

ESTIMATES COMMITTEE C

Mr J. N. Goss (Chair)	Hon. J. P. Elder
Mr W. F. Baumann	Mr G. J. Healy
Mrs L. R. Bird	Hon. T. M. Mackenroth

DEPARTMENT OF TRANSPORT**DEPARTMENT OF MAIN ROADS****IN ATTENDANCE**

Hon. V. G. Johnson, Minister for Transport and Main Roads

Mr B. Wilson, Director-General, Department of Transport

Mr J. Gralton, Acting Deputy Director-General, Department of Transport

Mr L. Ford, Executive Director (Integrated Transport Planning), Department of Transport

Mr D. Hunt, Executive Director (Transport Coordination), Department of Transport

Mr B. Kersnovske, Director (Finance), Department of Transport

Mr V. O'Rourke, Chief Executive, Queensland Rail

Mr R. Scheuber, Deputy Chief Executive, Queensland Rail

Mr T. Fisher, Workshops Group, Queensland Rail

Mr R. Hunter, General Manager, Projects Services, Queensland Rail

Mr G. Dawe, Group General Manager, Citytrain Queensland Rail

Mr R. Wharton, Director-General, Department of Main Roads

Mr D. Muir, Deputy Director-General, Department of Main Roads

Mr W. Turner, Acting General Manager (Corporate Services) Department of Main Roads

Mrs K. Peut, Executive Director (Roads Programs), Department of Main Roads

Mr S. Golding, Executive Director (South East), Department of Main Roads

The Committee commenced at 8.30 a.m.

The CHAIRMAN: I declare this meeting of Estimates Committee C open. The Committee will examine the proposed expenditure contained in the Appropriation Bill 1997 for the areas as set out in the Sessional Orders. The organisational units will be examined in the following order: the Transport and Main Roads portfolio followed by the Public Works and Housing portfolio. The Committee has agreed that it will suspend the hearing for two 15-minute breaks, one in the morning session and one in the afternoon session, as well as having one hour for lunch between 1.15 p.m. and 2.15 p.m.

I remind members of the Committee and the Minister that the time limit for questions is one minute and three minutes for answers. A bell will ring once 15 seconds before the end of given time limits and twice when the time limit is up. A two-minute extension of time may be given with the consent of the questioner. The Sessional Orders require that at least half the time be allocated to non-Government members. Government members and Opposition members of the Committee will take turns to ask questions in blocks lasting up to approximately 20 minutes. Copies of the Committee's questions provided to the Minister on notice and his responses are available from our staff today.

In accordance with the Sessional Orders, each of the Ministers is permitted to make an opening statement of up to five minutes. In relation to media coverage of today's hearing, the Committee has resolved that video coverage will be restricted to the Chairman's opening address and each Minister's opening comments, and that audio coverage will be allowed at all times. For the benefit of Hansard, I ask departmental witnesses to identify themselves before they answer a question.

The first item for consideration is the Estimates of the expenditure of the portfolio of Transport and Main Roads. The time allocated is four and a half hours. The examination will be in the order of Queensland Rail and other GOCs, Queensland Transport and the Department of Main Roads. I declare the proposed expenditure for the Minister for Transport and Main Roads 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 JOHNSON: Yes. This is a task that I approach with a great deal of enthusiasm, because an efficient transport system is vital to the economic and social wellbeing of all communities in this State. I am also proud to report that the State Government will spend a record \$2.4 billion in 1997-98 on transport planning, services and infrastructure, including payments to Queensland Rail. The decision of this Government to separate Queensland Transport and Main Roads continues to produce benefits for the people of Queensland. Main Roads focuses on road infrastructure planning, management and delivery, while Queensland Transport maintains its overall strategic approach to transport services and planning.

To illustrate, I point out that Main Roads district directors are now able to concentrate on delivering the road infrastructure program, one of our major responsibilities. This also enables Queensland Transport, in conjunction with Queensland Rail, to deliver major infrastructure in relation to rail, sea ports, airports and public transport. As a result, I am pleased to say that, compared to the same period in 1995-96, in the first 11 months of 1996-97 an extra \$178m of roadworks has been delivered, and results are what the people of rural and regional Queensland want to see.

An important responsibility of the portfolio is overseeing the efficient operations of eight port authorities, which represent another vital component of the State's transport system. Queensland Rail is a key player in providing efficient transport services, particularly with regard to mineral development throughout the State. More than \$440m has been allocated to support the growing mining and freight businesses. Another \$112m will be spent on upgrading the Citytrain network in south-east Queensland, including \$37m for the completion of the Gold Coast line to Robina.

Queensland Transport will spend a total of \$1.04 billion during the next financial year, including payments to Queensland Rail. The focus of this budget is the expansion of existing public and private transport infrastructure. A significant amount will also be spent on the development and implementation of integrated and improved transport planning projects and road safety initiatives. Major initiatives in transport planning include the Integrated Regional Transport Plan for South East Queensland and the continuing development of integrated regional transport plans and strategies for the north-west mineral province, Cairns and far-north Queensland, Townsville/Thuringowa, Mackay and Wide Bay.

As the Committee would be aware, the IRTP was released last week and has met with considerable approval from local government and the community. Final preferred plans are almost complete for the \$520m South East Transit Project, which has involved considerable community consultation. An amount of \$33m has been set aside this financial year to continue that five-year project. A total of \$9.2m has been allocated in 1997-98 for other public transport infrastructure around the State, including almost \$4m for the construction of a bus interchange at the Nerang Railway Station and to purchase land for the Robina Railway Station. An allocation of \$3.7m has been made for infrastructure to support the roll-out of commercial service contracts for urban bus services around Queensland.

In the maritime sector, funding for marine services and facilities has been boosted by \$9m a year for a range of projects, including dredging, improved navigational aids and upgraded facilities. The Government has also endorsed a new Marine Board and Gold Coast Harbours Authority, providing funding of almost \$5m over the next three years.

In Main Roads, in 1997-98, \$933m has been budgeted for roads throughout Queensland, excluding tollways and debt payments, despite a \$30m reduction in Commonwealth funding this year. This reflects a net funding increase of some \$60m for roadworks. The increased allocation to road construction reflects the increased demands being experienced on the road network due to population growth and rapid expansion in the mining, sugar, grain, tourism and live cattle industries throughout the State. In addition to normal roadworks outlays, the roads budget includes \$196m for the Pacific Motorway upgrading, for which a number of major contracts will be called in 1997-98. There is an additional \$33m allocation to accommodate high

priority roadworks across the State, including \$3m to start the construction of the final link in the bitumen seal between Cairns and Cooktown.

There will be an estimated \$10m in revenue obtained from speed camera detected offences to improve accident black spots on the State road network, and a continuing commitment of \$35m in 1997-98 to the Transport Infrastructure Development Scheme, which provides significant assistance to local governments for local road upgrades to assist employment, particularly in rural and regional areas. Most importantly, the roads budget will provide direct and indirect employment to some 16,000 people in the road industry and other industries supporting the road task. These are real jobs right across Queensland and the wages they provide boost the local economy of every community in Queensland.

This Government is committed to managing a Transport portfolio which provides integrated transport planning solutions which are responsive to the needs of industry and the community and contribute to the economic growth and social welfare of this State. In conclusion, I am confident that all agencies within the Transport portfolio have a vital role to play in the future of this State and will continue to deliver value-for-money services that allow Queenslanders to get on with the job. With the commitment and professionalism of our staff right across the Transport portfolio to achieving the aims of Government, we are well placed to provide a Transport system that Queenslanders value well into the 21st century.

The CHAIRMAN: Traditionally, the first round of questions goes to Opposition members, but with the consent of the Deputy Chair, I call on the member for Gladstone to seek leave to ask a question.

Mrs CUNNINGHAM: I seek leave to ask a question.

Leave granted.

Mrs CUNNINGHAM: Minister, I know that you are familiar with the route D proposal in my electorate. It is not anticipated that it would need to be constructed straightaway. However, there is some concern about protecting the integrity of the proposed route. In light of the safety issues in relation to the transportation of heavy and hazardous goods and maintaining the integrity of the port facility, has a decision been made about the proposed new route? If so, have any funds been set aside for its acquisition?

Mr JOHNSON: This is an issue that has been very contentious within the electorate of the member for Gladstone, in particular with the Gladstone City Council. The issue concerns the future road network within that city and how it will interface with the port of Gladstone.

In 1993, a Gladstone area transport study included a preliminary investigation of a new access road to the port of Gladstone. Further feasibility studies were carried out by the Department of Main Roads in 1995-96 in that regard. Many options were outlined, but the proposed route D, which seems to

be a familiar option with many people within the City of Gladstone and the port at Auckland Point, is the preferred route. Route D is supported by both the Gladstone City Council and the Gladstone Port Authority. Concurrently, local community concerns have been expressed about high volumes of heavy vehicles—some carrying hazardous goods or dangerous goods, as you are well aware—travelling the route known as the Dawson Highway. This is something that has been of concern to me, and I know it has also been of concern to you as the local member.

As you well know, I have gained first-hand knowledge by viewing the area with you and the Mayor of Gladstone, Peter Coronese. In response to concerns from the local community, on 27 April this year I undertook an aerial inspection with the mayor in question. As a result, I have decided to approve route D. I think there has been procrastination over the issue for too long now. The decision had to be made. So route D is the option for the future alignment of the port access road. In addition, a freight route study will be undertaken to determine the most appropriate overall road network for vehicles carrying heavy and hazardous goods through the city, particularly to the port. Main Roads will soon commission a consultant to undertake this study.

Although this decision will not satisfy everybody, we believe at this point in time that it is a responsible way to go. Due to the way the city is landlocked at the port, not too many options are available. In the meantime, the Gladstone City Council has foreshadowed a submission for funding assistance to construct the Don Young Drive to provide a connection from the Dawson Highway to Hanson Road via the Red Rover Road. This will provide an alternative access to the port from west of the city and enable heavy transport vehicles to avoid the inner residential areas and major shopping centres adjacent to the Dawson Highway. This funding request will be considered under the Transport Infrastructure Development Scheme—TIDS—program for 1997-98 and beyond as part of the development of the 1997-98 to 2001-2002 Roads Implementation Program. In accordance with the undertaking I gave to you as the member, in April the department began discussions with property owners that are affected by route D. So route D is the option and funds will be provided as part of the RIP for hardship acquisition and future planning for the route D option. That is the message.

The CHAIRMAN: I call on the Deputy Chairman and member for Capalaba for 20 minutes of non-Government members' questions.

Mr ELDER: I think that was the appropriate decision to make in terms of the support from the council, local business and the community generally.

Mr JOHNSON: As you are well aware, it is a problem for which there were not too many solutions. We believe it is the responsible option. I thank you for that.

Mr ELDER: I would like to concentrate first up on rail. I refer to page 1-9 of the Ministerial Program Statements dealing with community service

obligations in particular. I refer you to comments that you have made previously—and in fact I think it was on 26 April 1997 that you actually made them—where in relation to CSOs you said that "there were problems with the corporate plan of Queensland Rail and in particular the CSO part"—that is, the CSO part of Queensland Rail—"had been left there like a dying duck and now the Government's got to pick that up". At the time you were complaining about the fact that some \$650m was injected into CSOs in Queensland Rail. In relation to that, can you identify the problem areas and where you are going to reduce CSOs?

Mr JOHNSON: You have raised a very good point. It is one that I have been concerned about ever since I have been Minister. You are right: \$650m was put in place in relation to CSOs in the former budget. This year there has been a cutback. The changes in payments provided to Queensland Rail from the State Budget over the past two years reflect the corporatisation of Queensland Rail. I believed all along that a few avenues possibly were not pursued properly with the corporatisation; however, we got it. A major component of corporatisation is for Queensland Rail to undertake its activities on a commercial basis, including those community service obligations. There have been offsettings of changes to the receipts from Queensland Rail since its corporatisation. The Government now receives dividend payments, tax equivalent payments and fees for borrowing guarantees.

This year's Ministerial Program Statements reflect the \$62m reduction in payments to Queensland Rail in 1997-98. This largely reflects a decision by Queensland Treasury to reassess the basis of the calculation for the commercial rate of return relating to CSO assets used by Queensland Rail. On the grounds that there is a relatively low risk associated with the delivery of CSO services, the target rate of return that has been applied to the CSO assets is lower than that which is applicable to QR's commercial assets. The reduction will be offset against dividend payments by Queensland Rail and, accordingly, there will not be a net impact on the State Budget. I reiterate that. It is also important to note that while there is a reduction in payments—

Mr ELDER: Could you just repeat that? The reduction will be offset against—

Mr JOHNSON: The reduction will be offset against dividends payable by Queensland Rail and, accordingly, there will be no net impact on the State Budget. It is also important to note that while there is a reduction in the payments to Queensland Rail, there will be no corresponding reduction in services provided by Queensland Rail. That is something we are currently addressing. You are well aware that the urban network in Brisbane is a very important and integral part of the CSOs of QR. We have to make sure that it is operational. The same applies to Traveltrain, the freight train network and the cattle train network. They are all important components and they are all components that this Government will make sure are ongoing. Mr O'Rourke might like to add something on that.

Mr O'ROURKE: As the Minister has said, the reduction in CSO payments from Government to Queensland Rail will be adjusted in terms of a reduced dividend back to the Government. There will be no cutback in services, but obviously we are continuing to review the efficient levels of services that we are providing in terms of CSO support to the Government.

Mr JOHNSON: Just to clarify one thing—when the first bell goes, is that it, or do we have a few seconds left?

The CHAIRMAN: The first bell is a 15-second warning. A double bell signifies the end of the time, but the questioner can move an extension of time.

Mr ELDER: I am quite prepared to be flexible in relation to it. So essentially, no CSO area or supported area will be touched. At the end of the day, Treasury is just going to get less income from Queensland Rail in the form of dividends and loan fees; is that right?

Mr O'ROURKE: Essentially, in terms of dividends, that is correct.

Mr ELDER: In terms of the Rail Performance Management Unit—it seems to me that it is being funded to the tune of \$5m this year straight from community service payments. Is that right—it is coming straight off your CSO payments? If I look at page 1-8 of the Program Statements under current grants and subsidies, there is a variation of \$5m between the 1996-97 budget and the 1996-97 estimated actual. The reason given for that variation is the cost of establishing the Rail Performance Management Unit. I read that as coming straight out of those payments; is that correct?

Mr JOHNSON: That is correct. I will get my executive officer in that area, Mr Dan Hunt, to reply to that.

Mr HUNT: The funding for the Rail Performance Management Unit has basically come through efficiency savings in the delivery of CSOs by QR. That area has been established as a result of the corporatisation of QR. There have been a number of functions that traditionally QR as a department in the past undertook itself but now have fallen to Government in terms of administering the delivery of the CSOs in the funding area.

Mr ELDER: So it is taken straight out of the CSO funding to actually manage QR's performance in relation to the delivery of CSOs?

Mr HUNT: That is right.

Mr ELDER: What achievements do they have so far?

Mr HUNT: I guess it is early days yet. They are currently in the process of working with QR and Treasury in terms of looking at the efficiency of the delivery of CSOs, and there is work going on over the next few months which will culminate in finalisation of CSO contracts between the Government and QR by the end of this calendar year.

Mr ELDER: There is \$1.5m on note 7 on page 1-8 that suggests that that is extra consultancies associated with the unit. Can you tell me what that involves?

Mr HUNT: There is a consultancy which has just started looking at efficient costs in CSOs which will be benchmarking the performance of Citytrain against similar operations in Australia and around other parts of the world.

Mr ELDER: Is that being funded from CSOs or funded off budget?

Mr HUNT: It is being funded from the budget allocation for rail.

Mr ELDER: For rail?

Mr HUNT: Yes.

Mr ELDER: It just seems to me to be a little confusing. Is not much of the work that is done or to be done by this unit duplicating work that is already done by Queensland Rail?

Mr HUNT: By Queensland Rail?

Mr ELDER: Yes, by Queensland Rail and also within the Treasury Corporation.

Mr HUNT: Treasury do not do any direct work in relation to the funding; the funding is given by the Treasury to the Department of Transport for the delivery of CSOs.

Mr ELDER: No, I am talking about the work itself. Does not the corporation unit do work in relation to the overseeing?

Mr HUNT: Of CSOs, no.

Mr ELDER: Would corporations themselves?

Mr HUNT: QR?

Mr ELDER: Yes.

Mr HUNT: I guess the issue is that the Government has a contract with QR to deliver services and the Government has got some responsibility to make sure that that delivery is efficient in terms of the way the money is spent. We could ask QR—we could just trust them which is fine, but—

Mr ELDER: The Minister trusts them all the time.

Mr HUNT: I am sure the Minister trusts them, but in the long term there has to be a commercial relationship developed between the Government and QR as a commercial organisation.

Mr ELDER: What else is there out there that has been funded similarly? What other programs are being funded off CSOs similarly as this in Transport or across Queensland Rail? Is there anything else?

Mr HUNT: No.

Mr ELDER: That has been funded straight from the CSO?

Mr HUNT: No.

Mr ELDER: I notice in the CSOs that there is a significant decrease over the years, some \$75m. That will be funded in what form? It will be just taken straight out and met by just reduction in dividends?

Mr HUNT: Essentially, as the Minister just said, yes, there will be a reduction in dividends to match the reduction in funding.

Mr ELDER: I want to take you to the consultants that you have commissioned to provide advice on the future direction for Queensland Rail to make, as it is put, Queensland Rail efficient and competitive. It seems to me that in relation to that consultancy that you recently commissioned there are only two outcomes—that I can see anyway—that will come from that consultancy. I just ask: will you undertake to reject any recommendation that seeks to destroy an integrated group by splitting track from operations?

Mr JOHNSON: Would you just repeat the last part?

Mr ELDER: You have a consultancy that is looking at Queensland Rail right at this point. Will you undertake to reject any recommendation that seeks to destroy the integrated rail group by splitting track from operations?

Mr JOHNSON: I can assure you—and I think you have heard me say before—that whilst I have the commission to be Minister for Transport and Main Roads in this State, that is something I have always advocated and something that I will always support: that we have one stand-alone railway. That is what I will be supporting no matter what the findings are of any consultancy. We believe it is absolutely vital and absolutely important for the future wellbeing and for the future operation of Queensland Rail to stand alone as one railway, and at no time do I support a splitting of the operation.

Mr ELDER: When they come down with that report—

Mr JOHNSON: It has been brought to my attention that there is one thing that we have to do there, and I believe that Queensland Rail has been very professional to date and is meeting the requirements of the National Competition Policy. As you are well aware, because I think it was under the stewardship of the Honourable David Hamill when he was Minister, we saw the National Competition Policy applied to Queensland Rail especially in the coal and minerals areas where we had the moratorium for five years. That still has three years to run, and that is something certainly that QR is currently doing—endeavouring to make QR a stand-alone railway system that nobody will want to be party to after that three years' moratorium is up. So we are certainly in the business of maintaining that stand-alone railway and, as far as I am concerned, whilst we have to work with National Competition Policy, we are certainly out there in the marketplace to make sure that QR stands up for itself.

Mr ELDER: Regardless of the rhetoric, at the end of the day when the recommendations come to you, as I see it, there will be two recommendations basically that will actually dictate the path for Queensland Rail. What you are saying today is that you are going to reject the recommendation that splits track from operations.

Mr JOHNSON: Absolutely. I think we can see there, if you can recognise exactly the dilemma that

is facing National Rail and Australian National in the south and the other parts of Australia with the separation of track from the operation. We certainly do not want to be party to such an exercise in Queensland.

Mr ELDER: Further to that, what would your attitude be to any recommendation that suggests there will be a need for staff reductions in any particular area?

Mr JOHNSON: This is something we have worked pretty closely with in the last 12 months and it is something that we have watched very closely. Whilst there are certainly areas where possibly there may be staff reductions, there are certainly other areas where there is going to be growth in staff.

If I could just take you to question No. 4 on notice that the Honourable the Deputy Leader of the Opposition asked. There is a situation there if I could correct it somewhat, and I will furnish you with those figures. With respect to question No. 4 on notice, I would like to advise a clarification to the information previously provided noting the average 1997-98 figures provided include contracted staff. The figures for 30 June 1997 did not include contracted staff. The figures without contracted staff for 30 June 1998, which can be then compared to the figures for 30 June 1997, are: Coal and Minerals, 2,392; Freight, 5,089; Citytrain, 3,038—and I will give you a copy of this—Traveltrain, 362; Workshops, 2,145; Business Services, 940; Corporate Services, 555; with a total of 14,521.

Mr ELDER: Can you go back to Workshops for me?

Mr JOHNSON: Workshops, 2,145. I can give the honourable—

Mr ELDER: That is without contracts?

Mr JOHNSON: Yes.

Mr ELDER: In Workshops you have gone from 1,825 at 30 June 1997 to 2,145 rather than—

Mr JOHNSON: Workshops at 30 June, 1,825; and the average for 1997-98 we estimated to be 2,072, so we have gone to 2,145. That is correct; there has been a growth there of some 320.

Mr ELDER: With contract?

Mr JOHNSON: That is without contract. If I could just ask Mr O'Rourke just to elaborate a bit more on that.

Mr ELDER: I might just follow that up. During the Estimates Committee last year—and I am just going across these figures—you said that there would be a reduction in the work force from 1,844 to 1,690 and that that reduction was part of the Workshop Strategy. There has been basically a maintenance of that at around 1,844; you have had 1,825 this year. You now say that it is going to rise to 2,145 permanent full-time staff.

Mr JOHNSON: That is correct. It cannot be permanent full time, but these are fairly accurate assessments.

Mr ELDER: Hang on. Before you just said that they were not contract staff; contract is fixed term. Did you say these were full-time jobs?

Mr JOHNSON: That is what they are at the moment, yes, but—

Mr ELDER: Hang on, I just want to get this right.

Mr O'ROURKE: If I can just explain the issue. I think there is a little bit of misunderstanding with the term "contract". Those two earlier numbers are in terms of broad numbers for Queensland Rail as at June 1997 and June 1998. Contract staff in this term were people we were bringing on for special-type contract jobs who would only be with us for short periods of time. That is of the order of about 200. That was the difference between those two sets of numbers. That is a different issue altogether. Included in that 2,145 is the staff that we bring on for what we call "fixed term" who are basically part of our permanent establishment. They might stay for six or 12 months to provide for a special job. If I can just explain in broad terms, in relation to the 1,844, as you quite correctly say was mentioned last year, we were planning to bring down the Workshop numbers to about 1,650 at the end of that year, but we have seen additional capital works going into our workshops and a number of programs that we are planning for this year. One of them is in the planning phase for maxi overhaul of our freight locomotives. That provides for an additional 60 locomotives to be overhauled and that would increase the staff by about 120 people. We have major retrofit as part of the Trainsafe program for our Citytrain area which would accommodate about another 70 people. Also, there is a significant production of coal wagons much greater than we expected, and this is now happening through our shops out at Redbank.

So in all, the projection—that 2,145—includes quite a large number of people who would be on fixed terms to provide for those contracts, and that would be short-term employment to last for the period of those jobs. Also, because of the different skills mix within the workshops, these people whom we are bringing on are special, highly skilled people, whereas we still have quite a number of people in the shops who are unskilled and basically surplus to our requirements. However, because of the our policy of no forced redundancies and no relocation, we have a large surplus component in the workshop which is currently of the order of about 290 people, so that is covered in there also. That takes you to the figure of 2,145, which is a planning target for the end of 1998.

Mr ELDER: So essentially the thing that has changed in your workshop strategy has been basically an injection of capital works to bring on a number of projects. There has been no extra turnover in the workshops that is justifying that; it has simply been pumping in capital works to actually undertake a number of projects that need doing within the railways?

Mr O'ROURKE: That is correct, in the sense that we have a number of major capital programs that have come forward rather quickly. As I said, we need to do a major program to upgrade our freight locomotives. We changed our strategy on that from what we thought, say, 12 months ago.

Mr ELDER: But there is no extra turnover in the workshops to justify the increase in staff?

Mr O'ROURKE: The major work is demand from our groups and significant capital works that are happening at the moment. Plus, of course, we have the Heritage Train in Townsville. There has been an injection of capital into Townsville, and we are seeing significant increases of work there with the Heritage Train, which has about 120 working on that. We recently announced an order in Townsville to construct 300 cattle crates. That will be work that will last for some two years.

Mr ELDER: How many of the new employees will be permanent full-time staff?

Mr O'ROURKE: I will ask Terry Fisher that.

Mr FISHER: At this stage, the number of permanent employees has not been identified out of the total number on fixed terms. What we are doing currently in the workshops is a review of the original 1993 strategy. That will be completed in September this year, which will identify the number of permanent people required. But at the end of the day, the Workshops Group is a commercial business. It has not got an establishment in terms of numbers of people. In fact, as workload increases so, too, will we recruit the additional people who are required. But fixed term, as Vince has explained—

Mr ELDER: Recruited full-time?

Mr FISHER: No, fixed-term people can be recruited on a one-year basis or two-year basis. But there is a core of people required in workshops, and we will be identifying the number of permanent employees in the future.

Mr ELDER: What is the current level of permanent full-time employees in the workshops?

Mr FISHER: About 1,650. That is approximate. It is of that order.

The CHAIRMAN: The time for non-Government members' questions has expired. Minister, in relation to Citytrain—I understand that, considering the track capacity and upgrade, the new budget has initiatives in 1997-98 that include additional rolling stock and capacity expansion for Citytrain. What is the estimated cost of this project, and what are the benefits to the commuters of the south east?

Mr JOHNSON: Yes, there certainly will be some major benefits, but there are two initiatives approved by this Government in 1997-98 aimed at improving reliability, No. 1, and operating of the existing Citytrain services to provide sufficient capacity for implementing an effective maintenance strategy. The first initiative includes: the acquisition of 18 three-car suburban MSUs, or multiple units, at an estimated value of \$156m. The first units are expected for delivery in April 1999, with the 18th unit targeted for delivery in June 2000. The initiative also includes a \$21.7m upgrade of the existing electrical multiple unit fleet to improve the reliability of the performance of the cars. Fourteen of the 18 suburban multiple units have been acquired to replace Queensland Rail's existing by stainless steel sets hauled by 40-year-old locomotives. This will improve passenger comfort, reliability and on-time running of trains on the city network. Bearing in mind that the city network is currently running at about

95% or 96% capacity, there is probably no other urban network in the world running at a capacity like that. We cannot afford to have a set break down. We should have put the order in last year but, unfortunately, that could not be done. They should have been put in about three years ago so we had them now, but that was not done, either.

