister's office and also from officials in Canberra that the necessary approvals had been given by the Federal Minister. The Federal officers have recently, in hearings such as this, indicated that the Federal Minister, before he left, did

not approve the project. There is a formal requirement to get the project approved. Therefore, while the press releases and the statements and the advice to you and the advice to us was that the project had been approved by the Federal Minister, whether it is a technicality or a straightforward legality, the position that the Commonwealth has been adopting is that it was not approved by Laurie Brereton when he left office.

Mr ELDER: That is the current Government. That is what is being debated at this time.

Mr DOYLE: The current officers are saying that, yes. The officers in the department have given that advice.

Mr ELDER: But in terms of my advice, my advice was correct?

Mr DOYLE: The advice we gave you was correct.

Mr ELDER: Thank you.

Mr JOHNSON: If I could just say in relation to the question that Mrs Peut was answering, I believe that what she was saying was said in all sincerity and in all honesty. If there was a breakdown between the former administration and your office at the time, I believe that was a Federal matter and not a reflection on one of these departmental officers.

Mr ELDER: I am more worried about the reflection on them and the reflection on me, too, Minister.

Mr JOHNSON: I can appreciate that, and if I was in your position I would not be at all happy either.

Mr ELDER: I am happy about my role and I am happy about Brereton's role. I am not happy about a number of things that have been said, but you have confirmed that today. I will move on; I have covered and canvassed that. Are there any allocations in this year's budget related to the Port of Brisbane Road, more commonly known as the Port Road?

Mr JOHNSON: There are allocations there for some resumptions. As you are well aware, there is certainly no money forthcoming at the moment. We are looking at a cost of somewhere between \$80m and \$90m for that road in question. The sum of \$90m has been banded around. Whilst we are talking about resumptions, a steering committee, as you are probably well aware, was formed in late 1991 with representations from Queensland Transport, the Port of Brisbane Authority and the Brisbane City Council to investigate options to provide this proposed high-standard link corridor.

In March 1992, a final report, the Port Road Corridor Study, recommended a totally new road corridor from four routes evaluated. This was accepted by the steering committee. Further studies continued in the area, namely, the Lytton Road East Development Study of July 1992, by the Brisbane City Council. Then we had the key Port of Brisbane Strategy 2005 and Beyond in October 1992. Then there was the Standard Gauge Rail Link to Fisherman Islands Impact Assessment Study in December 1992. The former Government decided to protect the recommended corridor in 1993, and Maunsell Pty Ltd

was commissioned to undertake the assessment for the port road corridor in 1994. A separate traffic study conducted to the existing Lytton Road and a new port road will be at capacity in the time frame of the study, that is, by the year 2011.

Mr ELDER: I am aware of that. I just want to know whether any money has been budgeted.

Mr JOHNSON: In relation to the South East Queensland Freight Study, July 1996, with respect to freight routes including the port road, the residents of Hemmant Road, Hemmant North between the port road corridor adjacent to the Brisbane-Sydney rail reserve and Lytton Road to the north are lobbying the department to purchase their homes through a compensation package of approximately 80 homes. That is currently the situation. Borrowings of \$13.5m will be required in the year 1996-97 for property acquisitions, and that is the cost associated with the Port of Brisbane Road for the financial years 1995-96 and 1996-97.

Mr ELDER: It is the same amount. When will the final road route be determined?

Mr DOYLE: The current impact assessment is being considered by the panel at the moment for consideration by Government. At the time, I think from memory it was extended by a couple of months until March. The result of the impact assessment study is being considered at the moment and has not yet been referred to Government. After it has been considered by Government, a decision as to whether the road—

Mr ELDER: When do you think that will be?

Mr DOYLE: By the end of this year.

Mr ELDER: By December this year? In terms of acquisitions beyond that, what is the time frame for those in relation to the final route?

Mr DOYLE: It comes back to the same question as last year. It really depends whether the Government decides to go ahead and build the port road. But at this stage against other priority projects on the program it is unlikely to be built within the five-year period.

Mr ELDER: Has there been any funding allowed for the acquisition of buffer zones in relation to that road?

Mr DOYLE: I am not sure of the design details. It might be appropriate for Steve Golding to answer that question.

Mr GOLDING: The funding that has been allowed for property acquisition is basically for that which we would normally acquire for road purposes. There has been no funding allowed for acquisition of buffer zones which would extend beyond the area of the actual physical effect of the road corridor.

Mr ELDER: Thank you. Are any works planned under the National Highway Program in terms of the Edmonton realignment during this current year?