Secondly, the Government has supported the expansion of the Citytrain network capacity to cater for increasing public transport patronage, as forecast by the Integrated Regional Transport Plan. This will be achieved by the acquisition of another 12 three-car suburban multiple units—this is in addition, of course, to the 18 units that I just made mention of—at an estimated cost of \$104m. The first of the additional units is expected to be delivered by July 2000. The last target is for April 2001. Additional track will provide for the expected increase in peak period services at an estimated \$170m. This includes a third track from Northgate to Zillmere, a second track from Thorneside to Wellington Point, and a second track from Mitchelton to Keperra. The funding will also include an upgrade of the Caboolture to Landsborough line. The upgrade will consist of a second track from Caboolture to Beerburum, a crossing loop near Landsborough, plus a realigning to a high-speed alignment and station upgrades.

The strategy will improve the level of service able to be offered to existing and additional rail travellers and enhance the region's industry and tourism growth. That is something we are certainly addressing with the Gold Coast line now and on the Sunshine Coast. The major benefits expected from the investment are: improved on-time running of trains; reduced consumer complaints; and, very importantly, increased patronage on the network, as I said.

Queensland Rail have negotiated with Walkers of Maryborough for an extension of the existing contract for supply of the additional 30 units for the Citytrain network. This is certainly going to put us in a situation where we have a world-class urban system. There are various other innovations that we are applying to the city network to make it one of the safest networks in the world, and we are very proud of it to this date.

The CHAIRMAN: My second question relates to rail security issues. I understand that there is a perception of personal security problems on the Citytrain network. Do you consider it necessary for authorised persons from Queensland Rail to have increased powers?

Mr JOHNSON: That is a very good question. This has been a very contentious issue. It has been debated in the wider circle, not only with this Government but probably with the former Government, too. I believe that people in our community—not only rail commuters—are faced with personal security problems which need to be addressed. It is appropriate to have community-wide legislation in relation to this.

These matters relate to people, particularly groups of young people, loitering in all manner of public places, such as malls, parks, shopping

centres, bus stations and now railway stations, especially our railway stations where we do not yet have security as such. It is considered that this behaviour can be a precursor to other offences, such as graffiti, and crimes of a more serious nature, such as assault, rape or whatever. These are crimes that we do not tolerate, and I do not believe that anyone in this community tolerates them.

A further concern is the instance of people carrying concealable weapons. When we talk about concealable weapons, we talk about pressure packs of paint and what have you for graffiti ideas that a lot of our louts have. It is due to the community-wide nature of these offences that it is considered that a rail specific response is likely to be inappropriate and ineffective. Accordingly, I have requested that consideration be given to the inclusion in the police powers and procedures Bill or other appropriate legislation of powers to address the problem of loitering and carriage of weapons, not only on the railway but also in other public places.

Those powers, if provided to Queensland Rail's authorised persons, would complement other features included in the \$17m Trainsafe package. Queensland Rail has also sought the power for its authorised persons to detain suspected offenders and also to search them. However, at the recent Travelsafe Committee hearing the Queensland Police Service advised that it considered that existing powers for authorised persons were adequate and further powers, such as the power to detain, would create more problems than benefits for railway staff. That is something that we have to work through. If they had the power to detain, they could communicate with Queensland police who could arrest the offender at the next stop.

With respect to the rail network—the chief executive has been delegated the power to appoint authorised persons for railways. At present, those officers may be granted the powers to require the production of tickets, require information from persons, require the name and address of persons and require a person to leave a train. That enables them to manage ticketing and passenger behaviour issues and address the range of offences detailed in the transport legislation. This Government will certainly not be lenient in any way, shape or form on that element within our society. We want a Citytrain network that will provide security to all patrons, whether it be midday, midnight or any other time and whether patrons are travelling with other people or travelling alone. Queensland Rail's record under this Government and, I believe, under the former Government has been good in trying to provide that security. It will certainly be ongoing under this administration and under my stewardship as Minister responsible.

The CHAIRMAN: As you are aware, the Parliamentary Travelsafe Committee is conducting an inquiry into passenger safety and security on the Brisbane Citytrain network. What issues raised in submissions and at the hearings are of particular interest to you?

Mr JOHNSON: I realise that you are the Chairman of the Travelsafe Committee and a lot of

the issues that have been raised are near and dear to your heart. The Travelsafe Committee is inquiring into those important matters relating to passenger safety and security. I will be most interested in the findings of the committee. Firstly, matters of safety and security on all modes of transport are high on the agenda and warrant high levels of assessment. Secondly, I am committed to ensuring that the environment is right to enable increased usage of the public transport sector. I know that that is of particular interest to the committee, too. Thirdly, as the shareholding Minister, I clearly have an interest in ensuring that Queensland Rail is operating at optimum levels of safety, customer satisfaction and operational performance.

The last question relating to rail safety and rail security on the urban network probably interfaces somewhat with this question. If we do not have rail security, we certainly will not have people patronising that network. That is something that we can ill afford to have, especially with the launching of the Integrated Regional Transport Plan and its emphasis on public transport. We are trying to sell public transport by re-educating people within our communities to take advantage of public transport. I believe that as a Government we have to be responsible for making sure that those security factors are in place.

Submissions have been made by a range of agencies. Queensland Transport's submission focused on the role of rail safety. The Queensland Police Service and the Accreditation Branch made a submission with respect to the responsibility relating to the intergovernment agreement on rail safety, accreditation of railway managers and operators and incident investigation. The QR submission described the existing Trainsafe strategy and the results of a safety audit carried out by Queensland Rail, which generally found that high levels of safety exist on the Queensland Rail system. QR has one of the best running times in the world. With the surveillance equipment available on trains and security cameras in place, we are one of only two railways in the world that have that type of surveillance equipment. The other one is in London. Of 50 railways on urban systems throughout the world, we are up there with the best. We will be continuing along that line.

Public hearings focused on a number of issues, one of which related to powers for authorised persons. Previously I have requested that consideration be given to the inclusion in the police powers and procedures Bill or other appropriate legislation of powers to address the problems of loitering and carriage of weapons, not only on railways but also in other public places. Queensland Rail has also sought further powers relating to detention of offenders and the power to search. However, I consider that it would be premature to unilaterally seek those powers before police powers legislation is drafted and before the Travelsafe Committee has brought down its findings.

Mr HEALY: It is probably not surprising that my question in relation to Queensland Rail pertains to my own electorate. I refer you to Budget Paper No. 3, Capital Outlays, page 38, which indicates an

amount of \$10m to be allocated towards construction of the new wagon maintenance facility in Toowoomba. Can you outline the details of that project and the time frame for its expected completion?

Mr JOHNSON: The rail facility in Toowoomba is one that has been a contentious issue for a long time. I know that you have made some fairly wide representations on behalf of the personnel in Toowoomba. I am happy to say that the Willowburn Wagon Depot Redevelopment Project involves the refurbishment of the existing wagon rebuild shop and the lift shop at that centre, the demolition of the dilapidated timber infrastructure, the construction of a new high productive wagon wash structure and minor earthworks for car parks and the road system. The object of the project is to convert the outdated depot into a modern, highly productive facility. The project forms part of the larger Rolling Stock Maintenance Depot Redevelopment Program. Tenders were called in April and closed on 16 May. The tender assessments have been completed and the documentation has been finalised prior to awarding a contract on 16 June. Stage 1 is scheduled for completion in November 1997. Stage 2, which cannot commence until Stage 1 is completed, of course, is scheduled for completion in March 1998. The total cost of that project is \$12.5m. This year \$10m has been allocated for the program.

There has been a lot of concern in relation to that project. At the end of the day, with the growth, especially last year, in the grain industry on the downs—and hopefully that will be forthcoming for many years to come—and now with the boom in the season in the west, no doubt the rolling stock and a lot of those wagons can be refurbished in Toowoomba, instead of dragging them off to other centres and other locations in the State that are a long way away. This venture will be very advantageous to Toowoomba. It will be very advantageous to the ongoing maintenance requirements of Queensland Rail, not only on the downs but also for the western part of Queensland that that area services.

Mr BAUMANN: I understand that a Southern Gold Coast/Tweed Corridor Study is being undertaken to identify a public transport corridor from Robina to the New South Wales border. Could you please provide information on that study and give us an update on the progress of Stage 2 of the Gold Coast railway link?

Mr JOHNSON: I thank the honourable member for Albert for the question. The Southern Gold Coast/Tweed Corridor Study has been initiated to investigate the need for feasibility of extending the rail line from Robina to Coolangatta and of a new road corridor between Tugun and the Tweed. A lot of people are asking whether the railway line will go to Coolangatta. I certainly have the vision of it going to Coolangatta. I believe that that is a responsible option for the Government. I refer again to the Integrated Regional Transport Plan and its emphasis on the promotion of public transport. The total project cost of the corridor study to date is \$635,000. It is a joint initiative of the Commonwealth

Government, the Gold Coast City Council and Queensland Transport. The study should provide an indication of the likely road and rail corridors required for future expansion. That should be finalised by the end of August 1997. It will include a draft land use transport strategy by the end of September 1997. That will assist in managing future development strategies for the region and allow for preservation of transport corridors. The consultation with the community and the impact assessment study will be completed as part of that study.

With regard to the Gold Coast rail link, Stage 2 of the construction between Helensvale and Robina is expected to be completed by April 1998, with Nerang station fully operational by December 1997. The total cost of the Beenleigh-Robina project is \$285m, \$248m of which will be spent by the end of the 1996-97 financial year and a further \$37m in the 1997-98 financial year. Rolling stock costs for the project amount to an additional \$96.5m, consisting of 10 by 3 inter-urban multiple units. These units are scheduled for progressive delivery from April to October 1997.

I have to mention that, in the first year of the operation of the Gold Coast link to Helensvale, 1.28 million passengers travelled that corridor, well ahead of the initial estimated one million that the Government of the day and this Government thought would be possible. So that is a good-news story. The higher than expected levels of patronage demonstrate that Queensland has strong support for the new inter-urban rail service. With the continuing progression of that line further south, I do not think that anyone can put a figure on the patronage levels. With the upgrade of the Pacific Motorway and people commuting between that part of south-east Queensland and the CBD of Brisbane for tourist needs, commercial needs or whatever, we can only see growth in that corridor.

The CHAIRMAN: Thank you, Minister. The time for Government members' question has expired. It is time now for non-Government members.

Mr ELDER: In relation to your last answer, you said that patronage levels had increased and that you are happy with the patronage levels on the intercity service between the Gold Coast and Brisbane. It was not more than four months ago that your Premier actually came out—and you supported him in relation to this—and said that the Government was disappointed with levels on the intercity service and that was one of the reasons why you had to adjust fare rates on the service and to stop the discount rates that Labor as a Government had put in place—the criticism being that the patronage levels were too low. With patronage levels now, as you say, at acceptable levels and better than acceptable levels, what is the real reason—

Mr JOHNSON: What is the—

Mr ELDER: With high patronage levels, is it fair to say that the real reason was never the patronage level but problems in terms of cross-subsidisation with Coachtrans?

Mr JOHNSON: The final part of that question?

Mr ELDER: Simply this: was not the real problem not patronage levels on the rail between the Gold Coast and Brisbane but essentially the problems you had in terms of cross-subsidising your service and the problem you had with Coachtrans rates?

Mr JOHNSON: Absolutely not right.

Mr ELDER: Then how come we have had a big turnaround in four months in terms of the level of service?

Mr JOHNSON: I have to say to the Deputy Leader of the Opposition that the situation is that this is something that Queensland Rail has looked at, especially now with the ongoing business of the upgrade of the Pacific Motorway to the Gold Coast. We are trying to encourage as many people as possible onto that network. I believe that we have achieved that. I believe that the figures that I have made mention of today—some 250,000 more than projected—are something that probably both your Government and this Government did not think would be possible at the time.

As far as the Coachtrans issue goes, that has certainly never been put in place—to cross-subsidise Coachtrans. Something that I have worked very closely on is making sure that all modes of transport have been addressed. We have addressed this with QR and we have addressed this not only with Coachtrans but also other contractors in the metropolitan areas—Brisbane, Toowoomba, Cairns, Townsville and everywhere else. I have to say that since Mick McShea has been the Executive Director of the Public Transport Division in this State, we have made some terrific inroads into that. There has been no favouritism shown to any particular company in question.

As for the contracts in question—we are certainly looking at ways and means of making sure that corridors are available and contracts are available to bus operators so that they can run a viable and progressive operation. We are certainly not in the business of subsidising people at the expense of QR or anybody else. I know that it is a contentious issue; I know that it is one that has probably been bubbling in your mind for a while. However, I will say this: the long-distance operators are all waiting for to us make decisions on some of those routes. At the end of the day, it certainly will not be to favour any one particular company.

Mr ELDER: Why did Queensland Rail increase its fare rates if the patronage levels were satisfactory or above your expectation and in direct contrast to what was stated by yourself and the Premier no more than four months ago?

Mr JOHNSON: This was a commercial decision. As you are well aware, at the end of the day Queensland Rail is now a commercial, competitive operation. I am not too sure of the figure, but I think it is somewhere about \$112m a year that the Queensland—

Mr ELDER: Sure, but in terms of patronage, why the big swing around in four months? If your patronage levels are fine, why were they not four months ago?

Mr JOHNSON: The point I am making is that whilst this is a commercial decision and we have a community service obligation, we have to try to build the return on the investment, too. That is the reason for it. It is certainly nothing to do with Coachtrans or any other public operator, whether that be private or public.

Mr ELDER: I accept your answer, but why the big turnaround? In relation to patronage levels, why the big difference in four months on that particular intercity loop?

Mr O'ROURKE: If I might just add to the Minister's remarks: the change in fare structure was not just related to the Gold Coast. The Gold Coast fares are also integrated with the whole metropolitan network. The half-fare strategy that we put in place in 1995—we reviewed that when we adjusted the fares in early 1996. We found that the patronage right across the system had not responded to the half-fare concession. This was an issue more for the whole network rather than just the Gold Coast. So as a conscious strategy for the whole of the suburban network, what we did was to remove the half-fare strategy for weekends and public holidays. It was not targeting the Gold Coast; it was the whole network.

Mr ELDER: But my question is: it was not patronage levels that was the reason for that decision on the intercity route between the Gold Coast and Brisbane?

Mr O'ROURKE: If I might add: it was certainly patronage levels across the whole of the system because the half fare had not generated additional revenue.

Mr ELDER: That was not my question.

Mr JOHNSON: You are talking about the Gold Coast.

Mr ELDER: That was not my question. My question was about the Gold Coast patronage levels. Why in the space of four months has there been a major turnaround in patronage levels? You are actually lauding the service now when four months ago you were saying that the fares were not working because of low patronage levels between the Gold Coast and Brisbane.

Mr O'ROURKE: If I might just clarify that: the weekend 50% discount that we introduced back in 1995 increased patronage by only some 7% right across the network. The fares to the Gold Coast are part of a total strategy for the suburban network. The reduction to half fare was not just the Gold Coast; the Gold Coast came along after that strategy was in place. So that flowed into the Gold Coast. When we reviewed the whole of the network, we found that patronage had increased by only 7% right across the network. So we eliminated the half fares. Then, of course, we went back to the weekend discounts that are still there. The 30% discounts are still there. There was growth in the Gold Coast, but right across the whole network we were seeing a very small increase in patronage because of the half-fare strategy.

Mr ELDER: I accept what you are saying.

There was growth in the Gold Coast and it was used as an argument. You have confirmed that for me.

Mr O'ROURKE: No. If I might add: the decision was taken as a network decision and not as a Gold Coast decision.

Mr ELDER: I know what you are saying. I accept what you are saying in terms of why the decision was made across the network. That was not the way it was explained in the media in relation to the Gold Coast service. That argument was used in the media to sustain an increase in rates, which I will not go over again, but which I believe was due to a whole range of other commercial issues in that corridor, that is, commercial issues between Queensland Rail and private bus operators.

Mr JOHNSON: Mr Elder, I have to say to you that that is certainly not right. I deny that. One thing that I do boast in this job is honesty and sincerity. Since I have been the Minister of this department, that is something that I have stipulated at all times. It is certainly not a decision to bolster any one particular operator, whether that be Coachtrans, Surfside, Clarks or whatever. I have to say to you that the situation was a commercial decision by QR and none other.

Mr ELDER: You say that the workshop strategy is due to roll down in September when it will be completed. Do you see any major change in your forecasts in relation to the permanent work force from last year and the year before in terms of the workshop strategy? I know you are going through another workshop strategy review, but guesstimates were put in place by Queensland Rail about the long-term work force within the workshops. At the end of this year, what do you anticipate the permanent work force within the workshops will be?

Mr JOHNSON: I will ask Mr Fisher to reply to that.

Mr FISHER: As I have previously outlined, the strategy will identify elements of work which may be continuous within workshops in the future. Indeed, looking at the permanent work force, we may well be able to retain people in the Workshops Group. We will give permanent status to a number of newly recruited employees and certainly fixed-term employees. Apprentices who have come into the business move into permanent employment after a period of one year. As I have said previously, it is about not having an establishment which is identified years in advance but understanding the requirements of the workload and recruiting to meet that workload. If the workload is continuous for three, four or five years, yes, we will look at permanent employment.

Mr ELDER: Can you give us a guesstimate? What do you reckon the work force in the workshops will be at the end of this year?

Mr FISHER: At the end of this year it will be 1,825 and approximately 1,650 permanent.

Mr ELDER: And next year?

Mr FISHER: Next year will be of the order of 2,145, which is the information that has been put forward. A large number of those will be fixed term,

but because of a number of surplus problems in workshops we will be carrying 290—

Mr ELDER: And permanents at the end of next year? It is not a trick question.

Mr FISHER: At this stage I cannot give you an answer on that.

Mr O'ROURKE: As I said earlier, a number of capital programs are planned for this year and they are still subject to commercial decisions; there is a locomotive one and a wagon one. They impact on the number of 2,145.

Mr ELDER: Moving on to the Integrated Regional Transport Plan and the potential locations for new freight terminals at Parkinson, Nudgee, Brendale and Charlton, it seemed to me that there was an apparent inconsistency in the recommendations in relation to implementing that in that the only investigation of a freight marshalling facility is to occur at Parkinson, with no investigation at Nudgee or Brendale. What moneys have been set aside by Queensland Rail or any part of the portfolio for the investigation of or work on such a facility at Parkinson and, if the investigation at Parkinson shows that the location is inappropriate, what alternatives have you put in place?

Mr JOHNSON: I will ask one of my executive officers, Les Ford, to answer further, but initially I would say that there has been a lot of hype in the media, protest rallies and so on in recent months, weeks and days that QR will go ahead with the Parkinson site as a marshalling facility. Certainly other places in the south-east corner of Queensland have been mooted as possible marshalling sites for the exercises that Queensland Rail hopes to carry out in the near future in relation to its freight operation. Whilst this is a commercial and corporate decision, it is one that is certainly going to be done with full consultation, whether it is done with the people in Parkinson, whether it is done at Nudgee, whether it is done at Toowoomba or whether it is done elsewhere.

The IRTP has been put in place to address the issues of freight yards for QR, corridors for roads or rail, power lines or whatever and, at the end of day, we have to get this measure right. I believe that to date we have done it right. When a decision is arrived at, it will be done properly and with full consultation with the communities in question. It will be a commercial decision that will affect the future ongoing viability of Queensland Rail. I will ask Les Ford to elaborate on the question.

Mr FORD: For 1997-98, in conjunction with QR and the Brisbane City Council, Queensland Transport proposes to spend \$50,000 on Parkinson and also the other freight terminal issues as identified in the IRTP.

Mr ELDER: But in the IRTP the only terminal identified as needing some form of investigation is Parkinson.

Mr FORD: At this stage, Parkinson would be the priority for 1997-98.

Mr ELDER: As it turns out then, there is no need to answer the second part of my question

because there are no alternatives. The Minister said that the facility is going ahead at the site, so why do we need \$50,000 for an investigation?

Mr JOHNSON: I did not say that it was going ahead at the site.

Mr ELDER: You said that you were going ahead with that site. You said, "At Parkinson we are going ahead with that site."

Mr JOHNSON: I said that if we go ahead with that site, it will be in full consultation with the people in the community. I said that whether it be Parkinson, whether it be Nudgee—

Mr ELDER: Let me qualify it so that Hansard gets it right for you: you are now saying, "If we go ahead with that site"?

Mr JOHNSON: Yes.

Mr ELDER: You look at Hansard.

Mr JOHNSON: It will be a corporate decision, a decision that will be responsible for the future viability and ongoing operations of Queensland Rail, and it will be done in conjunction with the people who live in that community.

Mr ELDER: If, at the end of the day, it shows that it is not an appropriate site, what other sites do you have to investigate on the south side of Brisbane?

Mr FORD: The four sites that are nominated in the IRTP—

Mr ELDER: If Parkinson falls down, what happens? If your investigation shows that Parkinson is an inappropriate site, what other locations are to be investigated? You cannot have all your eggs in one basket, surely, if you are going through an investigation. If you are investigating this with the community and you are spending \$50,000 to put it forward, there has to be an alternative. What other sites do you have if this one fails to meet your criteria and your own requirements?

Mr WILSON: The investigation is certainly being done in conjunction with work that the Brisbane City Council is doing in terms of a land use plan for the area and it is also being done in conjunction with Queensland Rail in terms of its operational—

Mr ELDER: I accept that. I accept that you are doing it in the right spirit, that you are spending money, that you are going through the process and that you are working with the Logan City Council, the Brisbane City Council and the local community. I accept all that. At the end of the day, if Parkinson fails to meet the criteria that you put in place, what other sites on the south side of Brisbane do you have as alternatives?

Mr WILSON: I was coming to that point. My belief is that if it fails to meet those various criteria, then with Queensland Rail we need to look at what other options there may be.

Mr ELDER: So at the moment we are looking at Parkinson and we have no other alternatives at all to consider if Parkinson fails?

Mr JOHNSON: I am not saying that Parkinson will go ahead at all and I am not saying that we have no other options. However, the Parkinson site was first purchased by Queensland Rail in 1985. Since 1985, there has been a natural progression of urban sprawl in Brisbane and some residential estates have developed in the area. At the same time, many people must have done investigations or searches before they purchased those properties on which to build their residential dwellings. They would have known at the time that QR had purchased that land and they should have asked questions then.

I have to say that whilst this is a hard decision, we certainly will not be walking away from it if it has to be made. If it is not Parkinson, we will be pursuing other areas because we have to have that facility. As a former Transport Minister, you know that we have to have those facilities in place for the viable operation of Queensland Rail, for it to be able to function and perform.

Mr ELDER: Sure, and I am asking you what other alternatives you have if Parkinson fails, or is Parkinson the only egg in your basket?

Mr WILSON: Perhaps Vince can add to this. The immediate issue is about Parkinson. In terms of what other options there might be, my belief is that there could be an expanded use of existing facilities, for instance.

Mr ELDER: That is one.

Mr WILSON: There is the question of Fisherman Islands.

Mr ELDER: That is two.

Mr WILSON: Beyond that, we would need to look harder, with Queensland Rail, at the other options that there might be. At the moment, the prime focus is Parkinson.

Mr O'ROURKE: As part of the whole issue with Parkinson, a land use study is being managed by the Brisbane City Council, and Queensland Rail was part of it. We have also commissioned a study ourselves to look at alternative sites that might be available. As has been mentioned, Acacia Ridge is one option. We believe that, with the demand in freight traffic growing in the years ahead, in 10 years or so that will be a congested terminal. Obviously we have looked at alternatives. As the Minister said, Parkinson was a decision made back in mid 1985, when some 60 hectares of land was purchased. It is an ideal location for a freight terminal, because it is on the southern side. The freight traffic from the other States will grow in the years ahead. This terminal needs to be on the southern side of Brisbane, rather than trying to take additional freight trains through a busy metropolitan system.

Mr ELDER: I have heard Bromelton raised as an alternative. Is it an alternative?

Mr O'ROURKE: As I said, we have a study under way which will be looking at alternative sites. We have commissioned that study and it is only just getting under way.

Mr ELDER: So it is not being considered?

Mr O'ROURKE: I think we are considering—

Mr ELDER: Anywhere on the south side of Brisbane?

Mr O'ROURKE: Yes, but the main focus is on Parkinson, as we have already said.

Mr WILSON: I was looking for an opportunity to elaborate on an answer to an earlier question from Mr Elder in relation to the consultancy investigations and QR. You made the point that you saw only two possible recommendations emerging from that consultancy. The consultancies we are talking about are covering a whole range of issues. Dan Hunt mentioned efficiency/cost studies on the Citytrain network and the future structure of QR. That is looking at a whole lot of issues. I think it is incorrect to assume that the work being done could lead only to two possible outcomes—that either QR stays intact or it does not. The Minister made a statement about his response to that—

Mr ELDER: In a micro sense, that is right. But if you look at it in a macro sense, the two recommendations will be either that it stay as one structure or that it have two structures. From there, you can talk about a whole range of other issues.

Mr WILSON: My point is that the investigations are really premised on the desire to see QR succeed as a single entity, but then to work out how best to structure it to meet National Competition Policy requirements. In other words, it is about how to make QR viable in a structural and operating sense.

Mr ELDER: And will not one of the options in the recommendations be dividing track from operations?

Mr WILSON: I think the prime focus in looking at that sort of issue is in terms of how it is internally organised.

Mr ELDER: We could go around in circles all day.

Mr JOHNSON: You are not going to get a "Yes" answer.

Mr ELDER: The latest NewsFacts from QR contained the first reference that I have seen to track infrastructure and operations. That is the first time that I have seen that language used in NewsFacts.

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

Mr HEALY: My question is in relation to the capital works budget of Queensland Rail, particularly for rural areas. I note that from Budget Paper No. 3 Queensland Rail had a capital works budget of some \$700m for 1997-98. How much of that funding will be spent in regional Queensland?

Mr JOHNSON: This is something that has been ongoing. My friend the Deputy Leader of the Opposition, the member for Capalaba, probably wishes that he did this. Once again, I am pleased to inform you that a substantial percentage of QR's capital works budget has been allocated for works in regional Queensland. More specifically, \$431m, or 61% of QR's total budget, will be expended in regional Queensland. The expenditure of \$431.5m in 1997-98 can be broken down into five major categories. The first category is the continued

upgrading of the rail lines in regions. This includes the Mount Isa line and the Moura line in the Drummond Range, which is on the Emerald-Longreach section of the central line. The total cost associated with all of those works is \$121.5m.

The second category is the upgrading of lines suspended from use under the previous Government. In this financial year, \$1.152m is to be expended on the Mareeba-Einasleigh rail link project. The third category of work to be undertaken in regional Queensland is the construction of new sidings for QCL, Cannington, Ensham and Atherton during the year at a total cost of \$48.5m. The fourth category is the construction of new rolling stock. During the financial year, \$94.4m will be spent on the construction of new rolling stock. This work will be undertaken by Queensland Rail workshop groups—Walkers of Maryborough and Goninans of north Queensland. The final category covers all miscellaneous projects undertaken by Queensland Rail in regional Queensland. An amount totalling \$165.875m will be spent on projects such as the Townsville workshops—I think the figure is about \$7m or \$8m this year; Mr O'Rourke has nodded in agreement—and general works in each of the business groups.

Queensland Rail's proposed \$700m capital works expenditure is a pleasing result for all Queenslanders, because those in regional areas have been crying out for upgrades. Patronage has been dropping over recent years because of the poor quality of the infrastructure on some of those central and western lines. As to the capital works upgrade of the main northern line—I do not think anybody in this room or State can comprehend the potential of the north west minerals province and the dollars generated for all Queenslanders from that region. Queensland Rail is putting in place a very fierce marketing program to win as much of the market in the north west as it can, similar to the way we are operating in any other part of the State. QR is not in the business of pushing out road transport. However, QR is a volume carrier, and it is about putting heavy loads on steel tracks, not bitumen or unpaved roads.

The CHAIRMAN: As to integrated ticketing—at present, each public transport provider issues separate tickets for their own network and, generally, the tickets are not transferable. The south east busway in particular will require uniform fares and ticketing. What is the Government doing to address this problem?

Mr JOHNSON: As you indicated, each service provider—such as Brisbane Transport, Queensland Rail and the private bus operators—issues tickets for their own networks, which are generally not transferable. Integrated ticketing is seen as desirable in support of two primary objectives. Members who have visited Melbourne would know that the integrated system there is beneficial in that metropolitan network. As to seamless travel—it is believed that public convenience will be improved by the purchase of single tickets to cover multimodal journeys. As to busways—the plan to provide multi-operator services on the busways necessitates a

uniform approach. To provide a resolution to this, the following will be addressed.

As to fares policy—to facilitate integrated ticketing, fares uniformity is essential with respect to concessions for children, students and pensioners, and marketing strategies such as weekly tickets and weekend excursions. Queensland Transport is progressing the resolution of the fares policy. As to revenue distribution—each operator is entitled to receive the correct portion of fare-box revenue. This is made more complex if fares are collected only at the point of entry or off site—for example, at newsagencies, milk bars and so on. System solutions must be capable of accurate revenue distribution. As to technical solutions—various systems are being investigated and/or trialled, and the most promising of these are the smart card, or the stored value card. Such systems will reduce cash handling and improve operational efficiencies—for example, bus boarding times. At this stage, smart cards cannot resolve the distribution problem and are not certain to satisfy a cost-benefit analysis, either. However, a working group of transport operators has been convened to progress integrated ticketing in advance of the busway construction. To date, this is something on which our public transport officers are working very closely with the Brisbane City Council and Queensland Rail to bring about an outcome.

Mr O'ROURKE: We will be joining Brisbane Transport in a smart card trial that will be starting later this month. That is a first step in getting much greater intermodality between both buses and railways. The way forward for railways, such as the Gold Coast railway, is to get integrated transport between buses, rail and cars. That is the strategy we are now pursuing. We will have a trial under way and I would see that progressing rather quickly through the network.

Mr BAUMANN: If we can just change modes of transport to something a little more rapid for the moment. Minister, could I ask you to outline the benefits you can see to all Queenslanders from the private ownership of Brisbane Airport?

Mr JOHNSON: Good question; good point. There are exciting times ahead for the people of Brisbane and south-east Queensland and for Brisbane as an international tourist destination. As you are well aware, on 7 May the Commonwealth announced Brisbane Airports Corporation and a consortium comprising Amsterdam Airport's Schiphol, the Commonwealth Bank, the Port of Brisbane Corporation and the Brisbane City Council as the successful consortium for the Brisbane Airport. The amount tendered was \$1.387 billion, a figure that I believe was far in excess of what a lot of people expected, and at the same time it was a few dollars more than the amount tendered for the airport in Melbourne. That identifies the importance of this airport. The sale involves an initial 50-year lease with the option to renew the lease for a further 49 years. The lease is expected to commence on 1 July 1997.

Brisbane Airport is integral to the ongoing success of Queensland, in particular the tourism, export and service industries. The Schiphol group has been a dominant force in airport management

internationally. They manage the John F. Kennedy Airport in New York. The magnitude of that operation and the professionalism that would have to be exercised in making sure that it is an ongoing viable operation speaks for itself. So it is certainly going to bring some expertise to Brisbane in the area of airport management, especially when the Brisbane Airport is currently considered to be only 60% utilised. I understand that they are currently looking at constructing a parallel runway straightaway at a cost of some \$300m. That will be another plus for international travel and domestic travel. With the Olympic Games coming up in Sydney in the year 2000, it certainly will be a staging point for international travel between the rest of the world and Sydney and will also be very advantageous to our domestic operators.

The Government is anxious to work closely with the Brisbane Airports Corporation to facilitate accelerated tourism and business development in Queensland. The new owner certainly has some solid foundations to work on: the most modern international and domestic terminal facilities were opened only in the last couple of years; the highest international passenger growth rate in Australia at 14.2% in 1995-96 with 2.23 million passengers; a domestic passenger growth rate of 9.6% in 1995-96 with 7.35 million passengers; and a record profit in 1995-96 of \$44.6m, the airport's eighth consecutive year of profit growth. You can see the potential there. Not only will it be a plus for bringing people to Queensland; it will also be a plus for everybody in the south-east corner and the State as a whole in putting Queensland at the top of the spectrum in international trade and tourism.

Mr BAUMANN: I know that you referred to this particular project in your opening address briefly, but could you give us a more detailed report on the progress of this Government's \$520m commitment to improving bus transport and increasing vehicle occupancy through the South East Transit Project?

Mr JOHNSON: The Government has had a fair bit of criticism levelled at it from certain quarters in relation to the amount of funding—\$520m—that has been earmarked for this project. We do not make any apologies at all for promoting busways within this State, especially in the south-east corner. I saw what happened in Sydney 30 years ago and what has happened there now. We are in a very good position to take advantage of future planning, especially now that we have the IRTP in place. The South East Transit Project will provide a dedicated two-lane, two-way busway extending from Queen Street through to South Bank and Woolloongabba, then via the South East Freeway to the Gateway Motorway and two transit lanes from Mains/Klumpp Roads to the Logan Motorway. Queensland Transport has responsibility for the management and funding of the project, which is estimated at \$520m and scheduled for completion by June 2001.

The Department of Main Roads is providing project management services for QT for delivery of this project in the final planning layout and impact management plan report of 9 July 1997 and detailed

design phase of July 1997 to March 1999. As to construction—we are pushing for a time from April 1998 to June 2001. The impact management plan process and community involvement activities are assisting to achieve planning and design solutions that meet community needs.

Public response has been very supportive of this project, as has the response of the Brisbane City Council. The project will offer many benefits to the community through improved bus travel, better integration of bus and rail services, faster travel conditions for vehicles with multiple occupants and opportunities to address air quality and noise issues. You can see that we are addressing the environmental issues there. The consultation process has identified opportunities for 10 on-line busway stations at South Brisbane, South Bank, Mater Hill, Woolloongabba, Buranda, Ekibin, Holland Park, the Griffith University, Upper Mount Gravatt and Eight Mile Plains. The projected expenditure on this project in 1997-98 is \$37m. Don Steele, who has been managing this project to date, has done a very able job in working with Queensland Transport, Main Roads and the wider community in bringing about an outcome that is going to see the first busway in Queensland, a facility which will be extremely beneficial to the public transport needs on the south side. I know that this Government will be working very closely with the Brisbane City Council and other councils within the south-east corner to put in place other busways as this one progresses.

Mr HEALY: I want to follow on the line of questioning from my colleague the member for Albert in relation to aviation. Could you outline what funding the Government has provided in this Budget to improve aviation access, particularly to rural Queensland?

Mr JOHNSON: In recent years the Federal Government has handed over a lot of its rural airports to local authorities. When a lot of these airports were handed over, the homework had not been done. There are airports the length and breadth of this State that need upgrading because of the geographical disadvantage of people who live in those areas and the remoteness of the areas in question. I am happy to say that the Government has recently approved \$1m in funding as part of its accelerated Capital Works Program for runway upgrade works at Longreach, Windorah and Bedourie airports. Funding of \$600,000 is provided for the extension of the runway at Longreach Airport from the existing 1,585 metres to 1,935 metres. The additional 350 metres will accommodate the B-737 type aircraft—Boeing aircraft. This project, which will cost \$1.12m, will be constructed in two stages. The first stage to be constructed will be the runway pavement, and that will be funded by the Government's contribution to the Longreach Shire Council. The \$150,000 from the Longreach Shire Council has enabled it to carry out investigation and design of its own. Stage 2 will consist of providing runway lighting and associated works. We have made representations to the Federal Government for that funding, but I am sad to say that to date those negotiations and representations have not been successful.

The principal driver for the Longreach project is to enhance access to central-western Queensland. This is not just a deal for Longreach; this is for the whole of central-western Queensland, bearing in mind that we have airports at Mount Isa that can take that type of aircraft and, with a little bit more work, Charleville could also take that type of aircraft. It is about promoting tourism in the region, interfacing with the Reef to the Rock road concept—a tourist link between Alice Springs and Cairns. We are about trying to encourage international tourists to take advantage of some of the inland parts of Queensland rather than the eastern seaboard all the time.

Again with the upgrading of the \$200,000 for Bedourie, the Diamantina Shire Council will be spending somewhere in excess of \$600,000 on that program. It will be putting some \$400,000 of its own money in there to make that a longer strip to take larger type commercial aircraft, bearing in mind that that part of Queensland is serviced by Flight West Airlines from here in Brisbane and also Augusta Airlines from Port Augusta in South Australia. It is important that we have those links there for the larger planes to come in. The same is happening with Windorah—there is \$200,000 there to maintain and upgrade that strip, bearing in mind that those two centres in question are a very important and very integral part of the Royal Flying Doctor Service network which provides that mantle of safety in the way of medical needs for the isolated and remote communities of western and south-western Queensland.

Mr HEALY: Just with the south-west Queensland to Mount Isa gas pipeline, can you outline the Transport portfolio's involvement in this project that is currently being constructed by Australian Gaslight Pty Ltd?

Mr JOHNSON: This is a varying project, if I could say that, and one that the Department of Transport and Main Roads—and I have to salute my officers within Queensland Transport, mainly Bruce Wilson and Dick Wharton as the respective directors-general—has put a lot of hard yards into in relation to this and getting it right the first time. I believe we can take some of the accolades for this. The south-west Queensland to Mount Isa gas pipeline was the first in Queensland to be constructed in a miscellaneous transport infrastructure corridor. The corridor and the pipeline licences have been issued and all necessary regulatory requirements, including native title, have been satisfied.

Australian Gaslight Pty Ltd has commenced construction in the northern region, and the miscellaneous transport infrastructure corridor is a 100 metre wide common user corridor. Some 25,000 tonnes of pipe has been transported by ship from overseas to the port of Townsville. That will be railed to Duchess where it will then be loaded onto road trains for transporting to various points along the line. The other consignments will be by rail to Charleville and Quilpie where it will be again put on road train for putting along the line to locations in the south-west area.

A transport management plan is in place to ensure that the 50,000 tonnes of pipe that has to be hauled to the site by road and rail minimises any impact, and a corridor environmental management strategy of Australian Gaslight and future users of this and future miscellaneous transport infrastructure corridors is being prepared. There is a commitment by Australian Gaslight Pty Ltd to the transport management plan to maximise the use of rail. That is something that we stipulated again, as I said a while ago in an answer to an earlier question about Queensland Rail being volume carriers. We need these heavy weights on rail. Transportation from these three sites will also be via road, as I said, and local government has been significantly involved in this project to date and the decisions in planning regarding the transport issues.

Queensland Transport and Main Roads are required to monitor the transport management plan for the project. When the corridor environmental management strategy is finalised, Queensland Transport will be responsible for its implementation. The estimated cost to Queensland Transport in monitoring the transport management Plan and developing the corridor environmental management strategy in 1997-98 will be less than \$10,000. Main Roads is expected to budget for an allocation of \$50,000 for project-related work in 1997-98. A cultural heritage management committee is being established for the ongoing management of the Cultural Heritage Management Plan.

This is a program that again identifies with trying to keep heavy traffic away from those parts of the road network that it impacts on which costs dollars. We have the problem not only in the gas areas and the oil areas of south-west Queensland but also in the mineral areas of the north west and the sugar areas of the north coast. That is something that we will be continuing to do—keep that heavy transport away when we can use rail.

The CHAIRMAN: The time for Government members' questions has expired and it is time for non-Government members.

Mr ELDER: Just referring to your claims that the Brisbane train services were chaotic because of the problem with the old diesel engines—and I actually happen to agree with it; that was identified as a problem during my brief stay in the chair—I just want a couple of questions answered in relation to rolling stock. Do you currently have all the rolling stock that will be required for the full operation of the Gold Coast rail when it is fully operational next year?

Mr JOHNSON: Maybe Vince can answer that. But just to start off on that question, the situation with rolling stock is that, whilst we have the rolling stock in place for the Gold Coast line, there has certainly been a shortfall in the needs and requirements here in the urban system. I think you are well aware of that, too. I will let Mr O'Rourke finalise that because the situation again, with the extension to Robina, is that there are certainly going to be more orders on time.

Mr O'ROURKE: As part of the Gold Coast development, there are 10 sets of IMUs which will provide the services on that corridor. We had an

initial supply of four sets of IMUs, which were running on the corridor recently. We are now starting to take delivery of the additional six sets from Walkers. We have seven sets of IMUs delivered and the tenth will be here by September. So when we open up services to Nerang at the end of this year, the whole 10 sets of IMUs—

Mr ELDER: In place by September?

Mr O'ROURKE: Yes, they will all be there.

Mr ELDER: You budgeted \$8m for additional rolling stock this year. Can you tell me what that will purchase and where it will be used?

Mr O'ROURKE: That is part—

Mr ELDER: There is an instalment of \$282m, but this year you have got \$8m. What will it purchase and where will it be used?

Mr O'ROURKE: That is part of the IMUs that we are taking delivery of.

Mr ELDER: So it is part of the Gold Coast IMU contract?

Mr O'ROURKE: Yes. I might just correct that.

Mr HUNTER: That is part of the additional 30 that we have just placed orders for. So it is August.

Mr ELDER: Of the \$282m, this \$8m will purchase what?

Mr HUNTER: That is the first contract payment for the additional 30.

Mr ELDER: So it is a contract payment in relation to it?

Mr JOHNSON: In relation to that Walkers contract, as you are probably well aware, there is \$178.3m there for the 18 sets in question and then there is a further \$104.4m for 12 three-car sets, which will be the total of the 30 sets required.

Mr ELDER: So what expenditure levels for the next two years do the Forward Estimates suggest for the program?

Mr HUNT: I do not have the numbers from Queensland Rail; I only have the \$8m this year. The other we can provide.

Mr ELDER: Can I get that?

Mr JOHNSON: Can we take that on notice?

Mr ELDER: Yes, that is fine. Just in terms of an operational question: will there be any expansion or improvement in the timetable set down for the suburban network over the next two years?

Mr JOHNSON: That is something that QR has been working very closely on and trying to address in recent months, as you can well appreciate. Now, especially with the tunnelling and the other capital works infrastructure that has been finalised and completed here in the urban network, we believe that, with the change in timetables in recent times, that has been brought pretty well up to the mark. If I could say, we believe that it is on target now for running at close to capacity. The morning business services are currently running at 95%, the afternoon business service is 97.4% and the off-peak service is at 96.3%, with an overall 96.3% on-time service. These results achieve the target of 95%, as I said in

answer to the earlier question, but Mr Dawe might like to elaborate.

Mr ELDER: All I asked was: will there be any expansion or improvement to timetables on the network in the next two years?

Mr DAWE: Can I just respond to that? The answer is: yes. The additional 12 out of the 30 three-car sets will be used for additional morning and afternoon peak train services.

Mr ELDER: 12 out of 30?

Mr DAWE: Out of the 30 three-car sets that have been ordered.

Mr ELDER: It will come on stream over the next two years?

Mr DAWE: That is right, yes. They will be used for additional morning and afternoon peak hour train services.

Mr ELDER: So those 12 of the additional 30 three-car sets will be on stream over the next two years?

Mr DAWE: We take delivery of the first of the order of 30 three-car sets in April 1999 and they will be used to phase out the diesel-hauled SX trains. Fourteen of the order of 18 phase out the diesel-hauled SXs and four provide for preventive maintenance strategies to ensure reliability with the rolling stock fleet. The additional 12 of the 30 three-car sets will then be used for additional train services.

Mr ELDER: If you can provide me with that expenditure detail in relation to the Forward Estimates, that will enable me to reconcile that.

Mr O'ROURKE: Yes.

Mr ELDER: There was a story recently in Business Queensland about the Airtrain city link—the airport to Brisbane link. That story claimed that it would most likely use Queensland rolling stock and that the consortium had an expectation of being up and running by the end of 1999. Where will that rolling stock come from? And if it does come from you, what impact will that have on the rest of the system?

Mr O'ROURKE: There are discussions under way between Queensland Rail and Airtrain, which are obviously confidential. The proposal would be that there would be compatible rolling stock with Queensland Rail's existing cars that would operate on the spur to the airport. The company would need to purchase four additional sets to deal with the capacity. We are talking about an integrated system whereby Queensland Rail's trains and their trains would operate on the network. Obviously, capacity issues are a fundamental part of the planning process for Airtrain. Those discussions are going quite well at the moment. I am confident that those sorts of targets will be met.

Mr ELDER: Sure, but the claim was made by Airtrain that it would include the use of Queensland Rail. So what you are saying is that it will be a combination of Queensland Rail rolling stock and their own rolling stock?

Mr O'ROURKE: Yes.

Mr ELDER: And they will have four sets that they will purchase themselves?

Mr O'ROURKE: Yes, they will purchase four sets. The arrangements, which are still being discussed, are that we would operate our services on the line also. But they would need to put in additional stock to provide for the additional capacity.

Mr ELDER: So in terms of the upgrade and the timetable and the use of those 12 sets, you are going to need more sets to actually meet that requirement?

Mr O'ROURKE: No.

Mr ELDER: You can do it with the additional 12?

Mr O'ROURKE: Yes, we will be able to provide our part of the service with the cars that are already planned for us to take delivery of. But they will need to purchase four additional sets to provide capacity to meet their requirements.

Mr ELDER: The information you gave me in relation to the breakdown of the use of those 12 cars that will come on stream as the first part of that—can I get that as well, and where that will be used across the network?

Mr JOHNSON: Those 12 new sets?

Mr ELDER: Yes.

Mr O'ROURKE: If I might just add to what Glen Dawe has already said—as Glen said, 14 of the sets would eliminate the SXs, which we both know have timetabling problems. They are slow, and they hold down the general frequency of the network. They will replace the old cars from way back in the fifties and sixties which are not compatible with the modern system. Four of the sets will allow us to improve our preventive maintenance. As the Minister said earlier, we are running our network at 96% availability, whereas Sydney is at about 86% or 87%. We are probably running our sets harder than any other comparable metropolitan railway in the world. As well, the other 12 three-car sets, which would make up the 30, will provide for growth in the system. Currently, we are carrying some 41 million passenger journeys, and we are looking at growth of around 50 million by the year 2000 or 2001. We are starting to provide for that, too.

Mr ELDER: That will make up the complete contract of 30 cars, of which you will have only 12 over the next two years?

Mr O'ROURKE: Yes.

Mr ELDER: Within the 12 that you will have over the next two years—if, as claimed by Airtrain, trains will be up and running by the end of 1999 under its program, if it is agreed to by Government, what you have told me is that those 12 will accommodate the use of rolling stock on that line? That is all I am asking.

Mr O'ROURKE: That is correct. But also, they will need to purchase four additional sets.

Mr DAWE: There are some significant benefits from integrating the Airtrain rail link with the rest of the system.

Mr ELDER: I understand that. I am just interested in where the rolling stock will go and when the rolling stock will come on stream.

Mr DAWE: In terms of the utilisation of those 12 three-car sets—essentially, on the Beenleigh line, the Ipswich line and the Caboolture line certain trains have fairly high levels of overcrowding in the morning peak hour. We would be looking at additional services on the majority of lines.

Mr ELDER: On those 12 sets?

Mr DAWE: Yes.

Mr ELDER: That is fine. I do not need any more information on that.

Mr JOHNSON: Have we not told you about the railway line to the Redlands yet?

Mr ELDER: I do not have a question about it, either. I assume you are just looking after me! I might move on to ports, if I may.

The CHAIRMAN: Are there any more questions from any members to QR? If nobody has any objection to QR staff being excused, they may leave. Minister, you do not require the QR staff any further?

Mr JOHNSON: No. Mr O'Rourke will be staying around.

Mr ELDER: In relation to ports—I refer to your answer to a question from the Government side in relation to the port of Brisbane airport bid. Are you willing to repeat your previous assertions that the borrowings undertaken will have absolutely no impact on charges at the port?

Mr JOHNSON: Yes.

Mr ELDER: How is it possible—and someone may be able to answer this—that there are no substantial contingent liabilities associated with the port's involvement in the management of that consortium?

Mr HUNT: The involvement by the port authority in the airport bid is a totally commercial decision by the board. The debt will be assumed as a commercial debt by the board of the port authority. There has been no direct involvement by the State. The debt is an arrangement between the Port of Brisbane Corporation and, I understand, the Queensland Treasury Corporation.

Mr ELDER: I am just intrigued that there is no substantial contingent liability associated with it. Surely the department would have an overview of that or an opinion on that.

Mr HUNT: The Government does not guarantee the debt of the GOCs.

Mr ELDER: If it is such a winner, why were we not involved in it previously? Why did we walk away from it previously? I cannot recall a recommendation about it, and I cannot recall you in the early days wanting to be involved in the bid. If it is such a winner, why is that the case?

Mr JOHNSON: In the airport bid?

Mr ELDER: Yes.

Mr JOHNSON: That is something that we believed was not the responsibility of Government. But then again, bearing in mind that the port of Brisbane is a corporatised entity standing alone, and with the Brisbane City Council—that is certainly no responsibility of ours. At no stage has this Government or this department been involved in anything to do with those bids.

Mr ELDER: You are a shareholding Minister. I will ask you: how is it possible that there are no substantial contingent liabilities associated with the port's involvement in the management of that consortium?

Mr JOHNSON: Well, there are none.

Mr ELDER: I refer you to a question upon notice in which you claim that staffing levels at the Brisbane port are subject to a review. Is any such review currently under way and, if so, who is conducting it?

Mr JOHNSON: Are you talking about restructuring of the port of Brisbane?

Mr ELDER: I am talking about a review of staffing levels at the port. In answer to a question on notice, you claimed that staffing levels were subject to a review. I am just asking: is the review under way, and who is conducting the review?

Mr JOHNSON: The board of the Port of Brisbane Corporation has been undertaking a strategic review of the operations of that corporation over the past 10 months. As a result of this, the board has developed a new strategic direction strongly based around more pro-active marketing and development at that port. The board is also considering changes to the corporation's organisational structure to complement the new strategic direction. Despite recent speculation in the media, any reduction in staff numbers in the corporation will only occur through voluntary early retirements. There will be no forced redundancies; there will be no forced sackings or any such deal. There is no program of compulsory redundancy within the Port of Brisbane Corporation. Finalisation of the structure is a commercial issue for the board to address. It is doing precisely that.

Mr ELDER: Will the results of that review be made public?

Mr JOHNSON: There is no doubt that they will be.

Mr ELDER: Why is it that, twice during the last month, the port of Brisbane has notified staff that there would be a major announcement made shortly only to subsequently withdraw that advice? There have been numerous meetings with consultants where the staff have gone through their superannuation entitlements and what is on offer in relation to VERs and changes. Why is it that they have withdrawn such advice?

Mr JOHNSON: Being a corporatised entity, the port of Brisbane does manage its own operation. We will be monitoring very closely the outcome of that decision, but I reiterate that there will be no forced sackings, no forced redundancies. If any

people do depart the port of Brisbane it will be through voluntary early retirements.

Mr ELDER: So no jobs will be lost at the corporation, except through VERs?

Mr JOHNSON: Absolutely.

Mr ELDER: It is strange. Why is the acting CEO telling employees at those meetings to take no notice of you because you do not know what you are talking about? That came directly from a meeting.

Mr JOHNSON: I can assure you that that is not the case. I have spoken with the acting CEO. Our talks have been very, very—

Mr ELDER: Animated?

Mr JOHNSON: They have been—absolutely. We have been honest and up front with the CEO of the port and also the chairman of the board. At the end of day it is a corporate decision. We will be monitoring very closely what that decision is.

Mr ELDER: No jobs will be lost at the port other than through voluntary redundancies.

Mr JOHNSON: That is right.

Mr ELDER: If the review recommends outsourcing of functions of the Brisbane port, will you adopt the recommendations of that? If you do, how can you guarantee that jobs will not be lost at the port? I know: it is a decision of the board!

Mr JOHNSON: Hang on a second—as I said before, it is a corporatised entity. While you are saying that it is a decision of the board, I think I have said about three times that nobody will be pushed over the edge. If there is to be outsourcing, I believe it will be done responsibly. I believe at the same time that there will not be jobs lost.

Mr ELDER: That will be a conundrum for you when you come to make a decision in relation to this. Outsourcing clearly means taking the functions and using them outside. That means that, somewhere along the line, that function will not be performed at the port; therefore, a job has to go somewhere.

Mr JOHNSON: I will state it again and I will continue to say it: it will be through VERs.

Mr ELDER: Will any other port authorities or the Ports Corporation of Queensland be subject to a similar review while you are the Minister?

Mr JOHNSON: We have the responsibility for some seven or eight ports. We are about making sure that those operations, wherever they are in the State, are profitable, are providing a service and continue to do so.

Mr ELDER: Will any other ports be subject to a similar review?

Mr JOHNSON: Again, as you are aware, they are bodies that are governed by the decisions made by the boards in those respective ports.

Mr ELDER: Brisbane is not being singled out?

Mr JOHNSON: Definitely not.

Mr ELDER: If the boards say, "We will run a similar review to Brisbane", will they have your imprimatur to do so?

Mr JOHNSON: I will make the point again: if there has to be downsizing, it will be only through VERs.

Mr ELDER: In Budget Paper No. 3, page 92, an amount of \$500,000 is shown for work to be done this year, 1996-97, at Toondah Harbour. Can you tell me what was done?

Mr JOHNSON: John Galton, acting Deputy Director General—

Mr ELDER: It is on page 92, Toondah Harbour—estimated cost of the project, \$700,000; expenditure to 30 June, \$500,000. Can you tell me what has been spent?

Mr GRALTON: From the Queensland Transport point of view, the work at Toondah Harbour is to improve the passenger transport interchange facilities.

Mr ELDER: I travel to Stradbroke regularly. I know it like the back of my hand. I want to know what the \$500,000 has been spent on in the last year.