Mr WHARTON: The Edmonton project is one that we propose to proceed with this year.

Mr ELDER: How much are we likely to spend this year and next year on that program?

Mr WHARTON: I would have to check the numbers.

Mrs PEUT: An amount of \$2m has been approved by the Federal Government for planning on that road. We are currently awaiting for approval for construction on the Edmonton—

Mr ELDER: What about the following year? There is \$2m this year.

Mrs PEUT: No, \$2m all up has been approved for preconstruction work on Edmonton. It is one of the projects we have currently got in Canberra that we are trying to get funding approval for.

Mr WHARTON: Our plan is to proceed as quickly as possible with that project once we get the green light.

Mrs PEUT: The total cost of the project will be \$21m. We have got \$2m approved to date for preconstruction.

Mr ELDER: You have \$2m approved to date?

Mrs PEUT: Yes. I will go back to the other question, which relates to the same issue. The planning proposal report needs to get signed off for Stage 3 approval, which is construction. That may have been the issue with the Townsville one, and I will check that over the break.

Mr ELDER: Are there any other national highway works planned for the Cairns region?

Mr WHARTON: National highway works?

Mr ELDER: Yes.

Mr WHARTON: The one we are hoping will get some Federal funding is the Portsmouth Road project.

Mr ELDER: There are no plans at the moment in relation to Portsmouth because it falls back into the same category as you were talking about earlier?

Mr WHARTON: Whether that gets funded as a national highway project or as a RONI or whether it gets funded at all is still to be determined.

Mrs PEUT: There are some overtaking lanes at Harveys Creek that we believe we will be able to fund. Those are overtaking lanes south of Cairns—

Mr ELDER: On?

Mrs PEUT: On the Bruce Highway just south of Cairns.

Mr ELDER: That is likely to be funded?

Mrs PEUT: Within our current safety and minor works component. We are currently working through those details with Federal officers.

Mr ELDER: How much of the \$800,000 allocated in 1995-96 by the Federal Government to the State for the construction of noise barriers in the Sandgate and Depot Road areas has been spent?

Mr GOLDING: To date, about \$288,000 has been spent for a section of noise barriers on the eastern side, which is protecting the general area of Nearra Street.

Mr ELDER: Has the rest of it been carried over?

Mr GOLDING: The rest of it is still available. My understanding is that where it will be spent is the subject of discussions between the department and the Commonwealth Government.

Mr ELDER: I understand there was allocated this year from the Federal Budget additional funds for that purpose of around \$400,000?

Mr MUIR: We have a total approved budget of \$1.2m. That was approved by the current Government.

Mr ELDER: You have \$800,000 and \$400,000, of which you have spent \$288,000.

Mr MUIR: That is correct.

Mr ELDER: So the rest is sitting there and can be spent on this particular project?

Mr MUIR: That is correct.

Mr ELDER: Minister, I am aware of criticism not from the Labor Party but from one of your own colleagues, the Federal member for Lilley, who clearly is critical of the State department for not providing anything above that additional spending of \$288,000. She said it was \$200m. But what you are clearly telling me tonight is that the money is there and will be spent on the project this year?

Mr MUIR: The money is there and can only be spent on that project. We are currently looking at more detail now in the final design for that section.

Mr ELDER: What time frame are we looking at?

Mr MUIR: We will certainly have it resolved before the end of the year.

Mr ELDER: Before the end of this year?

Mr MUIR: Before the end of this year the design will be resolved.

Mr ELDER: That is fine.

Mr WHARTON: It is likely that we will complete the project and still have some funds left over. We would be looking for the Federal Government to give us approval to do some other noise barriers in the region, but not necessarily in that same area that you would have been aware of.

Mr ELDER: Where?

Mr WHARTON: On the Gateway Arterial.

Mr ELDER: On the Gateway but not necessarily—

Mr WHARTON: Not necessarily right on that project that you would have been familiar with. The total funds allocated are in fact greater than the total cost of the project as we see it at present.

Mr ELDER: So you will get a windfall?

Mr WHARTON: We will get some more noise barriers for our dollar.

The CHAIRMAN: The time for questions from Opposition members has expired.

Mr HEALY: You are obviously aware of the Winton-Hughenden road. I would like to ask a question in relation to the department's position as far as sealing roads that link major country towns. As an example, could you outline the costs and timings

of this project and the benefits of the project, particularly to the community and industry?