Mr GRALTON: That is particularly in relation to a connection to the water taxi services. To facilitate that, there needs to be relocation of the boat ramps. There are funds that we are contributing to the total development of Toondah Harbour, primarily to achieve a public transport outcome. That does necessitate relocation of the boat ramp.

Mr ELDER: That relocation has not taken place yet?

Mr GRALTON: No.

Mr ELDER: No. So the \$500,000 will not be spent by 30 June 1997, will it?

Mr GRALTON: No, there have been some delays because of the need to excise part of that land from the Moreton Bay Marine Park.

Mr ELDER: Has any work at all been commenced?

Mr GRALTON: Planning work has been done, but physical work has not commenced yet.

Mr JOHNSON: Jim, you do not think that I am fool enough to disregard your electorate, do you?

Mr ELDER: It is not mine; it is Darryl Briskey's. You did put out a statement to say that the \$500,000 had been spent, so I went down to Toondah Harbour to look for the relocation of the boat ramps. I could not find it. That is why I queried where the \$500,000 had been spent. It certainly was not on the harbour. When will that be spent and when will the relocation take place?

Mr GRALTON: The delay has been the excision of the necessary area from the Moreton Bay Marine Park. My understanding is that that process will be complete in the next sitting of Parliament, because of the tabling of that excision on the floor of the House. Following that, physical works will commence.

Mr ELDER: When will physical works be complete in relation to the expenditure?

Mr GRALTON: Certainly next financial year they will be very eager to go—

Mr ELDER: This financial year?

Mr GRALTON: Next.

Mr ELDER: So the \$700,000 will be spent this financial year?

Mr GRALTON: Next financial year.

Sitting suspended from 10.27 a.m. to 10.46 a.m.

The CHAIRMAN: I direct a question about the Dalrymple Bay coal terminal expansion. I believe that the expansion at this terminal is currently in process at a cost of \$85m. Could you outline the benefits of the expansion for the Queensland people and for the economy of this State?

Mr JOHNSON: Yes. The expansion of the Dalrymple Bay coal terminal at Hay Point is currently under way. The project began in November 1996 when the Premier and the Treasurer visited the area to mark the start of that work. I have to say that at this stage the project is currently known as Stage 3 of a possible six-stage project. Stage 3 will increase the capacity of the Dalrymple Bay coal terminal by some 25% to allow for some 33.5 million tonnes per annum of coal to be exported through that port at an estimated worth of some \$400m annually in increased exports. Exports are tipped to rise by 30% over the next 10 years. The current coal exports through Hay Point are valued at some \$3 billion. By progressing Stage 3 of the project, Stages 4, 5 and 6 will be able to be undertaken at a minimal capital outlay as Stage 3 provides the infrastructure necessary for future expansion.

The infrastructure provided by Stage 3 includes a second ship loader, new stockpile areas, outloading conveyors and coal handling equipment. It is expected that Stage 3 will be completed in mid 1998. By the end of the total project in approximately 2006, the capacity of the Dalrymple Bay coal terminal is envisaged to be somewhere about 48.5 million tonnes per annum.

These expansion plans are facilitated by the coal industry's commitment to the use of the terminal. The Ports Corporation of Queensland owns Dalrymple Bay Coal and the facility is operated by the Dalrymple Bay Coal Terminal Pty Ltd, which is a company made up of representatives of all coal companies exporting through that terminal. Therefore, as new users are signed up to use the facility, they will also have an opportunity to have a say in the facility's operation. Any efficiencies gained in the port operations will result in benefits for the users.

It is estimated that approximately \$60m will flow directly to regional firms and on-site workers from the Stage 3 upgrade. Engineering fabricators, subcontractors, concrete suppliers, product providers as well as on-site personnel will be among those to gain a direct benefit from this project. Added to this are the many millions of dollars that will flow into the economies of Mackay and Sarina as a result. You know full well what the multiplier effects will be on that. As you can see, this expansion is beneficial to Queensland as it provides for the growth in our coal exports, therefore bringing returns to our State by providing employment and capital.

So that is the state of play currently with Dalrymple Bay. It is a project that certainly has exciting times ahead not only for the Mackay region but also for the whole of the coal industry in central Queensland.

The CHAIRMAN: What progress is the Government making in relation to the provision of the new marina at Mackay?

Mr JOHNSON: This issue has been lying around for a while. It was there when we came to Government some 16 months or 17 months ago. The Mackay Port Authority—the port authority there—had \$5m of its own. The project involves the creation of a separate small craft harbour to the south of Mackay Harbour and the construction of a 500-berth marina with a small craft harbour. I have to say that the total estimated cost is now some \$16.1m. We understood from day one that it would be somewhere about \$13m or \$14m. The Government has committed funding of \$8m towards this project. On 21 October last year, we did commit that. That funding is currently in this year's Budget along with the funding that the Mackay Port Authority proposed to put with it.

I have to say that discussions are currently proceeding between the Mackay Port Authority and the Port Binnli Group for the finalisation of a deed agreement with respect to the marina. The agreement will identify the major milestones for the project. Following a six-month period for design and approvals, construction of the small craft harbour is expected to commence by late 1997. It will be completed by May/June of 1999. The developer is also expected to complete the first stage of the marina containing 200 berths by the end of 1999.

In accordance with the current policy to facilitate private enterprise, this Government is agreeable to the freeholding of all residential and motel components east of Mulherin Drive. I have to say that provision for the Government contribution has been made in the 1997-98 Budget. Arrangements are also in hand to proceed with the development of the adjoining East Point site. This project, consisting of a resort and residential development together with the marina development within the small craft harbour, will enhance considerably the tourist potential within that region, especially adjacent to the Whitsunday area, and it will also make a valuable contribution to its economic development. It is one that this Government supports, has supported and will continue to support. We are currently now seeking closer working cooperation with the port of Mackay to make sure that they get this project into motion.

Mr HEALY: Minister, I have a couple of questions. The first one that I want to talk about and ask some questions about is in relation to the Queensland Road Safety Action Plan. The second one is in relation to a specific initiative in my own area in Toowoomba. In relation to the 1997 Queensland Road Safety Action Plan, as you know road safety in Queensland is coordinated via the annual plan. Could you just outline the major elements of the latest plan?

Mr JOHNSON: Again, I salute the officers within Queensland Transport for bringing about this Road Safety Action Plan. I believe that, to date, it is one of the major components in getting the road toll and injuries related to road accidents down in this State. At this point in time I salute Paul Blake and his team for the work that they have done. The plan outlines a very comprehensive range of expanded new road safety initiatives for 1997 and beyond, including strategies to achieve, one, better drivers; two, more effective regulation enforcement; three, enhanced safety for pedestrians, cyclists and motor cyclists; four, promotion of road safety throughout the community; five, a reduction of speed-related crashes; six, a reduction of drinking before road use; seven, improved rural road safety; eight, a reduction in fatigue-related crashes; and, nine, improved urban traffic management.

I have to say that specific strategies include further development of random road watch, random breath testing, speed management strategies, the Safe School Travel, integrated regional transport plans and the road network strategy and local authority road programs. We are making sure that we are getting on with education, engineering and enforcement in bringing about the change in the upgrading of roads, whether that be through the Department of Main Roads and its engineering division or through Queensland Transport, with its plan for safer road laws.

The plan was a significant success. It has been being evaluated as contributing to the lowest road fatalities in a total of 35 years. Bear in mind that in 1995 we had 456 fatalities on our roads; last year we had 385, and so far this year we are up around 150, which again is far too many but we are well under what we were in 1995. At the end of the day, it is all very well for the dead—they have gone to heaven; we are more concerned about the ones who are lying maimed and injured in hospitals. This Government does not make any apologies at all about putting in place a road safety strategy that is going to be beneficial to all and sundry, whether they are motorists, pedestrians—whether people are walking on the footpath or driving on the road. At the Queensland Road Toll Forum in January 1997, public submissions were made by the Queensland Road Safety Summit. I believe that the bipartisan approach has had very resounding and beneficial results for the travelling and walking public of Queensland.

Mr HEALY: I concur with your statements about the work that Mr Blake has been doing. He deserves more money! Referring specifically to another initiative in Toowoomba, Budget Paper No. 3 at page 38 under Capital Outlays indicates that an amount of \$0.23m is to be allocated for bus and taxi services, maintenance and general works at various locations in Toowoomba and Warwick. Has any funding been allocated for the maintenance or upgrade of the Neil Street bus interchange? If so, how much?

Mr JOHNSON: For some time Neil Street has been an area that a lot of people have not patronised as much as we would like. I think you would have to agree with that, especially considering some of the

hiccups that we have encountered with public transport in the City of Toowoomba. As the member for Toowoomba North, you would fully understand what I am saying.

Queensland Transport has allocated \$20,000 per annum to assist the Toowoomba City Council with the maintenance and upkeep of the Neil Street bus interchange. That maintenance money is also part of a package for public transport infrastructure in Toowoomba and surrounds, which includes \$75,000 for the provision of bus shelters to support the urban bus service and a further \$50,000 for the infrastructure for bus runs in outlying areas. I believe that those allocations demonstrate the Government's commitment to providing adequate public transport services in regional areas, not only in Toowoomba.

Since I have been the Minister, one of the most contentious problems confronting Queensland Transport is to try to put the right flavour or the right blend into public transport because there are a lot of anomalies around the State. I have to say that Toowoomba is no exception. It is probably one of the critical areas. We are working very closely with other operators in Toowoomba to resolve that problem. Mick McShea has certainly got that under control. Our commitment to public transport, whether it be in Toowoomba, the south-east corner or any other part of the State, is total and it will be ongoing.

Mr BAUMANN: Given the rapid growth in leisure craft activity and commercial activity on the enclosed waters of Moreton Bay, particularly at the Gold Coast end of Moreton Bay, recent times have shown that there is a fairly apparent problem in managing these busy waterways. What is the Government doing or what does it plan to do about these problems?

Mr JOHNSON: As you say, in recent times it has become apparent that there are problems in managing the waterways, especially in the Moreton Bay and Gold Coast areas. Since assumption of Government, we have certainly been very concerned about how we will address that precise issue. As the member would be well aware, under former coalition Governments, a Gold Coast Waterways Authority was formed to carry out a strategy to manage the waterways in the Gold Coast region. Currently, we are in the throes of establishing the Gold Coast Harbours Authority, which will address and manage the waterways from the southern part of Moreton Bay to the New South Wales border, which incorporates all the areas in question on the Gold Coast.

As I said earlier today, some \$1.4m has been allocated in the Budget for the Marine Board, the Gold Coast Harbours Authority and other instrumentalities that will administer Government policies. The Government has announced plans to establish the Gold Coast Harbours Authority and it will be responsible for this area. The implementation of the authority has commenced and it is likely to take about six months. Over that period, the scope of responsibility of the authority, its membership and the issues to be managed by it will be determined. It is envisaged that many of the recommendations of

the draft Southport/Broadwater Marine Safety Management Plan will be taken up as part of the responsibility of the authority. In addition, it is envisaged that the authority will have control over infrastructure such as boat ramps, jetties and dredging for recreational craft.

I do not need to tell you the state of play in relation to some of the waterways on the Gold Coast. You can walk across them rather than sail a boat on them. That has to disadvantage the tourist industry and the recreational boating fraternity on the Gold Coast. We are very concerned about that. One of the first priorities will be to develop heads of power to allow the Gold Coast Harbours Authority to undertake a waterways management role so that the boating fraternity can once again take advantage of the waterways. I stress that the authority will work very closely with the Department of Environment to ensure that this is done right from both quarters.

Mr BAUMANN: Some private property owners and managers claim that restricting private parking service providers from using wheel clamps will compromise their capability to control vehicles illegally parked on private property. What alternatives to the wheel clamping process are available to manage the problem with illegally parked vehicles?

Mr JOHNSON: I have always thought, and I think that many people agree, that wheel clamping is one of the poorest forms of clamping down—pardon the pun—on people who are illegally parking. In 1996, following a number of complaints about the practice of wheel clamping illegally parked vehicles, Cabinet approved the preparation of legislation not only to ban the practice of wheel clamping but also to implement a formally regulated framework for the management of parking on private property, such as shopping centre car parks, private business properties, unit complexes and the like.

The responsibility for the proposed private property parking management arrangements is likely to rest primarily with local governments, some of which have already entered into parking management arrangements with a number of regional shopping complexes. I expect that the new arrangements will involve private property owners and managers entering into agreement with their respective local governments to enforce any misuse of parking facilities on their property. Local governments will be empowered to issue parking tickets to vehicles which are parked without proper authorisation on those properties, similar to the present regulated parking provisions for street parking. Local governments will also have the flexibility of using their own parking enforcement personnel or engaging specialist parking service providers to undertake private property parking surveillance. This option would be particularly attractive to local governments for night-time and non-business hours surveillance. However, specialist parking service providers will need to be properly authorised as security providers, therefore ensuring the public of the highest ethical standards of operational integrity. We do stipulate that point.

I am moving to have the necessary legislative amendments to enable these proposed new

arrangements to be implemented and considered by the Parliament in the spring session later this year. In the meantime, Queensland Transport officers will liaise with local government associations, private parking service providers, building and property owners and representatives of the RACQ to determine the most effective operational framework. On implementation, the practice of wheel clamping illegally parked vehicles will no longer be necessary. That cannot happen soon enough.

The CHAIRMAN: The time for questions from Government members has expired.

Mr ELDER: I wish to ask about the Pacific Motorway project. Can the Minister outline what stage that project is at?

Mr JOHNSON: The Pacific Motorway upgrade is progressing according to plan. There is currently \$196m in the program for this year. As a result of that \$196m, the major part of the planning and all of the hard yards have been done by Queensland Transport and Main Roads engineers. As a result of that \$196m, you will see that numerous contracts will be let in relation to this program. Of that \$196m, only \$15m is Federal funding. I will ask the Director-General of Main Roads, Mr Wharton, to elaborate further on that issue.

Mr ELDER: Can you also tell me where the project management plan is at?

Mr WHARTON: The total project is proceeding pretty much according to target in terms of time. The IMP document—that is, the management plan—has been released publicly, and I believe you have had a briefing on that. The detailed design work is proceeding and is well advanced, with about 28 kilometres of the section being done. We are about to appoint the designers for the next 15 kilometres. Construction work has commenced at the Coomera River and Pappas Way. We have just about finalised our registrations for the main contracts.

Mr ELDER: You are telling me that part of the design package is in place. Has the final design of the road been determined? Before you can start to project manage something, you have to have a designed piece of infrastructure. Where is the design package at?

Mr WHARTON: A number of stages are involved. The first is choosing the alignment. That is completed and finalised. There is what we call the layout plans, which set out where the interchanges, ramps and so on will be.

Mr ELDER: That is the document I am holding.

Mr WHARTON: Yes. That forms the basis of the detailed design, which is done in individual design packages. That particular package was done as one package for the total length. There were actually two. There was the section to Smith Street, and the section through to Pappas Way was a separate entity. Then they were combined as one. The detailed design is done in individual packages which are awarded to different design consultants. In the process of the detailed design, they get down to the fine detail of the exact property requirements, the cross-falls, the exact widths of the median and the like.

Mr ELDER: You get down to dealing with separations, relocation of services and so on?

Mr WHARTON: Exactly.

Mr ELDER: Is any design package in place now?

Mr WHARTON: Yes. Twenty-eight kilometres is already well advanced in terms of design.

Mr ELDER: Where is that?

Mr WHARTON: I could not tell you those exact details. Perhaps Steve Golding could tell you.

Mr ELDER: Which design package is in place?

Mr GOLDING: Design packages 2 and 3 are well advanced. Design package 2 covers from Staplyton to Pimpama, and design package 3 covers from Pimpama to Oxenford. We would expect the detailed designs and specifications to be in our hands by the end of June/early July.

Mr ELDER: So the design has been done?

Mr GOLDING: Yes.

Mr ELDER: There is nothing to stop construction work on that?

Mr GOLDING: As to the steps from now until construction—we need to batch up all of those plans and specifications into contract documents, which will take a month to six weeks. There is a fair bit of work in that alone, even though the specific design details have been resolved. Then we will call tenders.

Mr ELDER: Has there been any relocation of services in relation to those two design packages? You would have to relocate services before you could build the road?

Mr GOLDING: Exactly. A variety of service relocations has been undertaken already. I cannot give you the specific details for the whole project.

Mr ELDER: In relation to the design packages that are let—and they are the ones that you have said are advanced—what relocation of services has taken place?

Mr GOLDING: I cannot tell you the details of those two packages. However, the service relocations are integrated into the whole design. They do not all have to be done exactly before the construction commences. Most of it is integrated within the construction, because that is the best way to do it in terms of the phasing of the construction.

Mr JOHNSON: As to the services in question—we could take that question on notice.

Mr ELDER: Sure. I need to know exactly what has taken place and what relocation of services there has been to date.

Mr GOLDING: We do know exactly where the services are. We have a whole range of service subcontractors prequalified to move in.

Mr ELDER: Has there been any change to the original concept design layout in those packages and the future packages?

Mr GOLDING: The only area that we have refined is the Oxenford interchange area. When the IMP went out, it was indicated that it required further work. That has been resolved. In terms of other

detailed design elements, we have narrowed the median width a few metres.

Mr ELDER: So you have cut down the separation?

Mr GOLDING: Between the two carriage ways, yes; we have narrowed the median width by a few metres.

Mr ELDER: How far have you done that?

Mr GOLDING: My recollection is by five metres?

Mr ELDER: So we have squeezed the project?

Mr GOLDING: We have reduced the actual width of the median; I do not know that you would call it "squeezing".

Mr ELDER: You have squeezed the corridor?

Mr GOLDING: We have narrowed it; yes, that is right.

Mr ELDER: Are there any other changes to the design concept?

Mr GOLDING: They are the main ones, apart from some details in relation to pavements and so forth, but they have not changed the concept.

Mr ELDER: What are the changes to the pavement?

Mr GOLDING: It relates to defining the actual use of a heavy-duty asphalt pavement and a heavy-duty concrete pavement. We have defined the limits of those two things, which was a bit unclear at the outset of the IMP process.

Mr ELDER: Have there been any design changes in relation to the crown of the road? Has there been a shift in the crown of the road in terms of the design layout of those two packages?

Mr GOLDING: Yes, we did shift the crown of the roadway, mainly to facilitate construction and also to maintain the speed alignment that we wanted.

Mr ELDER: What is the ratio change? What have you gone for?

Mr GOLDING: Instead of having a crown in the middle of the carriageway—in other words, in the middle of four lanes—

Mr ELDER: Instead of going from a 2 to 2, as was planned originally, what have you now gone to?

Mr GOLDING: It is 1 to 3 rather than 2 to 2, yes.

Mr ELDER: So you have squeezed the project and you have gone from 2 to 2 to 1 to 3 in terms of the crown?

Mr GOLDING: Of the crown, yes.

Mr ELDER: What other changes have been made? Will there be more use of concrete barriers, for instance, as you squeeze this project?

Mr GOLDING: No. The squeezing did not involve anything additional to what we would have otherwise provided. We are talking about a very extensive use of concrete barriers during construction to control the traffic, provide safety and to separate workplaces from moving traffic. But no

specific decisions have been made to increase barriers beyond what we would have normally employed in the final works.

Mr ELDER: So there will be no increased use of concrete barriers?

Mr GOLDING: Not in the final works. The only area where there may be—

Mr ELDER: If you are squeezing the median and if you are changing the engineering concept for the crown of the road, there will be areas where you squeeze it to the point at which you will be using concrete barriers as the median?

Mr GOLDING: No. We have not squeezed the five metres from throughout the project. For the whole length of the project, there is still essentially what we would define as a wide median, which is at least 10 metres. In some places, it will be wider. We have not narrowed it down anywhere such that we would need a concrete barrier between the two carriageways. However, the design consultants who are doing the detailed design recommended to us, regardless of whether we had the wider median that we had before or came down slightly by some metres, that we should still put in a wire-rope barrier. That was because of the fact that, at that speed of operation and density of traffic—and also because the IMP had given a very high priority to safety—it would be good practice to put a wire-rope barrier in the median. The median would then be landscaped so that you would not see it.

Mr ELDER: Has the vertical line been downgraded?

Mr GOLDING: No, not at all.

Mr ELDER: I want to be clear about this. There has been a change in relation to the shift of the crown and the separation?

Mr GOLDING: Yes.

Mr ELDER: However, you are saying that the vertical line has not been downgraded?

Mr GOLDING: No, it has not, and in fact in places we have upgraded the horizontal alignment but we have not downgraded the speed standard of the road in the vertical alignment at all.

Mr ELDER: How are we going to get autobahn-type speeds on a road where you have just shifted the crown from a 3 to 1 to a 2 to 2—

Mr GOLDING: The crown has nothing to do with the speed standard.

Mr ELDER: I would not like to be the one on the outside of a 3 to 1 ratio.

Mr GOLDING: No, sorry, perhaps the 3 to 1 is not clear. Where the road peaked before was in the middle with two lanes, and two lanes on one carriageway. What we have done is put the cross-fall to peak between three lanes to one lane. It does not change the speed standard of the road at all. It was done out of construction convenience, by and large, of the concrete pavement. It does not affect the speed standard one iota.

Mr ELDER: It does not affect the speed standard on the outside lane?

Mr GOLDING: No, it does not. We are only talking about a 2 or 2 and a bit per cent cross-fall here, and it is irrelevant. In fact, some of the reason why we improved the speed standard of the horizontal geometry was so that we would not have to super elevate those three lanes which have cross-fall towards the outside. I can provide details of cross-sections to explain this, but it does not affect the speed standard; I can assure you of that.

Mr ELDER: Has there been any downgrading of the communication system on the motorway?

Mr GOLDING: Not at all.

Mr ELDER: So nothing at all has changed in relation to the road management communications, breakdown services, telecommunication services and information services?

Mr GOLDING: Not at all. We had not ever been able to specify exactly what that was. We had been able to specify the outcomes we wanted from the system, and those outcomes have not changed, and we are well advanced in defining what it will be.

Mr ELDER: The Minister outlined in a letter to me that early project works such as the relocation of services and construction of the service road would begin in February. How far behind are we on that project?

Mr GOLDING: We would have expected the construction contracts to commence in September. They will now commence towards the end of October. They are the major ones. However, work has already commenced on the Coomera River bridges. The council has commenced work down at Pappas Way. Between now and October there are a number of other contracts which will be advanced to make up for that slippage of the major contracts.

Mr ELDER: So you have had a slippage on the major contracts—

Mr GOLDING: About a month.

Mr ELDER:—but you are going to try to squeeze the timetable in terms of finishing construction by March 2000.

Mr GOLDING: Yes. The finish dates do not change. It means that the project—

Mr ELDER: But you have some major relocations there. You have your water pipe, and that is the major water pipe. That is BHP Steel. You have a one year lead time into that type of infrastructure replacement.

Mr GOLDING: Indeed.

Mr ELDER: What I am asking is: even though we are behind in terms of the relocation of the services and the design work package, the construction program will be squeezed to finish in March 2000.

Mr GOLDING: What it means is that the degree of concurrency of the four major contracts will be much greater than it was before. Whereas the—

Mr ELDER: So we are talking major dislocations on the road because you are going to

have all those contracts moving in one construction phase almost.

Mr GOLDING: No. We will not have that problem at all because there is a very extensive traffic management plan that will be enacted which will work equally effectively whether there is work on four contracts concurrently or three contracts concurrently.

Mr ELDER: Let us put it this way: under the condensed timetable that you now have, you will have more work going on on the highway than you previously would have had you met the commitments given to me in December 1996.

Mr GOLDING: I think we need to keep the condensing of the contracts in perspective. We are talking about a month's slip in the start of two contracts and hence an extension of those two contracts by—

Mr ELDER: We are talking about early major projects such as the relocation of service utilities and the construction of service roads supposedly beginning in February—past.

Mr GOLDING: Yes.

Mr ELDER: Nothing has been done to date. There is only some work being done on the relocation of utilities which you are going to outline to me, but none of the major relocation is under way. There has been no contract for the major relocation of services.

Mr GOLDING: There has been a lot of work done in terms of the supply of materials and making sure it is available on time. A lot of design work has been done.

Mr ELDER: But I am talking about the physical work of doing it. Very little physical work has gone on on that road. It has to be done on a time frame; it just does not happen. So that is going to condense the work and squeeze the work into the time frame that the Government has given itself to actually finish it—by March 2000.

Mr GOLDING: When we do the detailed programming, the sort of outcome you are forecasting is not a problem. The work can be programmed into the time frame. Basically what we are looking at is two of the major contracts slipping by about a month. So in the totality of the project, this is a fairly minor implication to manage. There have been services relocated. I have been handed a note that says to me that two have been relocated to date, but they are both in relation to the works on the Coomera River bridge, which I have already outlined.

Mr ELDER: Yes, which you have already outlined, but I am talking about major relocation works that have to go on on the length of that highway. Have all the resumptions been completed?

Mr GOLDING: They have not all been completed, but they will have been completed, obviously, before the contracts are let. There have been 80-odd properties that we have agreed on from the 170-odd property owners we have to deal with. All the notices have been sent out for areas 2 and 3.

Mr ELDER: In relation to the areas where they are to be resumed, have we done the detailed design work for the road in those areas?

Mr GOLDING: Yes, it has been done. The only way we could actually issue the notices of resumption is to have detailed knowledge of the boundaries of construction.

Mr ELDER: Or you could have had a concrete planning layout.

Mr GOLDING: No, you need to have details of where the construction catch points—in other words, embankments—will come to, so the detailed design has to be done to that degree before you can accurately draw a resumption plan. They have all been done.

Mr JOHNSON: I just want to elaborate further on those resumptions. At 8 May 1997 the number of owners or tenants who have requested purchase of their properties/interests totalled 121. Agreements have been reached with 83 for a total of \$31,732,222. Negotiations are continuing for the relocation of seven businesses at this stage, with agreement having been reached with three. Notices to leave are to be issued this month to 42 long-term tenants at the Tandarra Caravan Park at Beenleigh, with vacant possession to occur on 31 July this year. Formal resumption action is expected to commence in May 1997. So that would have started now.

Mr ELDER: So you expect the formal acquisition process to begin when?

Mr JOHNSON: May 1997. That has passed, so that is now.

Mr ELDER: So when will we commence the formal acquisition program?

Mr JOHNSON: The formal acquisition program in the two stages that Mr Golding has made reference to, the design package areas of 2 and 3, they are the areas in question that would have been done now.

Mr ELDER: You are telling me that it will not squeeze the construction phase of the project, but you will actually be undertaking more construction on the highway because there has been some slippage in the project. Is that it in a nutshell?

Mr GOLDING: That is it in a nutshell, but it is at the ends of that phase, when there would have been a lot of construction on anyhow.

Mr ELDER: With that, will there be any acceleration costs in relation to the project?

Mr GOLDING: No, because we have not got contracts yet, so there will be no acceleration costs.

Mr ELDER: So even though more work will be going on in a condensed time frame there will not be additional cost penalties?

Mr GOLDING: What you are talking about is supply of materials and bidding the price up because of the amount of work going on. No, we would not anticipate that.

Mr ELDER: Because you have a tighter time frame in which to construct it, obviously it will be constructed in outside hours.

Mr GOLDING: We are not putting a tighter time frame on the actual contracts. All we are doing is moving to a greater degree of concurrency as four major contracts. They would have had a fair degree of concurrency anyhow—that is evident from the program—so that is unlikely to affect the prices we get.

The CHAIRMAN: We are onto Government members questions. I have a question on new customer payment options. What is Queensland Transport doing to make it easier for customers to pay their registration bills?

Mr JOHNSON: In relation to this situation, in 1996-97 Queensland Transport embarked on a strategy to improve the range of payment options available for customers and to reduce payment processing costs. As part of this strategy, all credit card payments by telephone for vehicle registration renewals were introduced in May 1997. This service is available from 6 a.m. to midnight seven days a week. As part of the introduction of speed cameras, payment options for camera detected offences were reviewed, and new payment options of in-person payments at the Commonwealth Bank and Australia Post and credit card payments by telephone were implemented. These payment options are in addition to the mail payments. In 1997-98 further investigation will be undertaken as part of the strategy.

In response to customer feedback, one of the first priorities will be the introduction of six-monthly payments of vehicle registrations. The aim of this project is to determine the most effective strategy for introducing the service, including the provision of payment methods which address customer expectations. Again, that is one of the emphases of the department—providing that service in line with customer expectations. It is proposed that six-monthly registration payments will initially be available for all car owners as part of a national agenda. Three-monthly payments are scheduled to be introduced for heavy vehicles and a further project will be undertaken with the aim of extending the payment amounts for all registration payments, not solely six-monthly payments. Likely options to be introduced include direct debit and home banking. Credit card payments may also be extended. Communication and marketing campaigns will be undertaken to ensure that customers are fully aware of the full range of payment options available.

At this point, Queensland Transport and Main Roads have been looking at other options open to them for relocation of some of the personnel in this area. The card-paying service of QT will be transferred to Emerald because of the communication network with the rest of Queensland and also the availability of employment and the social infrastructure that is already in place in that centre. That is certainly going to be an added bonus to the community of Emerald, especially now with the wind back in some of the mining operations there. It is going to be very advantageous in relocating some of the operations of major Government departments outside the urban system.

The CHAIRMAN: I have a query about the vehicle emission action plan. There was some

controversy recently over air pollution. In 1995 an air emissions inventory of south-east Queensland showed that air pollution is emerging as a significant problem for residents in south-east Queensland. In addition, in recent surveys of Brisbane residents, the principal environmental concern of residents was air pollution, with 87% expressing concern about it. What steps is Queensland Transport taking to address transport generated air pollution?

Mr JOHNSON: The effects of air pollution in Brisbane have been extensively studied in the past and have been summarised in the recent report of the Brisbane City Council called An Economic Evaluation of Health Impacts of Air Pollution in the Brisbane City Council Area. Simpson and London 1995 was the source of that report. The estimates of death from air pollution for Brisbane City for 1991 range from 46 to 82 persons. How precise that figure is I cannot be sure, but the fact is that the toll of 64 persons per annum based on the median of the figures is 1.2 times the road toll for Brisbane in 1996. The principal cause of death is from respiratory arrest caused by an asthma-like response to fine particulates of less than 10 microns. Estimates of the economic cost per year to public health of air pollution for Brisbane range from \$100m to \$359m.

Motor vehicles contribute to 72% of air pollution in south-east Queensland. Eighteen percent of all fine particulates, the main component of air pollution, contribute to mortality. Heavy diesel powered vehicles contribute to 85% of road transport particulate emissions, and the transport contribution to greenhouse gas emissions in south-east Queensland is 7.4 million tonnes per annum. You can see that this is a very contentious issue. The Air Care and Vehicle Emissions Action Plan for South East Queensland has been approved by Cabinet as part of the South East Queensland Integrated Regional Transport Plan, which includes the following measures: support for new Australian Design Rules to improve vehicle emission standards; establishment of in-service emission standards and their inclusion as part of roadworthy certification; development of improved vehicle tuning and maintenance regimes to reduce emissions from poorly maintained vehicles; introduction of on-road vehicle inspections to include emission inspections; introduction of an enhanced smoky vehicle program and heavy vehicle emission reduction program; support for introduction of low polluting fuels such as LPG gas and compressed natural gas for urban passenger and freight cars; and introduction of a public education campaign to encourage greater use of public transport. That all comes into the confines of the IRTP.

The project aims to reduce deaths from transport emissions by 10% by 2000 and annual emissions by 15%. Initially, the Air Care project will be phased in. When fully funded it could cost some \$1.2m per annum, but it will deliver savings to the community in total annual health and days lost from work of some \$9.5m. So you can see the work is at hand and it will be ongoing.

Mr HEALY: Could I ask a couple of questions about the School Crossing Supervisor Scheme?

With the fact that the State Education budget has indicated that extra schools will be built in 1997-98 and the fact that there are a lot of existing schools which are looking at supervised school crossings, how do you intend to manage this growth in the request for supervised school crossings?

Mr JOHNSON: The School Crossing Supervisor Scheme—I do not know whether you are aware—was introduced in 1984 to provide young children with the means of safely crossing roads on their way to and from school. I know you are well aware of it because I have been with you on occasion to witness school crossings in your own electorate of Toowoomba North on the busy New England Highway. However, the criteria for supervision are designed to ensure that road safety resources are used in the most efficient and equitable way possible and, at the same time, the criteria includes such factors as threats to pedestrians, traffic volumes in the area and overall level of risk in the school environment. I know a lot of schools say that they have that problem but, whilst it might not be a major highway, some of those side streets can be equally as busy. That is something we are addressing.

The scheme currently involves supervision of almost 1,000 crossings at 561 schools throughout Queensland and over 1,600 supervisors employed as casual employees. Supervised crossings throughout Queensland are regularly reviewed to ensure that the criteria for supervision are still being met and that the level of supervision remains relative to the level of risk. This is a prime factor that we take into account in this review. The review also occasionally results in the withdrawal of supervision, the reason for this being that some of the road networks have changed and therefore they do not become as popular as some other roads. Consultation with school communities is always instigated before any change in the supervision is made at any of these crossings in question.

One such school that comes to mind is in the Cunningham electorate, and there is another one in Goondiwindi which again is in the Cunningham electorate. I know that up in the Wide Bay and Maryborough regions there are some contentious ones, too. But we are certainly not withdrawing there for the sake of withdrawing or monetary gain. We are there to be responsible, to make sure that we have the safest practical supervisor schemes in place.

The Safe School Travel package was launched with the aim of providing overall safety of travel to and from school for primary and secondary school students throughout Queensland. It received the endorsement of the Queensland Council of Parents and Citizens Association and focuses directly on school communities towards identifying and analysing road safety problems and initiating broader community consultation, rather than assuming that the provision of a crossing supervisor will solve their problems. In this way we can ensure that funds spent on Safe School Travel initiatives are designed where they will have the greatest road safety benefit. This Government provided \$5.1m in 1996-97 for supervised school crossings, and we are committed

to ensuring that these funds are spent to maximise community benefits no matter where the school is.

Mr HEALY: Mr Chairman, just on that issue, I think my colleague the member for Albert has a question that he would like to ask to expand on that. I would be interested to hear the Minister's reply.

Mr BAUMANN: Minister, you have discussed a lot of money being allocated to certain areas, and we have spoken in particular about school crossing supervisors. Given the high incidence of pedestrian and cyclist casualties around our schools, are there any specific initiatives that the Government is looking at trialling or introducing to try to alleviate those problems that we do come across daily around our schools?

Mr JOHNSON: The Safe Routes to School Program is a new initiative in Safe School Travel, or Safest Program. The Safe Routes to School Program aims to identify the routes used by primary school students to travel to and from schools. We are trying to determine which is the safest progression for these children—whether they be in school buses, or with their mums, guardians or whoever. The program has educational and engineering components. That is something that the department, especially in Land Transport and Safety Division, is working closely at all times to address. A trial of the Safe Routes to School Program is being conducted in two areas: Mackay North and Logan Central. As you can appreciate, these are both growth areas. These areas showed high crash rates for 5 to 14-year-old pedestrians and cyclists over the past five years. Again, four schools, including State and non-State schools, are in each cluster. Again, we are not just recognising the needs of State schools. You can see that we are addressing the needs and educational concerns of all children.

Schools, local councils, the Queensland Police Service and officers from Main Roads and Queensland Transport are participating in this trial. Cluster committees, with representatives from each organisation, have been established to oversee the trial in each area. These committees have met to discuss the implementation of the program and each trial site. Two documents are being written for the program as this trial proceeds. The Safe Routes to School guidelines for implementation will outline the procedures to be used by the Queensland Transport coordinator of the program, and the Safe Routes to School handbook will outline the process for schools involved in the program. The procedure and processes for the trial program will be evaluated by consulting with the participants, and the effects of any educational and engineering plans developed and implemented will be assessed in the following 6 to 12-month period.

We are committed to ensuring that this initiative continues, and we aim to have already committed funding for the next two years. There is no doubt that this program will grow. I believe that it is going to be further enhanced by the input from the people who are participating in these trials to date in the Logan and Mackay regions.

Mr HEALY: In relation to the subject of on-road enforcement—one of the major causes of road

infrastructure damage is overloaded vehicles. Could you outline what the Government is proposing to do to protect that road infrastructure from overloaded vehicles?

Mr JOHNSON: Yes, that is a question that I believe is probably important not only to people within Queensland Transport and Main Roads but to everybody within the State of Queensland. This is a very contentious issue for Main Roads in particular, especially with overloading. In recent months, we have had agreements struck by Queensland Transport in relation to the 7% overloading of grain trucks. We had the agreement struck with Grainco in relation to the harvest on the downs last year and central Queensland. At one part of the program we had some 7,000 people violate that agreement in a very short time. This left us with no alternative other than to address the issue. I know that the cowboy element who do not care are the ones who are causing the most heartache and concern to Government and Main Roads.

We are now putting in place an extra 20 transport inspectors to address this issue. I am not too sure what the cost is. I think it is about \$3m. If we did not put those inspectors in place, Main Roads ascertain that the cost of damage to roads would be somewhere in excess of \$40m-odd, and probably closer to \$45m. So for a return on an investment of, say, \$3m we are probably saving the taxpayers of this State \$42m or \$43m. We make no apologies for that.

I know that the road transport industry is a little concerned that we have a policy out there to target overweight vehicles. We certainly do have a policy to target overweight vehicles, because they are destroying the road infrastructure of this State. The weigh-in-motion technology has the capacity to weigh and measure the speed of vehicles and record the evaluated statistical data in real time without interfering with the traffic flow. That is one of the methods. This information is vital in terms of developing appropriate road use policy, and legislation can be used as a vital tool in supporting the regulatory measures and enforcement methods. The primary objective of weigh-in-motion technology is road and bridge asset preservation and road use management in the areas of efficient road use, retrieval of unrecovered road wear cost, equity and speed management. Weigh-in-motion devices will be strategically located on national and State road networks to monitor significant freight corridors and, in particular, to provide special benefits in monitoring the movements of import and export commodities. Queensland Transport currently has a total of 12 weigh-in-motion devices at nine locations in south-east Queensland and is seeking Treasury funding for an additional 12 locations across the State.

I believe that what we are about here is the responsible management of the road infrastructure in this State, not just on the downs or in central Queensland—where we had the grain harvest and that agreement with the grain operators—but the whole of the total 35,000 kilometres of Main Roads controlled roads and Federal controlled roads in this State. I have people every day whingeing to me

about being fined for some breach of the Traffic Act in relation to overloading; but when it comes back to reality, the fact is that they well and truly violated it, so they have only themselves to blame. That is the reason we have put those 20 inspectors in place.

Mr BAUMANN: In relation to community transport for the frail, aged and severely disabled—there is an increasing call by community groups across the State to provide these services. Is the Government planning to help or do something in this regard?

Mr JOHNSON: This is a situation that has been a difficult one for many of our aged, infirm and frail people. I am aware of the need for community transport services for these people. It should be noted that the Transport Operations (Passenger Transport) Act 1994 actually provides for such services. There are a number of Government initiatives that will assist the community transport service providers in this very important task. Officers of QT have recently been involved in a steering committee on an interdepartmental non-acute health and community-related transport project convened by the Queensland Ambulance Service and Queensland Health. Other departments represented on the steering committee include Families, Youth and Community Care and Queensland Treasury, and Veterans Affairs and Home and Community Care from the Commonwealth. This project has succeeded in identifying some of the parameters of the community transport issue, including that at least \$108m is contributed by various Government agencies in the provision of these services. This does not include the funding provided by the private sector, such as service clubs and other community organisations.

The recently released Integrated Regional Transport Plan seeks to discourage the use of single-occupant vehicle travel and give priority to public transport as well as encouraging the use of a range of alternate travel modes, including community transport. The IRTP in south-east Queensland and the associated action plan will facilitate better access to public transport and will assist community transport users in their ability to access various public transport options. It is important, therefore, that community transport providers are able to respond appropriately to that initiative. There are legislative requirements in this legislation to introduce operator accreditation and driver authorisation standards for community transport by November of this year. The department will be consulting widely with the community in developing those requirements. When developed, the standards will provide a formal framework for the provision of safe and professional community transport in Queensland.

Apart from that, the Government has provided assistance through the taxi subsidy scheme, which provides 50% subsidy on taxi services for people with severe disabilities. Currently the scheme has 34,000 members with an estimated cost to Government of some \$5m in 1997-98. I am also happy to say that just last week we were able to launch the new buses that have been purchased by

Brisbane Bus Lines, which have access for people with disabilities through the lowering of the configuration of the front of those coaches. No doubt the member is well conversant with that having come from that industry. Being able to access public transport will be a great win for people with disabilities and for frail people within our community. That is an issue that this Government, the Federal Government and—after being at the ATC recently—I believe other State Governments are addressing. It is a very contentious issue that we are not turning our backs on.

Mr HEALY: I have a question about air services to remote western Queensland. I know that the Government has entered into a new service contract for the provision of air services into that area. Could you outline details of the service contract, particularly the amount of subsidy that the Government has provided to ensure the continuation of air services in regional Queensland?

Mr JOHNSON: The subsidy for air services to rural and remote Queensland has been ongoing. Under the former Labor Government that program was in place for five years. Before that, we had subsidised services to rural and remote Queensland. In February this year, Queensland Transport entered into a service contract with Flight West Airlines for the provision of air services into certain areas in western Queensland. Those routes are the Brisbane-St George-Cunnamulla-Thargomindah, Brisbane-Roma-Charleville-Quilpie-Windorah-Birdsville-Bedourie-Boulia, Boulia-Mount Isa, Brisbane-Roma-Charleville, Brisbane-Blackall-Barcaldine-Longreach, Townsville-Winton-Longreach, and Townsville-Hughenden-Richmond-Julia Creek-Cloncurry. The contract ensures regular daily services to the major western Queensland destinations of Roma, Charleville and Longreach. Those services are provided by a 30-seat Brazilia aircraft. The contract also ensures that smaller townships like Bedourie, Thargomindah and Winton receive a minimum of two services each week. That has been very well accepted in those isolated and remote areas.

The department consulted with community representatives in the majority of the towns serviced and invited submissions from the public. Shire councils were later asked to comment. If I remember rightly, the councils of Cloncurry, Longreach and Murweh were the representative councils in relation to the input into the survey carried out by Queensland Transport and evaluation of submissions received. The subsidy applying to that contract amounts to \$3,797,809 for the first year. Thereafter that figure will be adjusted annually, of course, based on the CPI.

It should also be noted that Queensland Transport also has service contracts for the Cairns-Weipa and Cairns-Horn Island air routes with Ansett Australia and Sunstate respectively. The operators of those routes are remunerated by revenue generated by passenger fares. As such, they attract no Government subsidy. The regulation of those routes ensures that regional communities receive a suitable standard of aircraft to meet local climatic conditions. The criteria that were taken into account when those

services into western Queensland were let were the specifications of the aircraft, the type of craft and also the availability of aircraft at the time. Whilst this Government is in power, those services will continue to be provided in that manner.

The CHAIRMAN: The time for Government members questions has expired.

Mr ELDER: I return to the issue of the Pacific Motorway. The resumption notices that you spoke about earlier—have all of them been issued and will they all be finalised by June? When will you have the property in your hands?

Mr JOHNSON: I will ask Mr Golding to reply to that.

Mr GOLDING: On the two sections that we spoke about, sections 2 and 3, the notices have all been issued. The processes that normally flow from there are: objections, objections hearing, final recommendation and then proclamation. We have to have the proclamations issued before we can allow a contractor on site. That is a straightforward matter. Quite clearly, we are targeting the issue of proclamations that actually take the land in October.

Mr ELDER: October—so it will all be finalised in October?

Mr GOLDING: Not for the whole job, but for those sections that we are putting to construction.

Mr ELDER: By October.

Mr GOLDING: If they are not, quite frankly, the contractor will have to wait to get on site until they are finalised.

Mr ELDER: Your anticipation is October at this particular point?

Mr GOLDING: It is.

Mr ELDER: The fact that you are actually cutting down separation and you are squeezing the road—will that have an impact in the longer term in relation to the remainder of the motorway that you have not let yet? Will that have an impact in, say, downgrading of the vertical line? Will there be a possible downgrading of a vertical line at some stage, because of the nature of the separation and the shift in the design?

Mr GOLDING: The answer to your question as I hear it is: no. I do not know if we are on the same wavelength. The answer to your question is: no.

Mr ELDER: In relation to this motorway—

Mr MACKENROTH: If you ask the right question, the answer is: no.

Mr GOLDING: As I hear it, the answer is: no. But I do not know if you are asking the one I am hearing. That is the only problem. It is an odd question.

Mr ELDER: Will there be any downgrading of the vertical line in the entire length of the project?

Mr GOLDING: No.

Mr ELDER: But there will be cut-downs in the separation and a squeezing of the highway.

Mr GOLDING: If I can outline the background of that decision to you—when we reviewed two of

the design packages after they completed their first bit, to be frank, we looked at the costs of the whole project. They were pushing the limit. We said to ourselves—and this is a normal process in project management—"Are we providing additional to what actually is required by the Government and additional to what is required in the impact management plan?" We took great pains to review that. We came to the conclusion that the median that we were allowing was wider than it needed to be to meet the Government's objectives for the standards of that motorway and to achieve the safety and other objectives in the impact management plan. Therefore, we said, "We can reduce that median width by up to five metres in places, still have a wide median that is landscaped, get cost savings and achieve the same outcomes from the motorway." So that decision was made. There is no degrading of the level of service. You might argue that there is some degrading of the visual amenity. Whether dense landscaping is 10 metres, 12 metres or 17 metres thick will not make much difference to the visual amenity. It will look the same unless you are on an aeroplane. We are catering for people who are at ground level. That is why the decision was made.

There was another important reason for the decision as well. By doing that we could see that we could actually reduce the negative impacts on properties at the side, because the overall corridor width was reduced by five metres. In some cases, that was critical. So we have achieved the outcomes the Government wants and been able to effect savings to responsibly manage the project.

Mr ELDER: The actual reduction of the median will have no impact in relation to emergency service vehicles, breakdown service or other vehicles pulling off the road?

Mr GOLDING: None at all. If you want to widen into it later, you still can. There is enough left for it.

Mr ELDER: What about the provision for extra lanes at a later date?

Mr GOLDING: That can be done, but the consequences then would be a concrete barrier, but you could certainly widen into the median. It would have been the consequences anyhow, even if we had not taken the five metres.

Mr ELDER: So we can still travel at 130 km/h in 30 years' time if we wish?

Mr GOLDING: If it is signed that way—if it is signed for 130—although the design speed is 120. So that might be a bit of a risk.

Mr ELDER: Is it designed for 130?

Mr GOLDING: It is designed for 120. It will be posted at 110.

Mr ELDER: So it is designed for 120?

Mr GOLDING: Basically. Obviously, straights have a virtually infinite design speed, but that is a bit of a technicality.

Mr ELDER: Originally, the concept was an autobahn designed at 130 kilometres, was it not?

Mr GOLDING: They were never my directions.

Mr ELDER: "The new Pacific Highway will be designed as an autobahn to handle traffic travelling at speeds of up to 130 kilometres, Transport Minister Vaughan Johnson said yesterday."

Mr JOHNSON: Engineering design, I think you would find that would be.

Mr ELDER: No. "Mr Johnson said the speed limit of the new eight-lane highway would be 110 to start with from Brisbane to the Gold Coast but designing it just like a high-speed German motorway. We are doing it to improve safety and reduce the road toll." Right?

Mr JOHNSON: Yes.

Mr ELDER: "Engineering speed will be higher than the road speed so in 10, 20, 30 years' time from now, when it needs to be increased, the speed limit can be increased."

Mr JOHNSON: That is exactly what I said, is it not? The engineering speed will be higher than the road speed. The road would be designed so that it could take that increased speed in years to come.

Mr ELDER: Can the road do 130 kilometres an hour? Will people be able to do 130 km/h on this autobahn?

Mr GOLDING: Yes, you will be able to.

Mr ELDER: Why is that when your last answer to me was that the maximum speed would be around 120?

Mr GOLDING: No, there is a difference between a technical design speed and what you can actually drive it at. There is a margin of safety. Again, if you want to go into the friction characteristics of tyres, elevation and all of those sorts of characteristics so I can explain to you what those safety margins are, I am happy to do so, but I do not know whether it is appropriate.

Mr ELDER: Originally we were talking about a sweeping autobahn that would be a 30-year solution that could do speeds of up to 130.

Mr GOLDING: Yes.

Mr ELDER: From what you have told me today—and I am going to follow this a lot closer from this point onwards—you have actually squeezed the highway, you have cut down separation and you have changed a shift in the crown, which I believe does have an impact in speeds particularly when you are in the outer lane. I would not like to be in that lane in relation to actually driving on the darned thing. I am going to check now in terms of the vertical line. I am going to follow this project nice and close. From what you have told me about the original concept, it is now a much tighter concept. I am asking you, under the new, tighter concept, whether or not you will speed at 130 km/h in 30 years' time?

Mr GOLDING: Any decisions that we have made through the project have not changed the basic project that was put forward in the impact management plan. I have not changed it at all in terms of the outcomes, in terms of speed, motorway standard or anything like that. They simply have not changed. I would be delighted to give you a detailed

presentation on all of those issues as we have done in the past.

Mr ELDER: But essentially there has been a change in the design work. There has been.

Mr GOLDING: No, there has been change in the dimensions of some of the cross-sectional elements but there has not been any change in the design outcomes for this project.

Mr ELDER: That is where you and I will have to agree to differ.

Mr GOLDING: Yes. That is what I am saying.

Mr ELDER: That is where, as I say, I will be taking a lot closer look at it. My understanding is that there has been a change in the design of the motorway and, in my view, particularly when you are talking about design work, shifts in crowns and looking at road separation, that is a downgrading of what was originally put forward as a concept in terms of this autobahn.

Mr GOLDING: I would have to say that it is not. I am sure that you will be satisfied with the explanations when they are given to you in detail.

Mr ELDER: But you have already told me that you could not do what the Government wanted to do in terms of the budget.

Mr GOLDING: Right.

Mr ELDER: You have had to actually meet the Budget policy objective. You have done that by squeezing the road. What you are telling me is that we will still get the same objectives out of squeezing the road that the Government wants but we will just not be delivering the original concept.

Mr GOLDING: No, my answer to you is that we are delivering the original concept. We have changed some of the cross-sectional elements to remove some features which were not necessary to achieve those outcomes. In doing so, we have saved money. As project managers, we regard that as a responsible thing to do.

Mr ELDER: What you are telling me is that it was overdesigned in the first place.

Mr GOLDING: I am telling you it may well have been overdesigned in the first place. Absolutely.

Mr ELDER: So we were going to get an overdesigned autobahn that we could all speed along at 130 km/h, which was pie in the sky.

Mr GOLDING: No, I can assure you that the change in the median width—the only thing that we have significantly changed—has no impact at all on the speed standard: no impact whatsoever. I would be delighted to explain that to you.

Mr ELDER: Why would you waste Government money overdesigning something?

Mr JOHNSON: I have to say to you that at no stage was the speed going to be set at 130 km/h.

Mr ELDER: You stated it.

Mr JOHNSON: It may be stated as such, but it is an error as far as I am concerned. We were talking there about the engineering speed, not about the speed as such. Mr Elder, I will say this to you: the

situation on a national scale is that the commitment of the jurisdictions right around the Commonwealth—and you would probably know this yourself having been a former Minister—is that the agreed speed limit is 110 km/h on these types of roads. In time, as Mr Golding just rightly said, with the engineering capabilities, it could be increased, but that at this point in time it will be set at 110.

Mr ELDER: What the Committee has heard today is that that is not likely to be the case. At a maximum we are talking 120 kilometres.

Mr JOHNSON: How do you mean "not likely to be the case"?

Mr ELDER: We have just heard. No-one has given me a guarantee that you will be able to travel at 130 km/h on this road in 10, 20 or 30 years as you proclaimed. In fact, you are squeezing the project. The project is not the project that you outlined and went to press on 1 June 1996 saying—your words, not my words—that this was an autobahn with vehicles travelling with speeds of up to 130 km/h. That is not the case. That is not what has been said today.

Mr JOHNSON: I have to say to you here today that the situation is—and I think that Mr Golding has highlighted it and explained it very professionally—that whilst the capabilities of the modern-day car are certainly able to do speeds in excess of 130 or 140 km/h, there is a safety component built into it. We are talking about a heavy concentration of traffic travelling at high speeds. We believe that 110 km/h is fast enough to progress the traffic on that motorway. It certainly has the engineering qualities built into the design to cater for speeds higher than 110 km/h in years to come as the case may be.

Mr ELDER: Speeds of up to 130 km/h? Will we get a speed limit of 130 km/h with this new \$630m autobahn in 30 years' time?

Mr JOHNSON: I cannot answer that question. I will tell you why I cannot answer it: I do not believe that anybody, unless they are going to be in Government or in the Transport Departments right around the nation in 10 or 20 years' time, can change the speed limit. If they want to upgrade, the capabilities will certainly be there to increase the speed limit. Again, it is a safety factor that we are addressing, and we are not going to alter that line.

Mr ELDER: But you can answer the question. You did so on 1 June 1996.

Mr JOHNSON: I may have done, too.

Mr ELDER: That is what you claimed. They are not my words.

Mr JOHNSON: But I am reiterating that we are talking about an engineering speed, not the speed limit that will be put in. I am saying to you here again today that we are not altering the 110 km/h at this point in time.

Mr ELDER: The engineering speed will be higher than the road speed. I accept that.