Mr JOHNSON: In answer to the honourable member's question—there are the following works programs in the draft roads implementation program to seal roads linking country towns. That is the specific issue that we are talking about here. For the Winton-Hughenden road there is \$27.4m, and \$22.7m of that is Cabinet Budget Committee special initiative funding over the next five years, commencing in the 1996-97 financial year, to seal an unsealed section of 133 kilometres of the low-cost sealing to complete that link and an all-weather seal. Jundah-Longreach, \$2.2m provided over the 1996-97 and 1997-98 financial years to seal 10 kilometres to give that centre an all-weather road to the nearest major centre, being the centre also of the Barcoo Shire. \$0.7m allocated in the 1996-97 financial year for sealing 6 kilometres of the Hamilton Channel section of the Winton-Boulia road. This and other works undertaken in 1995-96 will complete the seal of the remaining 50 kilometres of this link. Tablelands Road, the access to Agnes Water, the town of 1770—there is \$8m allocated there provided over the next three years to seal 17 kilometres. The Clermont-Charters Towers road, \$6m to complete the bitumen seal by the end of this year. The Injune-Rolleston road, there is a figure there of \$19.95m over the next three years to complete 76 kilometres bitumen seal of alternative north-south route between north Queensland and the southern States. The Mount Molloy-Lakeland road, \$8.65m to complete two-lane bitumen seal of 7.2 kilometres in Byerstown range section by the years 1999-2000 and also strategy for completion of bitumen seal between Lakeland-Cooktown in future years. That is to be finalised shortly. We are currently negotiating on that. Georgetown-Croydon, \$7.85m to complete pave and seal of the remaining 21 kilometres by the year 1999-2000. Normanton-Croydon, \$5.7m to construct Belmore Creek and approaches and complete pave and seal the remaining 48 kilometres by the year 1999-2000.

In conclusion, the benefits are the improved local access, particularly in times of wet weather for education, health and business reasons to those communities that I have highlighted, reduced cost and reliability for transporting of products, assisting primary producers and the commercial viability of those communities, and also increased travel ability for tourists. No doubt those areas in the past have been negotiated only by four-wheel-drive vehicle, and many of those roads now can be negotiated by an ordinary conventional vehicle with those upgrades.

Mr HEALY: Minister, I note on page 2-16 of the Ministerial Program Statements that the department is undertaking a fairly comprehensive research and development program. Could you expand on that program and advise the Committee what role research and development plays in providing road infrastructure in Queensland?

Mr JOHNSON: Research and development plays a very important role in providing road infrastructure in the State. It is useful to restate the magnitude of Government expenditure on the roads

program. It will be in excess of \$877m in this financial year, 1996-97. Experience in the United States has established that the benefit-cost ratio for road infrastructure research and development is in the order of 20 to 1. The purpose of research and development is to support the delivery of the roads program by carrying out projects to identify, evaluate and introduce innovative techniques, systems, information and products for improving road and bridge performance. Organisational performance has also improved in the following areas: planning, design, construction, rehabilitation and maintenance, which are all very important areas of looking after the State's roads now.

In brief, the research and development program ensures that the maximum value is achieved from the dollars spent on roads and bridge works, and also the department's research projects must be balanced with regard to economic return on investment, risk potential for exploitation and the range of technologies in main roads. In addition, this Government's election commitments must be met, and that is exactly what we are doing here. With the research and development as contained in the technology and environmental developments of subprograms, the Government's commitment has risen from \$3.6m to \$5m. This increase and some redirection of resources covers the Government's commitment to improving traffic management. There is \$0.9m this year for the Green Wave Program. The Government's commitment to increase research and development to enhance road construction maintenance in north Queensland—half a million dollars this year, and the need to develop and upgrade major engineering manuals and specific specifications to conform to the Environment Protection Act 1994—there is a half million dollars. A further \$3.3m has been allocated for field trials aimed at proving the benefits of the research and development findings in actual road construction projects. Examples here are trial of long life heavy duty asphalt pavements for possible use on the Pacific Highway, trials of rapid testing methods for asphalt running and resistance and also trials of low-cost surface seals—for example, the Hughenden-Winton road. The department's R and D expenditure is 0.28 per cent of total expenditure. This is modest by comparison with some other Australian road authorities—for example, the New South Wales Road Traffic Authority, whose figure is 1.16 per cent of the total expenditure. Given the proven benefit-cost ratio, the R and D program expenditure for 1996-97 will, in time, generate significant efficiencies in future road construction and maintenance programs.

Mr HEALY: Given the rapid growth of the sugar industry in north Queensland, what is the Department of Main Roads doing to provide a better means of transporting cane to the mills?

Mr JOHNSON: This is a very good question and one that is of great concern and causing great anxiety to the Department of Main Roads. There are three thrusts in the Cairns district: the new Arriga mill in the Atherton/Mareeba shires; the Mossman mill in the Douglas Shire; and the South Johnstone/Mourilyan mills in the Johnstone Shire. As to the new Atherton Tableland mill—there will be an

extra \$10.2m for a roads program over the next five years as part of special initiative funding to support sugar industry development on the Atherton Tableland. This extra funding will direct \$3.4m to local government roads over the next five years and \$6m to State-controlled roads over the next three years. This will also provide for upgrading works on Chewko and Springmount Roads, the Kennedy Highway and Mareeba-Dimbulah road. Part of the deal requires sugar syrup to be hauled by rail to port to minimise the number of heavy vehicles using roads in the area. This special initiative package includes a roads program contribution of \$0.795m towards the cost of increased rail track maintenance over five years. The proposed RIP program for the northern region also provides, in relation to the Mossman mill, \$8m over five years for strengthening and widening of the Mossman-Mount Molloy road; \$0.5m over the next three years for selected curve widening on the Rex Range; \$0.4m next year for upgrading the intersection of the Captain Cook Highway/Mossman-Mount Molloy road; and \$3m over three years for overtaking lanes on the Cook Highway. All projects are targeted at allowing safe B double transportation of sugar to the mill. \$0.9m has been spent over the last three years on a joint funded basis on improving local road access to the State-controlled road network. In relation to the South Johnstone/Mourilyan mills—there is \$0.4m in 1996-97 for upgrading of the Henderson Drive/Palmerston Highway intersection; and \$8.6m in years three to five of the draft RIP for upgrading of Henderson Drive (Currajah-Pin Gin Hill Road). The projects are targeted at allowing safe B double transport to that mill.

North Queensland in general has seen a review of the sugar industry expansion throughout the State and its impact on local government—and we have worked very closely with local government on this program—and State-controlled roads is being carried out by Main Roads. Cane cultivation has expanded beyond the limits of the cane tramway system and this again is one of the reasons why we have this problem of addressing the needs of catering for these B-double configuration vehicles. Main Roads needs to influence the rationalisation of cane assignments in Cardwell and Johnstone Shires to minimise the haulage on the road system. This Government has offered to convene a meeting with the local government representatives of the Tully, South Johnstone and Mourilyan mills to review the whole issue of cane assignments and the transport of cane with an intention to implement new arrangements before the 1997 milling season.

I can assure you that there is considerable heartache and pain in the far north of the State in sugar areas for this Government and for the Departments of Transport and Main Roads, but we will be working closely with the sugar industry, local government and the department in that area to address these needs so that we can make sure that we have the road network in place to cater for the growth in those areas in question.

Mr HEALY: Equally as important to the economy as the sugar industry is certainly the coal industry. With central Queensland coal exports

increasingly important in the overall export performance of this State, you would appreciate that the industry and the towns which serve it require the highest standard of transport links. Does the department have any projects under way to upgrade major roads which service the central Queensland coal industry?

Mr JOHNSON: Yes, the appropriate standard roads have been provided in line with available funding. Works programs over the next five years do include widening and strengthening of 48 kilometres of the Peak Downs Highway between Mackay and Moranbah at a cost of \$13.1m. That road is deteriorating at a great rate of knots. There is also reconstruction and improved flood immunity for 20 kilometres of the Gregory Highway between Emerald and Capella at a cost of \$16.5m and completion and widening of the Dingo/Mount Flora Road south of Middlemount in 1996. The Capricorn Highway between Rockhampton and Blackwater has been upgraded recently. The member for Fitzroy has made numerous representations in relation to that Dingo/Mount Flora Road south of Middlemount. Apart from those roads in question, there are numerous other roads in that area that we are greatly concerned about. I am happy to say that the Grain Roads Program has certainly proved of great benefit and merit to that area, too. We are well aware of the compounding problem of heavy mining traffic in that area and, yes, we are monitoring closely the road network in that Central Highlands and coal fields region.

The CHAIRMAN: What is the Department of Main Roads doing to provide improved safety for children, school children in particular, travelling in the vicinity of main roads and as well, it may be appropriate to also expand into the area of the elderly where there are retirement villages on main roads.

Mr JOHNSON: You made reference there to the elderly, too, did you?

The CHAIRMAN: Yes.