Mr JOHNSON: Of course it will.

Mr ELDER: Your comment was that that engineering speed will meet a 130 km/h outcome.

Mr JOHNSON: Of course it can.

Mr ELDER: Okay.

Mr JOHNSON: Of course it can.

Mr ELDER: How will it?

Mr JOHNSON: It can probably meet 150 km/h.

Mr ELDER: Mr Golding, in terms of squeezing the road and changing the design, how will that meet the 130 km/h objective and also meet all the issues that the Minister spoke about in terms of the safety outcomes?

The CHAIRMAN: You will have to direct your question through the Minister.

Mr ELDER: Through you, Minister, to Mr Golding. I accept that Mr Golding will be the one answering the question.

Mr GOLDING: This is a bit hypothetical. It is not that easy to answer.

Mr ELDER: It was not hypothetical on 1 June 1996.

Mr GOLDING: The question you have asked me is a little bit hypothetical.

Mr ELDER: Sure, I accept that.

Mr GOLDING: If you wanted to sign it at 130, you probably could. It would probably be quite safe at that speed. However, during rain and other times where there is surface water, it might be regarded as a little unsafe. So on one or two curves, we might have to erect signs that say "slippery when wet" just to warn people to be a little cautious. Perhaps at one or two locations we might have to put up an advisory speed sign of 120 or something like that. But you could certainly sign it at 130. With the safety factors built into it and the other sorts of issues, that would probably be all right, except that I do not know whether we are ever going to contemplate putting up a 130 km/h speed limit.

Mr ELDER: Would you say that—

Mr GOLDING: That is not what we are planning to do. We are planning to put it up at 110.

Mr ELDER: Would you see that on autobahns overseas—on German high-speed autobahns?

Mr GOLDING: I think they have open speed limits and they are allowed to drive according to the safety—

Mr ELDER: I have not seen those types of speed limits on autobahns overseas.

Mr JOHNSON: I understand also that, on those autobahns overseas, they have advisory signs saying what the speed limit will be applicable to the weather conditions.

Mr ELDER: We are talking permanent here.

Mr GOLDING: Yes. The signs are up permanently.

Mr JOHNSON: You just referred to overseas; I am saying what the situation is.

Mr ELDER: But they travel at autobahn speeds over there, too. They travel at 200 km/h—at open speeds.

Mr GOLDING: Not in fog.

Mr ELDER: That will not be the case on our roads, so you will never get to 130 km/h, will you? Turning to the Sunshine Motorway, can you show me where the annual payment for the \$12.6m debt for the motorway is in the MPS?

Mr JOHNSON: I ask Mr Bill Turner to reply to that question.

Mr TURNER: It would be included in the area of financing transactions.

Mr ELDER: What pages?

Mr TURNER: Page 2-11 of the MPS, under Financing Transactions.

Mr ELDER: Under 9?

Mr TURNER: Yes. I believe that is where it would be shown.

Mr ELDER: Over what period will we make that payment?

Mr TURNER: Approximately 20 years.

Mr ELDER: The answer to question on notice No. 6 would suggest that the level of debt to be serviced by the Department of Main Roads will have risen to about \$470m by the end of the current financial year; is that correct?

Mr TURNER: That would be approximately correct, yes.

Mr ELDER: Does the figure of \$349m referred to in your answer include any of the Sunshine Motorway debt?

Mr TURNER: No, it does not.

Mr ELDER: None?

Mr TURNER: No.

Mr ELDER: Is any money to be expended next year on further studies on the port road other than, say, borrowings for properties?

Mr WHARTON: There is a finalising of the IAS down there, so there will be some small expenditure, but it will be relatively small. I am not sure what the payment arrangements are with the consultants—whether we will have made final payment by 30 June.

Mr JOHNSON: We can get more precise details on that for you.

Mr ELDER: There are some details in the MPS at page 2-5, note 2. Will the borrowings be used for property acquisitions?

Mr WHARTON: Yes, they will.

Mr ELDER: Will all of that money be used for property acquisition? What else will it be used for?

Mr TURNER: There is no other purpose. It is being borrowed for hardship acquisition cases.

Mr ELDER: What moneys are planned for the construction work on the project?

Mr WHARTON: There is nothing planned at this stage.

Mr ELDER: There is no construction work at all on the project?

Mr WHARTON: Not at this time.

Mr ELDER: So there will be no construction in the next few years?

Mr WHARTON: No.

Mr JOHNSON: We would certainly like to think that there will be, but we are still pursuing funds from the Federal Government. As soon as we are successful in some of those negotiations, we will make it known exactly what our program is.

Mr ELDER: If there is no money for that, over the next couple of years what money will be allocated to deal with the increasing flow of traffic on Lytton Road?

Mr GOLDING: I am unable to answer you precisely. We recognise that there are existing aspects of Lytton Road which need fairly urgent attention. Currently we are preparing input to the draft Roads Implementation Program for consideration. Some of those things certainly look at early remedial works on Lytton Road.

Mr ELDER: When will that remedial work take place?

Mr GOLDING: An intersection with Paringa Road is a safety problem and we recognise that. We are looking at that one in particular.

Mr ELDER: But no major work will be done on Lytton Road?

Mr GOLDING: We are not planning on any major works in 1997-98.

The CHAIRMAN: The time for Opposition questions has expired. Minister, on page 89 of Budget Paper No. 3, does the figure of \$194.309m for other construction works include any funding for the Nundah bypass project? What stage is the project at currently?

Mr JOHNSON: Ove Arup and Partners were commissioned to undertake the engineering feasibility impact assessment of the route options to alleviate the Nundah bottleneck. Three options were looked at: the new alignment to the east of Sandgate Road, widening the existing Sandgate Road through Nundah, and the new alignment west of Sandgate Road. The draft impact assessment report was released for public comment in April this year and the submissions on the draft report were accepted until May 20 this year. The draft report has recommended the third option, a cut and cover tunnel proposal, as the preferred option. Following the consideration of submissions received from the public, local business, churches and other bodies, the consultant will amend the draft report if necessary and submit the final IAS report to Main Roads by the end of June this year.

The estimated cost of this project is \$36m. Option 3 is the most expensive of the options considered, but it is clearly the community's preferred option. Option 2 is the only other viable option. Whilst it is less expensive and consequently has a higher benefit-cost ratio, it does not have a major impact on the business centre in question.

Resumptions will be necessary from businesses on one side or the other of the existing road.

Following consideration of the consultant's final report by Main Roads, a recommendation will be made to Government on the preferred option. It is expected that the final decision on the option for the construction of the Nundah bypass will be made by August of this year. The detailed planning and design process will then commence. The Roads Implementation Program for 1996-97 to 2001 included \$300,000 for planning costs in 1996-97, with an indicative forward allocation of \$33.7m from 1998-99 to beyond 2001 for construction. However, it is my intention to take action to obtain funds to enable these works to commence sooner rather than later. That will ensure that we bring that program forward in the RIP.

Following scrutiny of the Ove Arup report, I will take a submission to Cabinet to seek the forward movement of funds for the project so that we can get it moving sooner rather than later. It has been a contentious issue for a long time and I assure you that we will not be procrastinating over it.

The CHAIRMAN: On page 2-7 of the Ministerial Program Statements, you indicate that a new \$7m per annum Federally funded Black Spot Program was approved by the Federal Minister. Can you provide some details of the Federal Black Spot Program in terms of Budget allocations for Queensland and the administration of those arrangements?

Mr JOHNSON: The Black Spot Program was an initiative of the former Federal Labor Government. The program ceased some time ago, which was sad, but has now been reintroduced. Under the new initiative, the Federal Government will allocate some \$36m a year over the next four years. Queensland's share of that funding is \$7.1m for the first year. Most of the money from the Commonwealth Black Spot Program has been allocated throughout the State, and north Queensland seems to be the main beneficiary of the program. In 1996-97, there is \$7m; in 1997-98, \$7.1m; in 1998-99, \$7.3m; and in 1999-2000, \$7.5m. That totals \$28.9m. The Federal Black Spot Program is administered by the Department of Main Roads as part of the overall Roads Infrastructure Program.

The eligibility criteria for funding under the Federal Black Spot Program can be summarised as follows. Fifty per cent of the annual black spot allocation is to be spent in rural areas. Only projects on State and local government roads are eligible for that funding. Projects on national highways and the Pacific Motorway are not eligible for any of that black spot funding. The Commonwealth's contribution to individual projects is not to exceed half a million dollars, and benefit-cost ratios must be greater than 2—accident benefits only based on minimum casualty crashes. Up to 20% of funds can be allocated based on recommendations from an approved road safety audit.

We have a total of 63 projects in Queensland. I am happy to say that a total estimated Commonwealth contribution of \$8.99m was approved for Queensland by the Federal Minister,

John Sharp, in April, \$1.899m of which will be funded from the 1997-98 allocation. The consultative panel meets annually to ensure that a fair and equitable process has been adopted consistent with Federal Office of Road Safety guidelines, and also to consider project nominations submitted by State and Federal Transport Ministers for consideration for funding.

Although I do not agree totally with the way in which the black spot funding is allocated around the State, we have to remember that this is a Federal allocation and, as such, we are restricted by the guidelines set down by the Federal Government. I believe that the Department of Transport and Main Roads in this State is sufficiently expert, experienced and professional to identify the appropriate areas to which these funds should be allocated.

Mr HEALY: I refer to page 38 of Budget Paper No. 3, which states—

"Further planning, design and hardship land acquisition also is to be undertaken for the proposed Toowoomba Bypass."

Some \$2m is provided for that purpose. How many land-holdings are likely to be considered for hardship land acquisition and what is the revised time frame for the commencement of construction?

Mr JOHNSON: As the member for Toowoomba North would be aware, this issue is contentious and has been bubbling away. As part of the proposed Toowoomba bypass, 12 outstanding land-holdings are subject to hardship acquisition under the present proposal. Five property owners are affected, but more cases may arise in the near future. To date, 15 property owners have been compensated, at a total cost of \$4.6m. This 43-kilometre bypass will provide a safe alternative crossing of the main range to Toowoomba and will also provide a convenient bypass for larger commercial vehicles, which is the prime objective. The bypass will start at Helidon, travel through Charlton and connect with the Gore Highway west of Westbrook. Again, this bypass will be designed to provide a new 110 km/h limited access road skirting Toowoomba. The route will be half as steep and twice as fast as the present range road used to access Toowoomba from the east, and all intersections on the new highway would ultimately be grade separated to ensure the safe, regular flow of traffic. The estimated cost of construction of this Toowoomba bypass is \$250m. I do not know how precise that figure is. That is based on current engineering figures. No doubt those figures can change as time progresses, depending on the delay of the implementation of this project.

Although approval has been obtained to fund hardship land acquisitions to the value of \$6m, no agreement has yet been reached—and I reiterate: has yet been reached—over the timing for the construction phase of the project. Although it is expected to commence in 10 or 15 years, I am hoping that the Federal Government will say, "Listen, we have the money available to bring that program forward." I believe that 10 or 15 years is too far away. We are currently negotiating with the Federal

Government to have that project brought forward rather than waiting 10 or 15 years. That is the update. The Department of Main Roads and Queensland Transport officers are working closely with the people in question in relation to those resumptions and hardship cases. We will continue that program.

Mr HEALY: On page 2-5 of the Ministerial Program Statements, there is a reference to Commonwealth specific purpose payments of \$166m in 1997-98. What is the impact of the Federal Budget on Queensland's roads program, and what projects will be funded as part of the 1997-98 Federal Budget?

Mr JOHNSON: In the 1996-97 Federal Budget, the Federal Treasurer announced a \$620m reduction in national highway funding over the next four years—something that does not make me or anybody in this State happy, given that we are trying to build road infrastructure. Overall, the 1997-98 Federal road funding budget of \$1.6 billion is generally in line with the 1996-97 allocation. However, at the same time, in dollar terms it is consistent with the 1996-97 forward Estimates. Queensland's overall share of road funds totals \$317m, \$70m of which will be provided to local government in financial assistance grants. This has resulted in \$30m less than the overall State allocation received in 1996-97 for road funding. I am bitterly disappointed about that. I do not make any bones about the fact that the Federal Government has done the wrong thing by Queensland and the other States which have received cutbacks. We will continue to pursue that matter through John Sharp and the officers of Federal Transport and Regional Development.

In 1996-97, we had \$346.41m; and in 1997-98, \$317.39m. That represents 19.8% of the total Federal roads budget of \$1.6 billion in 1997-98, as compared with 21.7% of the revised Federal Budget of \$1.59 billion in 1996-97. Again, Queensland's national highway allocation of \$150.4m is \$32m less than the \$182.24m approved in 1996-97. This represents 21.6% of the overall total of \$696.45m for national highways, as compared to 24.5% of the revised national highways allocation of \$716.4m in 1996-97.

However, the funding of roads of national importance has increased within the overall national roads allocation. That has gone from \$87m in 1996-97 to \$112.2m in 1997-98. Notwithstanding that, the Federal Budget has provided continuing funding in 1997-98 for key major national highways, the widening and rehabilitation works on the Bruce Highway, the Edmonton duplication works south of Cairns, the work on Woolcock and Duckworth Streets in Townsville, the Wallville Bridge and approaches just out from Bundaberg, the Oakey bypass and the Barkly Highway—the famous road between Mount Isa and Cloncurry. In addition, there are funds of \$2.3m of the \$25m for the Ron Camm Bridge. \$74m is provided for urgent minor works on the national highway system, and the list goes on. As I said earlier, of the \$196m that we have this year for the Pacific Motorway upgrade, \$15m is Federal funding. Of course, we are seeking \$25m in funds for

the Thomson Bridge at Longreach. That is in the program next year.

Mr BAUMANN: On page 2-9 of your Ministerial Program Statements, you refer to a figure of \$630m for the Pacific Motorway upgrading project. To help alleviate the concerns of some commercial users, essential service providers and the general motoring public, could you outline the measures being taken by Main Roads to minimise traffic disruption during the construction of this major project?

Mr JOHNSON: Main Roads is adopting a range of measures to keep the traffic flowing and facilitate the natural progressions through the project stage of design and construction. We are aiming to minimise the overall disruption and dislocation to road users. The measures will comprise: keeping two lanes open to traffic in each direction during daylight hours and maintaining an operating speed of at least 80 km/h through the construction sites; using techniques to physically and, in some cases, visually—use of concrete barriers and screens— isolate the construction work zone from normal road traffic wherever possible; scheduling in sequencing works the building of service roads early in the project to minimise disruption to all road users; consulting with and keeping the community, business and road users informed in advance of alterations to traffic flow; using incentive bonus penalties which will encourage the contractors to reduce the level of disruption and dislocation to people's lives; investigating in conjunction with Queensland Transport the potential for giving priority to buses and car-pooling arrangements where practical; and implementing traffic management systems to monitor traffic flows and incidents and restore the highway back to operating conditions as soon as practicable after an incident.

The latter measure will involve the use of the latest intelligent transport system available and will include mechanisms for motorists to advise the project team of incidents along the project, portable and semi-fixed cameras situated along the project to enable the project team to verify incidents and to monitor the traffic flow, the establishment of a temporary control centre on the project to receive information and implement a coordinated response if an incident occurs and the use of variable message signs—highway, radio and media alerts—to advise road users of travelling conditions. All of those measures will be in place and will be monitors as to the success of each stage of the project development.

These measures represent a level of traffic control significantly higher than has been used in Queensland, possibly Australia, in the past. It is expected that the techniques developed in this project will create best practice benchmarks which the road industry in Australia can target for achievement. One of the measures that will be in place on the completion of this world-class motorway will be all the modern technology of intelligent transport systems to highlight to the general public precisely what is happening and what is not happening along various sections of the

motorway—traffic flows, accidents, etc.—to allow people to be able to monitor the situation and find another route around certain accidents or slowdown areas.

Mr BAUMANN: The subprogram table for roads infrastructure, MPS page 2-12, indicates a significant variance between the 1996-97 budget and the 1996-97 estimated actual for roads program management. Can you explain to us the major factors contributing to this variance of approximately \$140m?

Mr JOHNSON: A number of components comprise this variance. They include: payments to the Sunshine Motorway Company of \$83.6m; the reclassification of natural disaster relief assistance works from State regional road network to roads program management, \$13.2m; the reclassification of the motorway company property acquisition expenditure from State regional road network to roads program management, \$13.5m; the reclassification of the port of Brisbane access road expenditure from State regional road network to roads program management, \$13.5m; additional funding associated with the former South Coast Motorway, \$8.2m; additional expenditure associated with developers' infrastructure contributions, \$6.6m; and the reclassification of expenditure associated with workforce skilling and transfer of expenditure related to the removal of the Sunshine toll plaza from State strategic road network to roads program management, \$2.9m. They are the components which comprise this variance. The details of these components and the dollar values that I have just highlighted are a precise and accurate assessment of that variance.

The CHAIRMAN: The time for Government questions has expired. We move now to Opposition questions.

Mr ELDER: On Tuesday the Premier stated that senior CEOs within various departments would be taking study leave to the UK under a \$1.5m program. Is anyone from Transport, Main Roads or QR participating in that program?

Mr JOHNSON: I will just elaborate a little bit on that. I noticed——

Mr ELDER: I hope you do.

Mr JOHNSON: I noticed that that question came up in the Premier's Estimates. I would dearly love to elaborate on it. I can assure you that any moneys used for overseas travel by any officers from my department, from directors-general down, will certainly be for overseas study purposes in relation to the Transport and Main Roads portfolio, incorporating Queensland Rail. During the time that you were Minister and under your Government, from time to time people went on overseas study leave. That will be an ongoing practice. I would hope that the money to be used for CEOs for overseas travel might be put back into the coffers so that we are able to pay CEOs in this State a more respectable amount than they currently earn. Private enterprise is always poaching them, as you are well aware.

Mr ELDER: I am pleased that you have said what you think.

Mr JOHNSON: I am fiercely protective of the people I work with, and no doubt as Minister you were too. No, they will not be going on any of those overseas trips, but I will say this——

Mr MACKENROTH: So you disagree with the Premier, basically.

Mr JOHNSON: I am not saying that I disagree, but I disagree with anywhere that we are not getting the money back into the right quarters. I would like to see that addressed in other areas.

Mr MACKENROTH: You basically said it is a waste of money.

Mr JOHNSON: I am not saying it is a waste of money. I am saying that if it is travel leave for pursuing matters relevant to the portfolio, it is always money well spent. I endorse it and I will continue to endorse it. The other business that the Premier is addressing is one for him to work through.

Mr MACKENROTH: You are lucky he has gone overseas!

Mr ELDER: You are lucky he is in Indonesia. Are any staff from within your portfolio going on any study tours next year?

Mr JOHNSON: From time to time staff are always going on such tours.

Mr ELDER: Can I get a list of those details?

Mr JOHNSON: Next year?

Mr ELDER: For next year.

Mr JOHNSON: Some people are about to undertake overseas travel for various reasons. We can certainly furnish you with that. But at the same time I cannot tell you what the future study leave will be. That changes from day to day and programs come up from time to time. We currently have staff overseas.

Mr ELDER: Can I get a list of those staff who are overseas and the study leave they are on and a list of the staff who have applied for study leave over the next year and where that study leave will be taken?

Mr JOHNSON: Not a problem.

Mr ELDER: I want to go back to the MPS at page 2-11 and ask in relation to the financing transactions: how is the \$180m arrived at, apart from the addition of the extra \$128m debt on the motorway and the \$12.6m, I imagine, that goes into the repayment schedule for the motorway debt? Can you tell me how the rest of that is made up?

Mr TURNER: There is approximately \$9.55m for the Logan Motorway which continues the equity injections previously provided. You mentioned the \$128m. There is a debt redemption amount of about \$27.5m. There is a figure there of refunds, I think it is, of about \$3.8m. I can provide this to you in a table if you like.

Mr ELDER: Yes, please.

Mr TURNER: It is refunds for the developer contributions trust fund of about \$3.8m.

Mr ELDER: But you can provide that for me?

Mr TURNER: Yes, certainly.

Mr ELDER: The annual interest bill on the \$470m debt—do you have an idea of what that is?

Mr TURNER: The interest bill will be approximately \$42m. There is a figure for that shown on page 2-11 of \$41.961m.

Mr ELDER: At Budget Paper No. 2 on page 186 there is an amount of \$33m for high priority roadworks, but in your answer to me on question No. 6 you refer to only \$30m as the amount advanced for high priority roadworks. Can you explain that difference? Has the money been allocated, and where and when will it be allocated?

Mr JOHNSON: I would ask Karen Peut, Executive Director (Roads Programs) to answer that.

Mrs PEUT: In relation to that, there is \$3m clearly identified at this particular point for the Cairns-Cooktown project which Cabinet approved, I think, in about October last year.

Mr ELDER: Cairns to Cooktown?

Mrs PEUT: That is \$3m. In relation to the other \$30m, a couple of projects have been identified already, but we are currently looking at accelerating some of the widening and rehabilitation works on the current program. I think the Minister has already announced some \$1m per annum contribution to Mitchell-St George. There will be other projects identified for investment in sugar—it is really sugar and mining—to advance and accelerate some of those are projects that we currently have on the RIP.

Mr ELDER: The projects are actually on the RIP?

Mrs PEUT: Some of them will be.

Mr ELDER: What will I not find on the RIP?

Mrs PEUT: Where we are currently at with the funding that we have put out to the regional directors of the allocations, they have been asked to look at what are appropriate projects to consult as part of the development of the next RIP.

Mr ELDER: How are they determined?

Mrs PEUT: They have not been determined at this particular point apart from the Cairns-Cooktown project. We have not identified those projects. We will be coming back as part of the RIP and specifying and identifying the total \$30m of projects.

Mr ELDER: Most of them will be RIP projects?

Mrs PEUT: A number of them will be, yes. We will be looking at accelerating those projects.

Mr ELDER: How are you determining them as high priority? The Minister determines them as high priority. Who determines them as high priority?

Mrs PEUT: In relation to, for instance, the mining or the impacts on sugar or Government commitments that have been made.

Mr ELDER: In relation to infrastructure packages in different industries?

Mrs PEUT: Yes.

Mr ELDER: Why was the money advanced from the next two years' program on top of your borrowings already for road maintenance and for your accelerated works program between Reedy Creek and Tugun? Why are we talking about accelerating that and advancing it when you already have a significant program in place that you have to repay?

Mrs PEUT: I think the situation is that there are demands out there. I think the advice that the Minister provided to you when we announced the Roads Implementation Program and to members of Government and the Opposition was that we had a very heavy commitment after the election in July. Then following the Mundingburra situation, this Government gave a commitment to meet all the Labor Government commitments and it also had some commitments that it had to meet itself. The Roads Implementation Program last financial year initially was overcommitted, so there was a situation where we were looking to make sure we got all of those projects through, and we will continue to bring the works forward.

Mr ELDER: Will you not have now to either borrow more next year or reduce roadworks funding in relation to the RIP to actually meet next year—

Mrs PEUT: Next year there is a \$15m contingency so it is a net nil effect over the two years. With registration increases neutral, etc., you expect the other \$15m will have a negative impact. We would like to have achieved more as part of the budget process.

Mr ELDER: So you expect actually income receipts to meet it?

Mrs PEUT: In year 3 of the Roads Implementation Program where it is indicative—

Mr ELDER: Over the next two years you are borrowing more money to—

Mrs PEUT: No, we are not borrowing money; we are bringing it forward.

Mr ELDER: You are bringing it forward?

Mrs PEUT: Getting the works done.

Mr ELDER: At the end of the day when you bring it forward, you either have to repay it or wind back?

Mrs PEUT: Next year?

Mr ELDER: If you want to keep the program going you either have to borrow more or—

Mrs PEUT: Next year \$15m has been provided as part of the Forward Estimates and it will have no impact. We do not allocate all of the money out in year 3, so there are projects that will be brought under and it will not be a problem, I believe. We would expect that registration receipts will increase over time as they have previously.

Mr ELDER: Are you currently making other payments for the Gateway Motorway or the Logan Motorway to the companies?

Mr TURNER: No, we are not making any further payments to Logan or Gateway at all.

Mr ELDER: So we have got a significant increase in accelerating a program. We have \$30m that you are accelerating into these two years to meet high priority roads that you are going to make a determination about for next year. That is \$30m over the next two years. You have got an ongoing commitment in relation to the Sunshine Motorway; you have got annual interest bills of \$42m; you have got moneys that you have already borrowed for road maintenance, particularly into Reedy Creek and Tugun; and you have a range of commitments, but you are telling me that at the end of two years some of those will be offset by increases in receipts and returns from registration and from other income areas. I am just trying to come to grips with your debt profile because it seems to have gone through the roof—or it will or you are going to have wind back at some stage.

Mrs PEUT: When we allocate the Roads Implementation Program out, as we did previously, we are very clear and do not retain a program reserve or much of a program reserve up front. In fact, we did not have a program reserve in the last year, which the Minister has already indicated to you previously. As the years go on we actually retain a program reserve so we can look at where we need to make strategic shifts. We allocate our funding to road projects, so the first two years we give a firm indication, a firm commitment, to funding of those projects. In years 3 to 5 they are indicative for planning purposes. As the years come on, the projects firm up and estimates are much better, but we also retain a much bigger program reserve, so we have that ability to be able to move money to where it is most needed.

Mr ELDER: So you will finetune in the out years?

Mrs PEUT: As we bring the program through every year we review the program, and we are currently going through the development of this year's Roads Implementation Program.

Mr ELDER: If you do not get the anticipated increase in offsets, that is, income then—

Mrs PEUT: We are not in a situation where all our funds have been allocated for year 3 as it currently stands coming forward to year 2. We have not allocated all the funds out; we have program reserves and then as the year comes forward we look at the Treasury receipts and the Forward Estimates as they come through and we make our allocations and we get as much money out there doing the most good at that particular time.

Mr ELDER: If we go back to the \$30m, you told me that you expect that that will be offset by increases in revenue so it will not impact. If you are accelerating \$30m forward over two years, you said it would be offset; there would be no need for any project reduction in the RIP in the out year, that is, the third year, because it will be offset by income.

Mrs PEUT: You are right. It is neutral over the first two years. In the third year, as you know, we will probably be putting a case forward to Treasury for increased roads funding to meet that, as we do every year. That is the decision of Government to award

the money in that particular way, but we believe we will be able to accommodate it.

Mr ELDER: I refer you to page 1-6 of the MPS where you outline—and you stated it earlier—the upgrades of Bamaga Airport and a range of other airstrips: Bedourie, Windorah and Longreach airstrips in the Logistics Infrastructure Subprogram. How much was spent on these works?

Mr JOHNSON: How much total spent on these works? There is \$200,000 at Windorah, \$200,000 at Bedourie, \$600,000 at Longreach and \$1.2m at Bamaga total. As you can appreciate, Bamaga being in the Wet Tropics and virtually floating on water, a lot of extensive works had to be done to upgrade that strip in relation to the location of it.