Mr JOHNSON: The Department of Main Roads, in conjunction with the former Department of Transport, certainly has an initiative that is working to provide improved safety for not only school children but, as you say, the elderly and other people associated with roads in this part of the State. Previously, \$1m was set aside per annum to be contributed to the Schoolsafe and Roads Program under the Transport Infrastructure Development Scheme. This annual funding commitment will continue under the new title of Safe School Travel. A further \$2m per annum has been provided over the next three years for special initiative funding to complete a retrofit program to school bus setdown areas at existing schools. This special initiative funding is in addition to funds expended in 1995-96 for this purpose and it improves upon the accelerated funding arrangements approved by the former Labor administration in November of 1995.

Also, there is an extension of the State Bikeways Network that will significantly improve safety for school children. As part of the Kids Program, some \$18m will be directed to bikeways

over the next three years, \$2m per annum of which has been provided for additional special initiative funding over and above the normal Roads Program funding arrangements with the balance to be provided from the Roads Program. We are conscious of exactly the concerns that you raise here, but at the same time, that Kids Program, as you are well aware, is on a dollar-for-dollar basis with local government. It is a program that has been well received in the past and one that we hope we can enlarge on in the future.

Mr BAUMANN: Minister, I take you back to the Pacific Motorway. Just what stage is this project actually at, particularly the eight-laning from the Logan Motorway to Smith Street section?

Mr JOHNSON: At this point in time, the preferred alignment for the eight-laned section of the Logan Motorway to Smith Street has been released to the community for comment and the planning for the six-laned section of Smith Street motorway to Nerang has commenced. A site office was established at Beenleigh to accommodate the project team. Probably one of the most important aspects of the whole project has been the hardship acquisition of five properties and that has been finalised and negotiations are in hand with a further 14 properties. Requests also have been received from a further 31 property owners and these are under consideration currently by the project team. Also, an impact management plan for the project will be publicly released on 30 September coming, and a total of \$3.27m has been spent on the project to 31 August 1996. This project is on target to commence on-site works early in 1997.

In conclusion to your question, I have got to make reference to the commitment and the efforts put in by Bob Higgins. Bob has done a fantastic job to date in managing this project. I think it would be very improper of me not to recognise his efforts and the professionalism that he has displayed in his negotiations with the general public, also briefing the general public on exactly what is happening there. We have got to bear in mind that these projects are the initiatives of the Government, they are not initiatives that have been thought up by the departmental chiefs, and I do applaud the work that Mr Higgins has carried out to date.

Mr BAUMANN: I support those views entirely. I have had the pleasure of working with that gentleman for quite a number of months now and would have to concur absolutely. However, I would like to expand on that particular motorway project and property acquisitions, etc. There are three parts to this question that perhaps you can answer for us. The first part would probably relate to just how the Department of Main Roads is managing the process to minimise the social impacts on these owners—we have heard plenty about that in the past—to ensure that they receive equitable treatment. In the second instance, what is the process to acquire these properties for the project? Is it consistent with the Department of Main Roads' property resumption policy and processes? Also, while we are on the subject, what are the department's policies and

processes for the acquisition of property in connection with road infrastructure works?

Mr JOHNSON: That is a fairly in-depth question. Main Roads has involved the community in the development and design of the motorway by using external consultants, in this case, the company Rust PPK Pty Ltd to prepare an impact management plan for the project. Public consultation has been raised to a high level in developing this plan and this involvement will continue during the design and construction phases of this project. A key focus of the Impact Management Plan is on the project team working closely with those property owners who may be affected by the project. For those properties from which resumptions are necessary, acquisition will be in accordance with the Acquisition of Land Act. Also, valuations are assessed by independent valuers and a fair compensation is paid on the basis of the market value. To date, I believe that Rust PPK has handled this very professionally, in conjunction with Mr Bob Higgins and other members of the project management team. I believe that we should be thankful that we have people of their ability to manage this project. We should also be thankful for the professionalism displayed not only by our departmental officers but also the people in the company involved.

Mr BAUMANN: The proposed Springfield urban development in Ipswich City could result in an ultimate population of up to 60,000 people. What is the Department of Main Roads doing to provide suitable access linking the development to both the Logan and Ipswich Motorways at the junction with the Centenary Highway? I also understand that a private development consortium is contributing to the funding of road infrastructure for this project. Could you please provide details of the funding arrangements for the project and the Springfield project agreement document?

Mr JOHNSON: I think we have made this pretty clear in the past. In relation to the Springfield development—an initial two-lane road link will be provided from south of the Centenary Highway to the Springfield town centre, with an interchange connection at the Logan Motorway. Only that portion of the link between the Ipswich and Logan Motorways will form part of the State-controlled network. The construction of the road link has been arranged by a private developer consortium comprising Springfield Land Corporation Limited, Concrete Constructions Group Pty Ltd and Macquarie Corporate Finance Limited to enable these works to be completed during the 1996-97 and the 1997-98 financial years. The consortium was granted an exclusive mandate to negotiate agreement with the Government to provide the project. The resulting Springfield project agreement document is agreed and is ready for execution by all parties.

Funding has been included in the draft Roads Implementation Program for repayment of \$41m to the developers for the section between the Ipswich and Logan Motorways between the 1997-98 and the 2000-01 financial years. The key issue here is that the works will be done earlier than otherwise would have

been possible, provided the consortium pays for it now and is repaid from the roads program in future years. The timing is advanced by the developer paying the interest cost. This Government has made its situation perfectly clear in relation to this development and the roads interconnecting this development.

Mr BAUMANN: Of particular importance in the area of road safety is the funding of black spots on our highways and urban arterial roads. Could you explain the allocation of this funding for Queensland?

Mr JOHNSON: I touched briefly a while ago on the Federal Government's allocation of black spot funding. They have allocated in their Budget this year \$36m nationally. Black spot funding of \$148.6m has been provided nationally over the next four years in the Federal Budget. Candidate projects may be submitted for all public roads, excluding national highways. As you are well aware, this was an initiative of the former Federal Labor Government. I think everybody would agree that it is a very good program. I am pleased to see that this Federal Government has once again reintroduced this program. Projects will be either fully funded by the Federal Government or fifty-fifty by Federal, State or local government. The Black Spot Program will be administered by the Federal Office of Road Safety on behalf of the Federal Minister for Transport. Main Roads is the program manager in this State for black spots and will chair the proposed State consultative panel established by Federal and State Ministers to review and recommend proposals.

Also, draft notes of administration and funding criteria are currently with the Federal Minister for Transport for his approval. Main Roads and local government in Queensland have agreed on a streamlined process to ensure that maximum funds available are directed to road safety improvements, not program administration, that is, building program developments into the TIDS process while ensuring community input. The Federal Minister will announce the black spots criteria and funding within the next month. That is something that we are all anxiously awaiting and holding our breath on. As I said a while ago, I am quietly confident that Queensland will receive its fair share of that \$36m for this financial year.

Mr BAUMANN: Would you be in a position to explain to us just what the Department of Main Roads is doing to address the impacts on road infrastructure caused by the gas and oil industry in south-west Queensland?

Mr JOHNSON: Yes. This is another major concern to the Government. It is no different from the impact that the B double configurations are having on north Queensland roads as a result of the growth of the sugar industry in that part of the State. Traffic generated by the gas and oil industry in the far south west is placing greater demands on both State and local government roads in those areas. As you are well aware, under dry, droughted and desert conditions, we do not have the rainfall to build roads as we do in other parts of the State. Therefore the bulldust conditions in the Bulloo and Quilpie Shires are having an adverse effect on roads in that area.

Over the past four years, Main Roads has contributed \$1.45m to improve the Innamincka road, which included the construction of a high-level bridge over Cooper Creek at Nappa Merry. Improvements planned for the road network in this area over the next five years total some \$6m and include widening of selected locations along the Quilpie-Windorah road to allow overtaking road trains. That was specifically a beef road, but now with the boom in oil in the western area of the State, it has also been a haul road for oil. There are also plans for improving the condition of the Cooper and Bulloo Developmental Roads from the end of the bitumen west of Eromanga to Kihee.

Transport Infrastructure Development Scheme funding totalling \$770,000 also is proposed for the 1996-97 and 1997-98 financial years for the Innamincka road in the Bulloo Shire and the Kyabra road in the Quilpie Shire. The Director-General of Main Roads, the District Director of Transport and Main Roads at Roma and I will be visiting that area in the next few weeks to ascertain at first-hand the impact that the oil industry is having on the roads in that area. Whilst it has a wealth-generation capacity for our State, we are also gravely concerned about addressing that, because in other than the oil industry we have to cater for the needs of the local community and the beef industry. As you are well aware, the impact on those roads by heavy transport is an ongoing saga. However, I thank you for that question. It is one that we are well and truly monitoring at this point in time.

Mr ELDER: I want to go back to Woolcock Street. Will any State Government moneys be allocated during 1996-97 for works associated with the Woolcock Street extension in Townsville?