Mr ELDER: How were these airstrips chosen?

Mr JOHNSON: The situation is—and I will say here from the outset, and you can say what you like—three of those strips are in my electorate, the Gregory electorate, which incorporates a quarter of the land mass of Queensland. They were chosen because of the need in those areas in question. The Windorah airstrip, which is a very important link to the remote areas of the State—Birdsville, Bedourie and Boulia, especially with the Flight West services coming in there. It was a deteriorating strip—it was cracking up and needed resurfacing. That work has been carried out. It has been finished.

In relation to the Bedourie strip—I said earlier, in reply to a question from one of the Government members, that the strip needed to be extended. We were able to provide \$200,000 to the Diamantina Shire Council to enable them to carry out that work. They are going to put an extra \$400,000 into that program to further extend that strip. The Longreach strip, which involved an amount of about \$1.2m, needed to be upgraded. The Government made available \$600,000. The Longreach Shire Council put in about \$200,000, if I remember rightly.

Mr ELDER: How were they chosen?

Mr JOHNSON: On needs and needs only. As I said earlier, both the Bedourie and the Windorah strips provide services by Flight West Airlines, which is important in addressing services to rural and remote Queensland. The upgrade of the Longreach strip was so that we could encourage tourism through the central west. We had to pick somewhere. Longreach was the central location, geographically situated to take advantage in relation to the Workers Heritage Centre at Barcaldine, the Wool Scour at Blackall, the Waltzing Matilda Centre in Winton, the Stockman's Hall of Fame in Longreach, plus the Matilda Highway concept. That is how it was chosen.

In relation to the Bamaga airstrip—it was chosen because of the importance of air travel to the Torres Strait islands, especially the areas around there, such as Injinoo, Seisia, Umagico and all the other settlements around Bamaga. As I said earlier, it was virtually floating on water. That strip was put down during World War II as a wartime strip, and no major capital works programs have been carried out there since. It was in a very poor state of disrepair.

We were finding that commercial operators such as Flight West, Sunstate and whoever else would not land there because of the poor quality of that strip.

Mr ELDER: On how many other airstrips in Queensland would the Department of Transport bear responsibility for similar works?

Mr JOHNSON: We are in the throes of carrying out a survey of all airstrips in Queensland because of the need to provide air travel to many of our regional and remote areas. I am not sure whether that survey is finished.

Mr ELDER: I asked: on how many airstrips in Queensland does the Department of Transport bear responsibility for similar works?

Mr JOHNSON: In the future there will be other airstrips to which we will be paying particular attention. The budget program at the moment does not lend itself to upgrading other airstrips, but in next year's budget we will certainly be spending money on other airstrips. I will call on the Director-General of Transport, Bruce Wilson.

Mr WILSON: There is no set number for which we are responsible. The number for which we might get involved in assisting improvements or renovations will depend on the outcome of the study that is under way at the moment.

Mr ELDER: Were there any other areas that came forward with a need for upgrading of airstrips?

Mr WILSON: Yes, right through the west and the far north.

Mr ELDER: How many?

Mr WILSON: I could not tell you off hand.

Mr ELDER: Were there more than five, more than 10, that came forward with similar requests to those from Bamaga, Bedourie, Windorah and Longreach?

Mr JOHNSON: I have to say to you that those requests are coming forward now.

Mr ELDER: I bet they are!

Mr JOHNSON: The situation is: why would they not be coming forward? The Federal Government certainly turned its back on them. When you were in Government, you turned your back on them. The situation is that it is providing infrastructure to rural and remote Queensland. While we are in Government, we will certainly be addressing the needs, wherever they are.

Mr ELDER: How many came forward before those airstrips were chosen?

Mr JOHNSON: None came forward at all. They were identified as important strips for upgrading. We are awaiting the outcome of the report carried out by Queensland Transport to identify where we will proceed with this project.

Mr ELDER: Who identified them?

Mr JOHNSON: Representation was made by those shire councils and, on a needs basis, that is how it was arrived at. With the Longreach one, that involved joint support from all councils within the central west of Queensland for the upgrade of that strip.

Mr ELDER: So those five knew that they had to come forward.

Mr JOHNSON: I am sorry?

Mr ELDER: You said that the applications for those came forward from the councils. That is how you actually determined that you would support those particular airstrips. How did they know to come forward while other councils did not, but have since come forward realising that you have actually given those four airstrips that support? How did they know to come forward?

Mr JOHNSON: This is a program that we are putting in place. We are asking people to identify the needs. This is precisely how we have done it. We have identified the needs of those respective settlements.

Mr ELDER: So we have quite a number of councils out there that want their airstrips upgraded. You now know that there is a need out there, because they have come forward. And they have come forward since you have supported those four airstrips. But somehow, out of the blue, those four councils knew that this was coming forward. No-one else had actually made application for it; you just supported these four. I am just intrigued. Four of them just came forward out of the blue to be supported, and the others—

Mr JOHNSON: They are the four that we identified as having priorities.

Mr ELDER: So who identified them?

Mr JOHNSON: I will take responsibility for that, in conjunction with representation from local authorities.

Mr ELDER: So you identified those four?

Mr JOHNSON: No, I have not identified them. I had representations made to me. If you want me to take responsibility, I will take responsibility, and I will not walk away from it for one moment, because we are addressing the needs of rural and remote Queensland.

Mr ELDER: What about the needs in Charters Towers and Cloncurry? What about the needs in the Whitsundays?

Mr JOHNSON: They are certainly on the agenda.

Mr ELDER: Now they are on the agenda.

Mr JOHNSON: They have always been on the agenda.

Mr ELDER: You have just taken responsibility for identifying those particular four; is that right?

Mr JOHNSON: I will.

Mr ELDER: So you determined that they should be funded in the first round?

Mr JOHNSON: If you want me to say "Yes", the answer is: yes. Are you happy with that?

Mr ELDER: Okay. And three of the four are in your electorate, just as two of the three new road projects in the budget just happen to be in your electorate.

Mr JOHNSON: As I explained to you earlier, the Gregory electorate encompasses some 360,000 square kilometres of Queensland, which also covers over a quarter of the State. If it happens to be that way, that is the way it is. I have to say as the Minister responsible that there is certainly no pork-barrelling.

Mr WILSON: Could I add something?

Mr ELDER: No, I want to move on. I have only one minute more within which to ask questions. On pages 1-34 and 2-22 of the MPS for the Department of Transport and Main Roads, I note that approximately \$57.9m and \$4.3m respectively have been allocated for Corporate Services expenditure in 1996-97. I am aware that part of these moneys have been spent in the current and previous financial years on a project to implement SAP as a new Financial Management System. Could you explain why you have failed to act on a project which has, according to your own senior staff in the department, firstly, dramatically exceeded costs and expended \$28m to date; and, secondly, has employed numerous consultants for extended periods at daily rates of over \$1,600, and is currently many months behind schedule?

Mr JOHNSON: I will ask Mr Bill Turner, acting General Manager, Corporate Services, to answer that.

Mr TURNER: In actual fact, the expenditure on that particular project is within Main Roads. I am not sure where the figure of \$28m has come from. Certainly expenditure to date is more like \$15m on the project. I guess that the \$28m may include a second stage of SAP, which would include replacement of HR and payroll systems and an extension of the existing SAP system to include things like project costing, work flow automation, inventory, etc. Certainly I do not believe that the project has gone extensively over budget. There were some increases incurred which, I think, have been referred to in previous documentation, which related to the need to do some rework when the two departments were split. That contributed to a small delay.

Mr ELDER: Can you tell me whether bank reconciliations required under the Financial Administration and Audit Act, which are pretty simple—they are mandatory and good basic business practice—have occurred over the past six months or not?

Mr TURNER: We do both bank reconciliation for both Transport and Main Roads.

Mr ELDER: Have you done them over the past six months?

Mr TURNER: Main Roads has been completed for October and November of last year and is down to a very small amount for January, February and March of this year. Considerable work is still proceeding on Queensland Transport's bank reconciliations, which are not necessarily related to SAP. Some of the issues, initially anyway, related to the implementation of the first stage of TRAILS. Certainly there have been significant additional resources given to those two tasks. The issue is not so much about SAP in some cases; it is about some

of the processes that have occurred around the system, where people have not followed necessarily the laid-down procedures. That has created difficulties in undertaking those reconciliations. We believe that we have a significant responsibility to complete those in about the next month or so.

Mr ELDER: So they have not occurred over the last six months. That is what you are confirming with me. There are problems there for a whole raft of reasons, but they have not occurred. You are going to finalise those in the next month or so.

Mr TURNER: There has been a significant amount of work undertaken on them. They are getting near finality, we believe.

The CHAIRMAN: On page 89 of Budget Paper No. 3 there is mention of a figure of \$194,309,000 for other construction works. Does that include any funding for the construction of the Petrie bypass? What benefits would result from that the construction of that bypass?

Mr JOHNSON: No doubt we are all well aware since the by-election in Kurwongbah in recent weeks that the Government made announcements in relation to the Petrie bypass. The Pine Rivers Shire Council has been conducting a transportation study to which Main Roads has contributed. The study has identified a possible option to relieve traffic congestion in Petrie by constructing the bypass of Petrie as a stage of the Kallangur bypass road. That option has significant community and environmental impacts. If the option is confirmed when the Pine Rivers Shire Council's study is released, it will require a detailed impact assessment study with appropriate public consultation. While reducing traffic on Anzac Avenue through Petrie, that proposal will not bring relief from trucks hauling quarry products from quarries on Dayboro Road. Those trucks will be doing that operation for many decades to come. That issue was addressed by both the Liberal candidate and the Labor candidate in the recent by-election in Kurwongbah. However, it has been agreed that if the option—

Mr ELDER: You build that Petrie bypass.

Mr JOHNSON: I will come to that in a minute. It has been agreed that, if the option for a Petrie bypass is confirmed, an allocation will be made next financial year to allow public consultation and an impact assessment study to proceed. That is something that we will do.

Why did you not do it? You were there for six years and you walked away from it.

Mr ELDER: You have only promised them \$150,000.

Mr JOHNSON: We will not walk away from it. A decision to proceed will be based on the final analysis of the impact assessment study. We will be working in conjunction with the Pine Rivers Shire Council. On completion and on survey of that impact assessment study, construction will depend on the cost—possible cost sharing with the Pine Rivers Shire Council. The priority will then be compared with other projects in the south-east corner. I will give the assurance here today—I give it to Mr Elder—that we will treat it as a priority. That will

address the needs in that area. We will do it in a responsible way. It is not about pork-barrelling: we look after the whole 89 seats in this State, not just the ones that we run.

Mr HEALY: Could I ask you a question about the Ipswich Motorway? A safety audit has been conducted on that road. What were the findings? Will remedial actions be funded as part of the 1997-98 budget?

Mr JOHNSON: The Ipswich Motorway is another area of contention. That motorway forms part of the National Highway extension, as the member is well aware, through Brisbane. Consequently, future works are subject to Federal funding. It is always a sad situation in relation to that motorway in question. We have had to wait for two or three fatalities in recent times to be able to extract dollars from the Federal Government for the interchange at the Ipswich-Warrego Highway. I am not happy about the fatalities—far from it. We were successful then in negotiations with the Federal Government for \$2.4m or thereabouts for that interchange. I remind the honourable member for Capalaba that those are Labor electorates. We are continuing.

Mr ELDER: Have you finished my road? Is that going to finish on time?

Mr JOHNSON: We will finish your road. Don't you worry about your road. We have not pulled the funds on that yet. Did you notice that I said "yet"?

In recent years many of the improvements have been retrofitted to existing facilities. The need for additional upgrading to meet growing traffic demands is recognised. The safety audits built on the study conducted in 1993 by consulting engineers Maunsell identified additional work required to upgrade the motorway. The audit raises many issues and recommends a range of improvements, including improvements to road geometry, removal of or protection from roadside hazards and provision of facilities for pedestrians and bicycle riders. Many of the improvements recommended in the audit have been carried out as funding permitted, including completion of route lighting, improved median separation at various locations, closure of all grade median crossings except at Stuart Street where the crossing has been retained for emergency vehicles only, removal of or protection from some of the roadside hazards in association with maintenance projects for minor works and improvements to signage. In addition, other improvements have been scheduled, such as an acceleration lane at Stuart Street, Goodna; extension of the inbound on-ramp at the Centenary Highway; lowering of the highway at the Dinmore overpass to improve clearance heights; improvement of the median separation between Six Mile Creek and Dinmore; and extension of the pedestrian overpass at Goodna. The Maunsell report and the safety audit recommended significant works totalling some \$42m. That will require detailed planning and design as well as public consultation.

Main Roads will now move to commence those planning activities with a view to securing Federal

funds in future road programs. That planning will include improvements to road geometry, improvements to existing interchanges and six-laning of some sections, new overpasses, interchange at Cross Street, and new facilities for pedestrians and bikeways. Other suggested improvements are emergency phones, emergency crossovers, variable message signs and improved bus stops. In relation to funding, one thing that I have not done since I have been Minister for Transport is pull funding in any electorate at all. Since we have been in Government, all programs that were put in place by the former administration have progressed and we will complete them.

Mr ELDER: Make sure you get the Nundah bottleneck in there.

Mr JOHNSON: We will fix that. Why didn't you put it in there? Because you never signed off on the chaff, mate!

Mr ELDER: No, the money was there. The commitment was there. All you have to do is build it.

Mr JOHNSON: We will build it.

Mr BAUMANN: An acute road safety problem exists at an intersection adjacent to the Cedar Creek State School on Beenleigh-Beaudesert Road. It has been the subject of local community concern for several years, which has gone unaddressed. Could you advise me what works are planned in that vicinity and whether funding has been provided in the State Budget to address that problem?

Mr JOHNSON: Main Roads has recognised that the intersection of Beenleigh-Beaudesert Road and Chardons Creek Crossing needs upgrading. It is a contentious issues and one that we are addressing. As a consequence, intersection improvements works were included in the current RIP for funding in the 1997-98 program, as part of a larger scheme of upgrading Beenleigh-Beaudesert Road and replacing all the timber bridges.

I can say that the proposed intersection works will now proceed ahead of this larger scheme, with this project variation reflected in the 1997-98 to 2001-2002 Roads Implementation Program which is currently being developed. Again, planning and design for this intersection project has commenced, and consultation with the school and local communities will be undertaken as part of this work. The total cost of this project is estimated at some \$830,000, with tenders scheduled to be called in November of this year for these works to commence. This will allow the bulk of the earthworks to be completed during the Christmas holidays. At that stage, it will allow the project to be eliminated as one of the sore points in that area.

Mr HEALY: Minister, a couple of months ago I was in the cape with the Public Works Committee. We discussed with a lot of the Aboriginal and Torres Strait Islander communities up there the need for road infrastructure or the need to address the road infrastructure problems in that area. I notice that on page 2-9 of your Ministerial Program Statements you refer to the provision of road infrastructure to meet the needs of those communities. Could you just provide details of how Main Roads is planning to

improve the road infrastructure, particularly for those Aboriginal and Torres Strait Islander communities?

Mr JOHNSON: Main Roads has carried out some very good programs there. I have to say that they were introduced and implemented under the former Government. I have witnessed first-hand the completion of the road from Bamaga down to Seisia—a magnificent piece of road network carried out by Road and Transport Construction Services. No doubt a lot of effort has been put into that road in question.

At least \$2m per annum is provided on an ongoing basis from the Roads Program for improvements to road infrastructure for the Aboriginal and Torres Strait Islander communities as part of the Transport Infrastructure Development Scheme, or TIDS as we know it. An additional \$4m per annum has been provided in special initiative funding for 1996-97 over three years. The bulk of this funding is directed to the Aboriginal and Torres Strait Islander communities in north Queensland to improve roads infrastructure access to the communities in question. From 1997-98 there will be \$1m per annum, and the balance of the three-year additional special initiative funding of \$4m per annum will be transferred to Queensland Transport to meet the costs of improvements to non-roads related transport infrastructure from the primary point to access to the Aboriginal and Torres Strait Islander communities.

Main Roads has also contributed joint funding to the total management planning process in conjunction with the Department of Local Government and Planning and the Department of Natural Resources to identify and prioritise infrastructure improvements for Aboriginal and Torres Strait Islander communities such as water, sewerage and roads. The total management planning process in the Torres Strait Islander community groups and other related group agencies are all part of that. The development of an indigenous infrastructure strategy, which currently is being coordinated by the Premier's Department, will further assist in this process.

That comes back to the question that Mr Elder asked a while ago in relation to airports. That incorporates airports in those island communities. I will be looking at some of those airports in the Torres Strait when we go to Thursday Island for Cabinet at the end of this month. Some of those communities have made applications for assistance. We will be looking at those first-hand on a visit to the Torres Strait. This work is also related to jetties in some of those communities. One of the most important things is the sealing of the road from Bamaga down to Injinoo. Once that is completed, it is certainly going to give them an all-weather road between those communities. We will then be looking at the sealing of the road from Bamaga out to the airport.

Mr BAUMANN: Page 2-24 of your MPS refers to the Commercial Business Operations Program. What arrangements have been put in place to ensure that tenders submitted by the RTCS business units for work subject to open tender reflect the full cost of operations, including taxes and charges?

Mr JOHNSON: Again, this has been an issue of some concern to many people throughout the length and breadth of this State, especially private contractors and local governments, which say that RTCS, or Road and Transport Construction Services as we know it, has been taking away business from local governments and private contractors. I assure you that the departmental officers in the RTCS units have been working very closely with local government in the process of making sure that the business is being done properly, and it has been done properly. Considerable effort has been put into ensuring that competitive neutrality is implemented in the department's business units. That has been done. A manual on competitive neutrality is being produced to document the Main Roads policy and procedure for the implementation of Government policy. The department has established the tender pricing policy, which outlines clearly the costs to be included in bids to achieve full cost pricing.

Main Roads has charged the business units interest and guarantee fees, and notional taxes are also levied against the business units. The business units are also required to earn a rate of return on their operations. A capital structure involving an appropriate mix of debt and equity has been established for each business unit to ensure that the business unit is required to operate within the usual financial controls applying to private sector competitors.

A number of audits have been undertaken to review compliance with the policy of competitive neutrality. Action is taken to strengthen compliance if any issues are identified by the audit. Recent audits have resulted in favourable reports with only minor sporadic non-compliance needing attention. I believe that we are in a situation of reminding the people who work within RTCS that they are no different from people who work within the confines of local council work forces throughout the length and breadth of the State. They live in those communities, their wives and families live in those communities and they have their asset base in those communities.

It is absolutely paramount that we recognise the importance of RTCS in being able to build that infrastructure for roads, bridges or whatever. I believe that the capacity of these operations, especially in the Torres Strait and some of the other remote areas of the State, to work in conjunction with local shires has been very beneficial and very advantageous and has been conducted very professionally. I applaud and salute the work that they do.

Mr HEALY: Minister, as you probably realise, one of the problem pieces of roadway in western Queensland has always been that Injune-Rolleston road, which has been unsealed for so long now. It forms part of the Carnarvon Developmental Road, which is part of the north-south freight route linking Melbourne and Cairns. Is there any funding provided in the budget to enable this last section to be sealed?

Mr JOHNSON: Yes. The remaining works costing a total of \$18.4m have been split into two projects, one starting 24 kilometres south of

Rolleston on the Rolleston-Injune road and with the second project commencing from Carnarvon Creek. These works finish the recent completion of the Belyando River project between Clermont and Charters Towers. Again, I will say that I recognise that those works were put in place under the administration of the former Government.

This is a very important road. There is just over 36 kilometres of the new road to be constructed between Injune and Rolleston. It is providing a duplicate route for much of the heavy transport that will traverse the north-south line from, say, Melbourne, Sydney, or wherever to north Queensland. Again, it will take the impact off the Bruce Highway. It is absolutely paramount that the completion of this road be done as soon as is humanly possible. The money is there in the budget. Both of those sections are under construction, with the 18 kilometres from the Rolleston-Springsure junction nearing completion. This project, which commenced in April 1996, required full road construction and the building of new concrete bridges over Christmas and Carnarvon Creeks.

The remaining 18.4 kilometres from Carnarvon Creek—which commenced in February of this year—is proceeding satisfactorily, with the new road due to be completed totally by Christmas of this year. I have to say that not only will this provide a link for heavy transport to the north from the south but also it will open up the area for tourism, especially interfacing with the Carnarvon National Park, which is adjacent to Rolleston/Springsure.

Also, it will cater for other traffic that travels to north Queensland. This is a very picturesque road. It lends itself to having more than one capacity. It is certainly going to be opening up some of those smaller settlements through central inland Queensland like Rolleston, Springsure and Injune. I do not think that too many people would not applaud the day when that road will come to completion.

The CHAIRMAN: The time allotted for the consideration of the Estimates for the Transport and Main Roads portfolio has expired. I would like to thank the Minister and the officers of the departments for their attendance here today. The hearing is now suspended until 2.15 p.m. when the consideration of the Estimates for the Public Works and Housing portfolio will commence.

Mr ELDER: I thank the Minister and his staff for their cooperation, which was the same cooperation that I received last year from them. That is in contrast to the other Estimates Committees that I sat on, and it will probably be in contrast to that again this year. I thank them for their cooperation and professionalism.

Mr JOHNSON: Mr Chairman, I thank you for the professionalism that has been displayed here through your chairmanship of the Committee. I also thank Mr Elder very much for the respect that has been accorded to me and to my departmental officers. I can assure you that the people from the Department of Transport and Main Roads, and also Queensland Rail, thank you for that.

The Committee adjourned at 1.16 p.m.

Material ordered to be incorporated.

Queensland Department of Main Roads

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Mr J Goss MLA

Chairman

Estimates Committee C

Parliament House

Dear Mr Goss

As previously advised verbally, information provided to the Estimates Committee Hearing today concerning resumption notices issued on the Pacific Motorway Project requires further clarification. Further information is shown as Appendix 1.

A further question on notice was taken at the Hearing concerning the break-up of the item titled Financing Transactions incorporated in the Road Infrastructure Program outlays on page 2-11 of the Ministerial Program Statements. The answer to the question on notice is included as Appendix 2, however I would draw your attention to a point of correction shown on the attached which clarifies information provided to the Committee at today's hearing.

Yours sincerely
(Sgd) R J E Wharton
(R J E Wharton)
Director-General

(Sgd) V G Johnson

Signed by

Hon Vaughan Johnson MLA

*Enc (2)

APPENDIX 1

Subject: Estimates Hearing: Pacific Motorway

Some details provided to the Committee in relation to resumptions for this project have been reviewed.

The information could be interpreted as being incorrect and fuller details will provide clarity.

It was stated that for Contract Packages 2 and 3, all resumption notices had been sent out to allow

Proclamation by October 1997 to allow these major contracts to commence in October.

The full information is as follows:

All resumption plans for Contract Packages 2 and 3 have been approved.

23 Notices of Intention to Resume for these packages have been sent out, with the remaining 29 to be sent out by 18 June 1997.

The aim is to have the resumptions proclaimed before the end of October 1997 for Packages 2 and 3.

APPENDIX 2

Question on Notice

At the Estimates Committee Hearing, the Hon. J. Elder sought details of items comprising Financing Transactions incorporated in the Roads Infrastructure Program outlays on page 2-11 of the Ministerial Program Statement.

Details are as follows:

	Estimate 1997/98 \$'000
Consolidated Fund:	
Logan Motorway Equity Contribution	9,550
Sunshine Motorway Shadow Toll/I+R	11,206*
Sunshine Motorway Debt Extinguishment	128,000
Loan Redemption—Roads Debt	27,572
Developer Infrastructure Contributions	
Trust Fund	
Refund of monies Held on Deposit	3,802
Total	180,130

*Point of Correction—At the Estimates Committee Hearing, it was indicated that the Financing Transactions figure of \$180.130M included an amount of \$12.6M in relation to the Sunshine Motorway Company Limited. It should be noted that in fact an amount of \$11.206M only was included in the \$180.130M. (It should also be noted that prior to resolution of the funding arrangements for the Sunshine Motorway Company, payments were being made to Company as shadow tolls based on budgeted toll revenue.)

Accordingly the amount of \$11.206M shown above will need to be increased to \$12.6M to reflect the new funding arrangements.

DEPARTMENT OF PUBLIC WORKS AND HOUSING
IN ATTENDANCE

Hon. D. J. H. Watson, Minister for Public Works and Housing
 Mr K. Davies, Director-General
 Mr M. Grierson, Deputy Director-General
 Mr T. Woodward, Director, Finance and Information Technology
 Mr M. Hobday, Director, Planning and Human Resources
 Mr J. Scrivens, Director, Legal and Contractual
 Mr E. Carfoot, Executive Director, Housing
 Mr G. May, Executive Director, Building
 Mr A. Donker, Executive Director, Information and Procurement
 Mr D. Manzie, A/General Manager, Property Assets
 Mr A. Ackfun, General Manager, ATSI Housing
 Ms J. Phillips, General Manager, Community Housing
 Mr I. Fulton, General Manager, Home Purchase Assistance
 Mr G. Smith, General Manager, Housing Services
 Ms M. Dutton, A/Deputy General Manager, CITEC
 Mr J. Swan, General Manager, Goprint
 Mr T. Waters, General Manager, Q-Build
 Mr R. Hunt, General Manager, Sales and Distribution Services
 Mr L. Clarence, General Manager, Q-Fleet
 Mr K. Farr, Director, Asset Management Unit
 Mr W. Pashen, Acting Assistant Director, Budget Division

The CHAIRMAN: The next portfolio to be examined relates to the Minister for Public Works and Housing. I remind members of the Committee and the Minister that the time limit for questions is one minute and it is three minutes for answers. A bell will ring once 15 seconds before the end of these time limits and twice when the time limit is up. A two-minute extension of time may be given with the consent of the questioner. The Sessional Orders require that at least half the time be allocated to non-Government members. Government members and Opposition members of the Committee will take turns in asking questions in blocks lasting approximately 20 minutes. Copies of the Committee's questions provided to the Minister on notice and his responses are available from the staff. Also in accordance with the Sessional Orders, the Minister is permitted to make an opening statement of up to five minutes.

In relation to media coverage of today's hearing, the Committee has resolved that video coverage will be restricted to the Chairman's opening address and the Minister's opening comments. Audio coverage will be allowed at all times. For the benefit

of Hansard, I ask departmental witnesses to identify themselves before they answer a question.

I declare the proposed expenditure for the Minister for Public Works and Housing to be open for examination. The examination will be in the order of: statutory authorities, tribunals, boards and the Department of Public Works and Housing. The question before the Chair is—

"That the proposed expenditure be agreed to."

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

Dr WATSON: Thank you very much. This is an historic first for me with respect to a parliamentary committee. I have always been on your side of the table and, as the member for Whitsunday, Lorraine Bird, knows, I have always participated fully in that role.