Mr JOHNSON: Just before that question is answered—Mr Chairman, in relation to question three asked by the honourable member for Capalaba, there is one slight anomaly in part (b) of that question in relation to the Director-General of Main Roads' former agreement with the former Government. It says a minimum of 18 weeks, but it should be a minimum of 13 weeks. What was the question again, I am sorry?

Mr ELDER: Will any State Government funds be allocated for 1996-97 for works associated with the extension of Woolcock Street?

Mrs PEUT: As the Minister announced on the twentieth with the joint press release, the funding that was provided and announced on 24 November over the next three years—it is commencing now and we expect to go to tenders for drainage works and some of the bridge works on the Woolcock Street section. We will be spending on that connection \$7.8m over the next three years—that extension from Duckworth Street to the Hugh Street connection. As to the connection on Duckworth Street between Woolcock Street and Ingham Road over the next three years—there is a contribution there of about \$2.12m, and \$4.5m for the Shaw Road connection—if you remember the Shaw Road connection from the Bruce Highway through to the Dalrymple Road extension at the northern end. In addition to that, the works on Ingham Road will commence in a couple of years' time. They were the commitments given.

Mr ELDER: Over the next three years, that is the total expenditure, the State commitment?

Mrs PEUT: Yes. There are some other associated works that will be picked up as part of the program which are currently being worked through as part of the development.

Mr ELDER: What did you say the amount was for 1996-97?

Mrs PEUT: I haven't got the program in front of me, but it is currently being developed and refined.

Mr ELDER: Under the current program? Nothing has changed—as per the RIP?

Mrs PEUT: The project commitment will be met and the completion date will be met. As to cash flows—they may be adjusted marginally because of delays in the approval.

Mr ELDER: What about Federal Government moneys? What will be spent in 1996-97, 1997-98?

Mrs PEUT: The expenditure this year for Woolcock Street is \$2.93m, and \$0.9m this year on Duckworth.

Mr ELDER: 1997-98?

Mrs PEUT: Woolcock Street, \$8.5m; Duckworth, \$3.5m. In 1998-99, \$4.32m, and Duckworth Street \$1.65m. That total commitment will be met within that time frame.

Mr ELDER: When will tenders be called for the State Government's—

Mrs PEUT: I understand that there are some tenders being called this week—within the next week.

Mr ELDER: For?

Mrs PEUT: For the Commonwealth side, but I need to check on the State side. I am just not sure whether that is extended to the Woolcock Street extension to the south, but I can have that checked.

Mr ELDER: We have no commitment at this stage from the State Government side in terms of tenders?

Mrs PEUT: I am not sure whether they are ready to call tenders on that part. I can certainly assure you that there will be moneys expended this year.

Mr ELDER: Can I take that on notice? Can you provide that information for me?

Mrs PEUT: I certainly can.

Mr MULHERIN: I seek leave to ask the Minister a question.

Leave granted.

I refer to the Ministerial Program Statements page 2-12 regarding the National Highway subprogram. Last financial year, the Federal Government approved expenditure of \$700,000 under the National Highway Planning and Administration Program, which allowed for preliminary works to be completed by your department on the Ron Camm Bridge duplication at Mackay. The project has a benefit-cost ratio of 11.5 to 1, which is one of the highest in this State. Would

the Minister or the deputy director-general please advise whether the construction on this project will begin in this financial year so that all associated works are completed by the end of the 1997-98 financial year as envisaged in the National Highway System Forward Strategy Report 1995-96 to 1998-99 produced by your department? What representation has the Minister made to the Federal Minister for Transport regarding this project?

Mr JOHNSON: I thank the honourable member for the question. I refer that question to the Deputy Director-General of Main Roads, Mr Don Muir.

Mr MUIR: On 27 November last year, 1995, a submission for project approval was forwarded to the Federal Department of Transport. The estimated cost of the bridge and approaches was around \$24m. We never got the project approved. We were given the okay to go ahead and do the planning at an estimated cost of \$700,000, as you said. But part of the agreement was that Queensland Transport would fund those costs themselves until such stage as the project was approved. But we had got approval to go ahead and do the planning. That planning has been progressed and we will be in a position by November this year to call tenders. It probably gets back to that Woolcock Street situation. The project has not been approved as is. We have had a number of representations at officer level to the Federal officers in Canberra. On 2 November 1996 we sent down a submission recommending again a number of major projects for consideration and the Ron Camm Bridge was on that list of projects. The Federal Minister is yet to approve any major projects for Queensland other than the two we mentioned, which were Woolcock Creek and Wallaville.

Mr MULHERIN: Have you made representation at all to the Federal Minister on that matter?

Mr JOHNSON: I most definitely have.

Mr Chairman, if I could just ask Mr Neil Doyle, before the next Opposition question, to provide clarification of a previous question regarding the Sunshine Motorway and Gateway Bridge funding. Would that be acceptable?

Mr DOYLE: They are questions to which Mr Elder has asked us to reply, and if you are happy I will answer them now.

Mr ELDER: Are they the ones on notice?

Mr DOYLE: Yes. You can provide them to me on notice. At the moment I'm asking questions in relation to the program. If I gave them to you on notice, I can get them tomorrow.

Mr JOHNSON: Are you happy with that?

Mr ELDER: Yes. My question relates to page 1-14 of your MPS and, in particular, note No. 9. What was the amount of \$3.5m relating to the Pilotage and Marine Response New Initiative and the Marine Capital Works specifically allocated for in 1995-96? Why was the money not spent? In 1996-97, will the amount be carried over—specifically the \$2.923m for the Pilotage and Marine Response New Initiative—be spent specifically on the originally purpose, or will it be allocated to some other area?

Mr JOHNSON: Can we ask Mr Kersnovske to come up, please? Would you mind if we take that question on notice? We don't have those details with us.

Mr ELDER: The staffing resource on the table on page 1-15 identifies a decline of 13 full-time jobs in the maritime area. From where did those jobs go? Can that be included in that answer? This year you will be reviewing the transport operations marine safety regulation to better align maritime safety administration both nationally and internationally. That is mentioned on page 1-12. Given that Queensland has been a leader in the area of maritime deregulation and soft regulation, does that mean that you will be imposing a more heavy-handed regulatory regime on the maritime industry?

Mr JOHNSON: I will ask the Director-General, Mr Wilson, to reply to that.

Mr WILSON: No, I don't think it does mean that we will be applying a more heavy-handed approach. I think one of the major initiatives that has been announced is to provide the option to boat owners to have a departmental Survey Service survey their boats. There are concerns at the moment, for a range of reasons, with the existing system, which allows survey to be carried out only by registered surveyors in the private sector. The concerns include the fact that some non-registered boatbuilders, who are not registered as surveyors, may need to go to their opposition to be surveyed. There are also concerns about acceptability by a non-Government surveyor in some other jurisdictions. So we are providing an alternative service within the department.

Mr ELDER: Does that mean that all boats will be required to have a certificate of survey issued by your department or by someone who has been authorised by your department?

Mr WILSON: I will get John Watkinson, who is Acting Executive Director, Maritime, to elaborate.

Capt. WATKINSON: We already issue a certificate of survey now.

Mr ELDER: I know.

Capt. WATKINSON: The new position, I suppose, is to issue a certificate that is signed off by a Government authority that will be acceptable in another State as coming from that authority.

The CHAIRMAN: The time is 7.30 p.m..

Mr ELDER: Can I ask this last question? He will be two seconds answering it. Does the better aligning with other States and countries include the abolition and changes to the 35-metre rule?

Capt. WATKINSON: The 35-metre rule as it applies to pilotage?

Mr ELDER: No, as it applies now in terms of regulation. There is a current rule in place, the 35-metre rule. If we were talking about better aligning with others States, does it include the abolition or changes to the current 35-metre rule—that is to commercial vessels?

Capt. WATKINSON: The 35-metre rule applies to pilotage. That has already changed under the legislation that is there now.

Mr ELDER: What about in terms of commercial vehicles and staffing?

Capt. WATKINSON: No, the 35-metre rule applies only to foreign vessels. It's the 50-metre rule for Australian vessels for compulsory pilotage.

Mr ELDER: For pilotage?

Capt. WATKINSON: Yes.

Mr ELDER: I am talking more broadly in terms of staffing levels for engineers—

Capt. WATKINSON: The new legislation, do you mean? There are no changes envisaged in that area.

Mr WILSON: To clarify—that is another issue altogether, which does not relate—

The CHAIRMAN: The time now being after 7.30 p.m., that concludes the Committee's consideration on the matters referred to it by the Parliament on 3 September 1996. I thank the Minister and the public officials for their attendance and, in particular, those officials who have come considerable distances to be at this meeting.

Mr ELDER: I thank the Minister and the staff of the department for their cooperation today.

The CHAIRMAN: I declare the public hearing closed.

Mr JOHNSON: I thank you for that, Jim, and I thank you, Mr Chairman, for the manner in which this hearing has been conducted.

The Committee adjourned at 7.32 p.m.