I was appointed Minister for Public Works and Housing late on 28 April 1997. I have had a little over six weeks in this position. As you know, much of that time has been spent in Parliament, but I have taken the opportunity to visit a number of my departmental units both here in Brisbane and in regional centres. In this time I have gained some insight into the functions of my department and have a reasonable knowledge of some specific areas.

In regard to this afternoon's hearing, it is not my intention to unduly restrict members' ability to ask detailed questions of my senior departmental officers. I value the important role that parliamentary committees make to the process of accountability. Consequently, a number of my senior departmental officers are present and I will certainly be asking them to participate where appropriate.

I have also asked the general managers of the Queensland Building Services Authority and the Residential Tenancies Authority to be present today to assist with questions relating to the activities of their respective organisations. With the Committee's approval, I would request that matters relating to the QBSA and the RTA be raised first so that the gentlemen can return to their duties while we discuss the department proper.

There are no representatives for the Board of Architects, the Board of Professional Engineers or the Queensland Building Tribunal present. Any detailed questions relating to those bodies should be able to be answered by the Director of Legal and Contractual Services or, if not, I will take them on notice.

The CHAIRMAN: Thank you, Minister. The first section of the questioning will go to Opposition members.

Mr MACKENROTH: Chairman, in this first section we do not wish to ask any questions to the RTA or the QBSA. I would like to go straight to the Department of Public Works and Housing. I do not have any questions for them.

Dr WATSON: In that case, are they free to go? I brought them here just in case there were questions for them. They are separate authorities, in any case.

Mr MACKENROTH: You have finally approved the QBSA budget for this year, have you not?

Dr WATSON: It is in the—

Mr MACKENROTH: It was supposed to be approved last year and the previous Minister did not do it.

Dr WATSON: I am aware of some of the issues. If there are no questions for them, is it okay if they are excused or not? It is up to the Committee.

Mr MACKENROTH: So long as they thank us for it!

The CHAIRMAN: Are Committee members in favour?

Mr HEALY: Yes.

Mr BAUMANN: Yes.

Mr MACKENROTH: I refer to question on notice No. 11 and the gratuitous answer that you gave that the question would place unreasonable research requirements on the department within a short time frame in relation to asking for a list of all consultancies. Are you aware of the Queensland Government's State Purchasing Policy, which you administer, Part C, section 7 (8) of which states—

"The aggregate value of expenditure on all consultancies in each financial year within each of the categories"—

and it tables them—

"shall be included in the agency's annual report."

I put it to you that if your department was doing its job properly and complying with your own document, the Queensland Government State Purchasing Policy, that would not have been an unreasonable research requirement. In fact, the answer would simply have been taken from tables which were already prepared to put into the annual reports.

Dr WATSON: I agree with you. However, the difficulty came not because of the general question but because of the part where you asked whether tenders were called for each consultancy. Unfortunately, that is not in table form. Every contract that was let had to be looked at to see whether or not tenders were called, irrespective of whether or not they were over the \$100,000 limit. The difficulty came with answering that part of the question, not with respect to the other parts of it.

Mr MACKENROTH: I refer then to the document that was provided to me. As you say, there was no difficulty in actually identifying the consultancies.

Dr WATSON: No difficulty.

Mr MACKENROTH: Why was a consultancy to Amos, Aked and Swift, which commenced work in the last week of May, not included in the document?

Dr WATSON: I do not know why it was not.

Mr MACKENROTH: The consultancy was involved with the Information and Procurement Division. Perhaps the person who signed that off may be able to help you.

Dr WATSON: Anton Donker can come forward and answer that.

Mr DONKER: There is a consultancy for Amos, Aked and Swift which—taking your advice—began in the last week in May. That was part of the Telecom review and it is only just being processed at the moment. The figures that were provided were until the end of April when our financial reports—

Mr MACKENROTH: No, the figures were to 31/5/97, that is, May. The consultancy was let and the work started in the last week of May and was not included in this document. My understanding is that the value of the consultancy is a magical \$99,000, which is \$1,000 less than a project that would have to go out to tender. However, the consultants informed you that the cost may, in fact, go up. Why were tenders not called for this particular consultancy?

Dr WATSON: We will take it on notice.

Mr MACKENROTH: You administer the State Purchasing Policy which has requirements for projects over \$10,000 and up to \$100,000, and we accept that this was \$99,000 with the possibility that it may go over \$100,000. Therefore, were three people asked for tenders in relation to this consultancy? As you accepted the \$99,000 tender, what were the others?

Dr WATSON: Limits are always arbitrary and some contracts will always be close to those arbitrary limits. I see nothing significantly different between \$99,000 and \$9,000, except that one is closer to the arbitrary limit.

Mr MACKENROTH: No, that is not the question.

Dr WATSON: You have picked the number. \$100,000 is the figure. Whatever the figure is, there will always be a contract.

Mr MACKENROTH: This quote is \$99,000—

Dr WATSON: I understand that.

Mr MACKENROTH:—with the consultant advising you that it is likely to go up.

Dr WATSON: You said that. I am not aware of that.

Mr MACKENROTH: Minister, it is your department. I would remind you that, having been the Minister for six weeks, this happened since you have been the Minister.

Dr WATSON: I understand that. Whatever you pick as a figure, some things will always come close to it. Whether you like it or not, that is the reality. Some will also come in at \$102,000, or whatever, and one could possibly argue that they—

Mr MACKENROTH: We will accept the answer so that we can continue with the questioning.

Dr WATSON: That is the reality.

Mr MACKENROTH: Were three suppliers given the opportunity to put in a price?

Mr DONKER: This is part of the SunNET transition process. It requires specialised working knowledge in the marketplace. We approached a number of suppliers with regard to their capability to

undertake the work in the time frame. I cannot tell you exactly their names offhand, and I will take that part on notice.

Mr MACKENROTH: You will provide the Committee with the information about the other companies that were asked to provide this work?

Mr DONKER: Absolutely.

Mr MACKENROTH: Has another consultancy been given to a company called Advanced Microsystems as the preferred supplier of a telecommunications bill verification service?

Mr DONKER: An arrangement is going into place on behalf of a range of agencies—I think 23—for Advanced Microsystems to undertake work to review their bills.

Mr MACKENROTH: What is the value of that?

Mr DONKER: The value is uncertain. It is based on a percentage of recoveries.

Mr MACKENROTH: That is going to be considerably more than \$100,000, though?

Mr DONKER: We expect it will be. That did go to a number of firms in the marketplace and the amount payable will be from recoveries from Telstra.

Mr MACKENROTH: But it is not included in the document that has been provided to me as being the accurate record of the consultancies that have been done by the department; is that right?

Dr WATSON: I will take that as a statement.

Mr MACKENROTH: It is not in there.

Dr WATSON: I accept that.

Mr MACKENROTH: We are talking about a contract that could be worth anywhere up to half a million dollars, and it has not been included in the information that has been asked for.

Mr DONKER: The arrangements are with each individual agency. We are facilitating that arrangement on behalf of the agencies.

Mr MACKENROTH: Yes, but it is still going through your books; it is being let by you?

Mr DONKER: Small amounts for set-up go through our books, most of which are recovered from agencies when the amount is finished.

Mr MACKENROTH: I will move on further in relation to telecommunications. I refer to a letter forwarded to your Director-General in early May this year—a copy of which was forwarded to you, Minister—from John Bell, Chairman of Pacific Star, in relation to the expiration of a contract for telecommunication services. It states—

"Pacific Star has on numerous occasions alerted the Government to the complex financial and technical issues and risks inherent in transitioning the management of these services away from Pacific Star, to another service provider or back to the original suppliers, together with the potential lead times involved. To date, the Government has not formally or finally advised Pacific Star of how it wishes to deal with these issues and who, if anyone, these services will be transferred to. As a

consequence, we believe it is very unlikely that the existing services can now be transitioned prior to 25 August 1997 without serious dislocation and/or disruption to Government Agencies."

I ask: as this expires in August 1997, what new arrangements have been put in place and what net savings do you anticipate will be delivered to Government?

Dr WATSON: I recall the letter and, at the time, I asked my Director-General about it. The department essentially has advised me that we are in a transition phase, which is Stage 1 of the process. Stage 2 of the process will occur after 26 August, when a preferred provider is put in place. The department advises me that it is confident that, from a client viewpoint, there will be a smooth or seamless transition between 25 and 26 August.

Mr MACKENROTH: But the question is: who will take over the arrangement?

Dr WATSON: That is in the process of being negotiated. Mr Donker can fill you in. I do not believe that that decision has been made yet. We are not going to indicate an outcome when that has not been done. Mr Donker can answer in a bit more detail.

Mr DONKER: Negotiations for the transition provision are in place. As at yesterday, the project board, which represents a number of major agencies, had approved a short list. For the information of the Committee, I point out that that short list is: Telstra, Optus and AAPT. The advice is that all are capable of fulfilling the requirements. The advice from Pacific Star, subsequent to the letter from John Bell, is that it believes that all could meet the transition requirements of Government.

Mr MACKENROTH: If you are currently evaluating these offers or discussions with them, what documents did you issue inviting these offers? This is a multimillion-dollar contract.

Dr WATSON: Only a limited range of people can possibly provide those services. Within that context, Mr Donker can answer the question.

Mr MACKENROTH: Dr Watson, when this first went out to public tender, I am sure that the department would not have said that Pacific Star would have come into it; it was a company formed to do that.

Dr WATSON: As I indicated in my previous answer, there is still a limited range of companies that meet the requirements of the Government. Mr Donker can answer that question in detail.

Mr DONKER: All arrangements have been in line with the State Purchasing Policy. You will be aware that—

Mr MACKENROTH: What, the State Purchasing Policy allows you not to call tenders?

Mr DONKER: It certainly does under a range of circumstances.

Mr MACKENROTH: What is the range of circumstances?

Mr DONKER: Provisions for urgency and a range of special circumstances that are approved.

Mr MACKENROTH: What would be the urgency other than the fact that the department was incompetent in not calling tenders at an earlier date? What would be the circumstances? When would you have known that this contract would expire on 26 August?

Mr DONKER: As you are aware from a review under the previous Government, the Government gave notice 12 months ago, as it was required to under the contract. It was also aware at the time, again, that deregulation would come into the Australian marketplace from July. As most members would be aware, deregulation will have a major impact on what is happening on the Australian scene. It is unfortunate that our contract for services actually expires in line with the change to the deregulated market. It was accepted that we would need interim provisions for a short period in order to enable deregulation to take place. Only a limited number of organisations can provide that interim service.

Mr MACKENROTH: Further on SunNET—can you advise the Committee of the value of disputed and unpaid telecommunication accounts under that contract?

Mr DONKER: No, that is a matter for Telstra and SunNET, and the Government is not involved.

Dr WATSON: With respect to the general issue, a number of parties are in dispute, not just the Queensland Government. My understanding is that that is a matter for either negotiations or, at worse—and this will probably end up being the case—a court determination.

Mr MACKENROTH: What would be the value—\$1m or \$2m?

Dr WATSON: I am not going to sit here and anticipate—

Mr MACKENROTH: Would it be closer to \$40m or \$50m?

Dr WATSON: I am not going to sit here and anticipate what the—

Mr MACKENROTH: Would it be closer to \$40m or \$50m?

Dr WATSON: I am not going to sit here and anticipate what a court might decide. You might understand that this was started under the previous Government. The problem was that the previous Government failed to provide an adequate service.

Mr MACKENROTH: You have had 12 months to fix it up.

Dr WATSON: We should not have to. Let us be real. What should have happened is that the previous Government should have got it right the first time. But given the fact that it did not get it right and we will be engaged in protracted either negotiations or legal processes, I am not going to sit here today and try to predict the outcome of that. That is commercially incompetent.

Mr MACKENROTH: All right. So it is commercial in confidence, but it is—

Dr WATSON: No, I said "commercially incompetent".

Mr MACKENROTH: Right. So it would be somewhere between \$40m and \$50m?

Dr WATSON: That is your assertion. But if it is \$40m or \$50m, that would be \$40m or \$50m that you got wrong.

Mr MACKENROTH: No, we did not get it wrong. Will the Government agencies be billed for those accounts when the disputes are resolved?

Dr WATSON: We will look at that at the time. Mr Donker can probably answer the question in general, not any specific amounts.

Mr DONKER: The issue is between Telstra and SunNET. To the best of our knowledge Government agencies have paid their bills as and when they fall due, and the issue of our exposure to back bills will be in normal commercial terms.

Mr MACKENROTH: If the decision finds that there is \$40m or \$50m owing, the Government will have to pay; is that correct?

Mr DONKER: Not necessarily.

Mr MACKENROTH: Will the Government be drawn into the litigation?

Dr WATSON: You keep arguing—

Mr MACKENROTH: No, I am asking questions but you do not answer them; that is the real problem.

Dr WATSON: It is no problem at all. If there is any problem it was a problem created by your Government. That is the first point. Do not get away from that. Whatever the figures are, if there is a problem, it goes back to your Government. What we are trying to do is to work through the process. We do not believe there is any exposure. If there is any exposure we will work through that process. But whatever the number is, it is your problem.

Mr MACKENROTH: It is not our problem, my friend.

Dr WATSON: It is your fault.

Mr MACKENROTH: You are the Minister. It is going to be your problem.

Dr WATSON: I will cross that bridge when I get to it. I am not going to cross a bridge which has not yet been built.

Mr MACKENROTH: The bridge is there; you know it is there. You know the litigation is in place.

Dr WATSON: We know the litigation is in place, but we do not know what the outcome is.

Mr MACKENROTH: You know there is a bill for somewhere between \$40m and \$50m.

Dr WATSON: We do not know that at all.

Mr MACKENROTH: I think we do know that.

Dr WATSON: You are asserting it, but it is not necessarily true.

Mr MACKENROTH: How much do you think it is? How much has your department advised you that it is likely to be?

Dr WATSON: Mr Donker has already indicated that his understanding is that the agency has paid the bill. It is in legal negotiations or dispute, and that is where it remains.

Mr MACKENROTH: Have you as Minister received any advice from your department that there is likely to be exposure to Government and, if so, to what value?

Dr WATSON: There is a legal disputation and it would be commercially incompetent for any person to answer.

Mr MACKENROTH: Basically we have a situation where the Government is likely to have a bill of \$40m to \$50m which has been unfunded. You are now going to let a multimillion-dollar contract for which you have not called tenders—for something that you knew a year ago needed tenders to be called, and no tenders have been called. You need a facility manager from 26 August, and at this stage you are only starting to talk to people about whether or not they are capable of doing or want to do the work. Would you not say that that basically is incompetence?

Dr WATSON: Mr Mackenroth, you continue to assert something which is dubious to say the least. Based upon that false fact, you decide then to build a case. I am sure you know something about logic. If the assumption is false, you can reach any conclusion you want, but it is equally false.

Mr MACKENROTH: It is logical that if you know that you have a contract that is going to expire on 26 August and you need to call public tenders under your own State Purchasing Policy you would take some action in time for that to happen so that you would not fall into a position where you need to claim that it is an emergency situation. It is only an emergency situation brought about by the incompetent way that it has been handled.

Dr WATSON: Mr Donker has already answered that question—I think quite thoroughly.

Mr MACKENROTH: I do not think that he has.

Dr WATSON: Well, I disagree with you.

The CHAIRMAN: The time for Opposition questions has expired. Minister, in the Ministerial Program Statements on page 20 it is indicated that the department has developed an output budgeting framework and other financial policies to comply with the Government's financial strategies and statutory requirements. Can you outline what policies the department has implemented and achieved so far?

Dr WATSON: The department has undertaken a leadership position with respect to certain financial management reform. I think it is probably common knowledge that it won an award for this for the 1995-96 annual report. The individual who can give you more information on this is Mr Tony Woodward.

Mr WOODWARD: This leadership and vision has been demonstrated in many ways within the department, but in particular in respect to the reporting of financial performance. In December 1993 the peak professional accounting bodies introduced Australian Accounting Standard AAS 29—Financial Reporting by Government Departments. The accounting standard requires Government departments in all Australian jurisdictions to prepare general purpose financial reports which provide comprehensive and detailed

information on the financial performance of departments. It requires accrual-based accounting to be adopted in the financial statements. Accordingly, the assets, liabilities, revenues and expenses of a department are required to be reported in the financial statements. The application of the standard is intended to bring the financial performance reporting of public sector entities to the comparable best practice standard applying in the private sector. The Queensland Government agreed to the application of the standard to all public sector entities and required all entities to prepare general purpose financial reports from 31 December 1996. However, departments were encouraged to apply the standard to periods before the operative date if possible.

The achievement of Public Works and Housing in obtaining the Institute of Internal Auditors Award is made all the more remarkable when it is considered that the report encompassed a period of great upheaval, with the amalgamation of the former Administrative Services Department and the Housing Program of the former Department of Housing, Local Government and Planning. The amalgamated Department of Public Works and Housing is a very large and complex organisation with 14 separate reporting entities, the financial results of which were required to be aggregated into consolidated departmental statements. This involved taking into account the elimination of numerous transactions internal to the department. The department also has initiated output budgeting within the department and is undertaking a trial during the period 1997-98 with the intention of implementing output budgeting on 1 July 1998, which is 12 months prior to the date on which it will be introduced right across Government.

The CHAIRMAN: Minister, I understand that your Director-General, Mr Davies, is a member of the Government's Information Policy Board. What is the Government's role in the IPB area of responsibility, and does your department budget funds for any specific IPB project?

Dr WATSON: The Information Policy Board has a whole-of-Government role to provide management information to the Government. As you rightly indicated, the Director-General of my department is a member of that board—in fact, he is deputy chairman. The board reports to a ministerial advisory committee which is chaired by the Premier and of which I am also a member. Support is provided to that board and to the ministerial advisory committee through Mr Anton Donker, and I think I will ask him to answer that question in more detail.

Mr DONKER: The board sets the overall strategic directions for information management and communications issues. Within this context, Public Works and Housing provides specialist advice on policy and strategy and is responsible for much of the implementation of the Government's agenda, and it is funded accordingly. This includes responsibility for telecommunications matters, electronic service delivery, electronic commerce, electronic procurement, purchasing of information technology and telecommunications, and we manage the

Government information technology conditions—the GITC—as well as broadcasting matters.

All of these involve close cooperation with other departments and central agencies as well as the Commonwealth Government, local councils, the information industry business and of course consumer groups. Mr Davies, our Director-General, and the chair of the Information Planning Board, Mr Peter Ellis, have together been providing a series of public briefings to industry and Government agencies on the outcomes of the telecommunications review and the initiatives of this Government in the 1997-98 Budget. Within this department, the Information Procurement Division is currently coordinating a number of projects from the review, that is, the establishment of new purchasing and management arrangements for Government telecommunications, transition arrangements for the introduction of new telecommunications arrangements and termination of the SunNET contract, Queensland Online, which is a project to introduce coordinated electronic delivery of Government services throughout the State, and projects to enhance the use of electronic commerce by business and Government.

While the telecommunications review is of special significance, many of the ongoing issues are managed by this department on behalf of the board. Amongst other things, the division is currently reviewing options for Government-wide purchasing of major software and for many core management functions such as legislation, audit regulations and so on to be available via an Intranet.

Mr HEALY: Page 1-9 of the Ministerial Program Statements makes reference to a Corporate Export Strategy to enhance private sector opportunities. Could you outline this strategy and explain why the Department of Economic Development and Trade is not handling this initiative?

Dr WATSON: I think in Queensland and Australia we are all aware of the fact that we have to get into an export mode because of issues such as the balance of payments and things like that. The Department of Public Works and Housing has a considerable degree of expertise in building and engineering services and we intend playing our part in that. We are not undertaking something as against what may or should be undertaken by Mr Slack's department. We do in fact work in conjunction with the Department of Economic Development and Trade and our thrust into South East Asia is part of a whole-of-Government approach. To answer some of the details, I think I have my Executive Director, Building, Gary May, here. He has been participating in some of these things and he could give you a little bit more detail.

Mr MAY: The department's corporate strategy on export is simply a response to the Government's policy in relation to export. The broad aims of the export strategy are essentially to help the private sector capture some future trade opportunities and also to create opportunities for the export of Government services, but the emphasis is very much on assisting the private sector. Our strategies

essentially involve establishing Government to Government links and helping to oil the wheels for Queensland-based companies seeking to get involved in the export market.

Some of the specific activities that we have running at the moment include Construction Queensland, which has an emphasis on developing productivity and competitiveness in the building and construction industry in Queensland. We also have a business mission to Indonesia which is taking place as we speak. We are involved in establishing a trade office in Jakarta where the particular focus is on the building and construction industry and on developing business opportunities for that industry.

We are involved in a construction training centre initiative with the Shanghai Municipal Construction Commission and we believe that that will lead to our participation in several major projects in China and will give us an opportunity to understand the way of doing business there and for them to get used to our products. In addition to that, some of our business units are pursuing export initiatives in their own right, and essentially we are trying to create an export culture within the department.

Mr HEALY: Being a member of the parliamentary Public Works Committee as I am, the subject of disabled access to buildings often arises at our public hearings. Could you outline what the Government is doing to improve disabled access to Government office buildings?

Dr WATSON: The Government places a degree of importance on that particular issue. In order to address that issue, I will ask Mr Keith Farr, who is the Director of the Asset Management Unit, to come forward.

Mr FARR: The Department of Public Works and Housing has developed an interim action plan in order to progressively upgrade the department's portfolio of office buildings into compliance with anti-discrimination legislation over the next 5 to 10 years. The final action plan will be completed in the 1997-98 year. Compliance with the Building Code of Australia does not imply compliance with anti-discrimination legislation because the Building Code and the legislation, both State and Federal, are not wholly consistent. Also the Building Code is prescriptive and the anti-discrimination legislation is performance based.

The entire Public Works office building portfolio was constructed before the full implications of this legislation became apparent. Most, if not all, of our buildings require upgrading. A comprehensive check list was prepared to assess the level of compliance of a facility with the legislation, and the building portfolio is being surveyed to determine the level of compliance and identify any remedial work necessary. Because of the number of buildings and the likely cost, the buildings will be upgraded over several years according to an action plan which will focus on high priority areas such as access for the disabled and toilet facilities.

Prior to the results of the comprehensive survey being available, a preliminary audit was

undertaken to identify problem areas with respect to access and toilets in order to expedite high priority work through an interim action plan. Stage 1 of this interim action plan involves the provision of access to entry levels and public areas of all Government office buildings in the State's portfolio. In the 1995-96 financial year, 10 projects were specifically addressed providing access to people with disabilities. Funds totalling approximately \$197,000 were expended on those projects.

In the 1996-97 financial year, approximately 14 projects will be completed with expenditure expected to be about \$245,000. Programmed expenditure over the next three financial years is anticipated to be in the order of \$1m with commitment in the upcoming financial year of some \$250,000, which will complete approximately another 15 high priority access items. I think that in the end our achievement will be that we will allow access for both workers and the public into the office buildings of the State.

Mr BAUMANN: Given the public interest shown in the old museum building at Gregory Terrace, could you advise us what the current status of that particular building is?

Dr WATSON: We have actually already spent a fair bit of money on restoration and, in fact, there is more money in the budget. I think the full details can be provided by Mr Farr again, if he wishes to step forward.

Mr FARR: The old museum building is heritage listed and it is well recognised that it has a history dating back to its construction in 1891 as an exhibition building which later included a concert hall. It was subsequently used as a museum and for the Queensland Art Gallery. The currently underutilised building is partially occupied by several music and art groups under short-term and nominal rent-free tenancies. These groups include the Queensland Youth Orchestra, which uses it as an office and a practice venue; the Queensland Youth Choir, which uses it as an office and practice venue; and the Police Pipe Band, which uses it as a practice venue.

The property and the building has very limited commercial potential due to the heritage listing, its special purpose design, its age and its general condition. The building has a high public interest and nostalgic value due to its unique character, prominent location and former uses as an art gallery and museum. The Cabinet Budget Committee approved the expenditure of \$2m in 1996-97 towards the refurbishment of the building to enable the former concert hall to be utilised as a performance venue for the Queensland Youth Orchestra and for the Queensland Youth Choir.

A further \$1m has been set aside in the current budget for the 1997-98 financial year to enable the building refurbishment program to be expanded and the building to be comprehensively used by a range of theatre and performance groups as well as the Queensland Youth Orchestra and the Queensland Youth Choir. This expanded scope of work will allow greater use of the building by the public. The work includes some structural repairs and refurbishment of

the ground floor of the former concert hall, together with the provision of toilets, change rooms, a backstage area and rehearsal rooms in the former exhibition hall. The concert hall will also be provided with some fit-out and furniture for public performances. Alterations in the former exhibition hall will provide basic sound-separated practice rehearsal areas. Anticipated expenditure this financial year is approximately \$300,000 in planning and preliminary works, with completion of the \$3m project expected by December 1997. All work will be undertaken with the approval of the Heritage Council.

Mr BAUMANN: Again, this may concern Mr Farr. There is currently an investigation under way, I think, by your Public Works and Housing committee in relation to the new Government office building being constructed at 75 William Street. It is obviously very close to the freeway. As to the concerns about fumes, noise, etc., being a problem for future tenants—has that been taken into consideration?

Dr WATSON: I am aware of not only the building but also a number of different kinds of concerns that have been raised. From my understanding from the department, there are pretty good reasons for the decisions that have been made. I think I will ask Gary May to come forward and answer those in detail.

Mr MAY: The office building in William Street is being constructed in accordance with an indoor environmental management functional brief, which does prescribe minimum performance standards for the comfort of the occupants. That functional brief focuses on issues such as environmental pollution, energy conservation, indoor climate control, indoor noise control and occupational health and safety. There is an issue with the vehicle exhaust emission. We are currently undertaking some research with the Queensland University of Technology to establish the extent of that problem. Suffice it to say that we will be utilising an air intake filtration system to overcome that problem in due course.

The freeway noise is not considered to be a major problem. We have undertaken a number of measures there to address that, including use of double glazing on exposed facades and using a building facade which has noise-dampening characteristics. We are working through a specialist acoustic consultant to monitor the design and construction to ensure that it does comply with our functional brief.

Mrs BIRD: Minister, this is a turn-up for the books, is it not? Three years on the Public Accounts Committee, three years on the PCJC, and now we are standing here like a pair of sumo wrestlers. I will not make comment that again you are sitting beside a Mr K. Davies.

Dr WATSON: I hope that neither of us fall into that category!

The CHAIRMAN: I might qualify, but do not include me in the wrestling!

Mrs BIRD: Just to make it easier for you, I am going to go from the front to the back of the MPS. That does not necessarily mean that the good

questions are in the front; there may be some at the back. I would like to go back to Mr May's comments earlier about Jakarta. Is this really core business? What is Public Works doing in Jakarta? What can Public Works do in Jakarta that Doug Slack's department cannot do? Is it really core business?

Dr WATSON: That is a legitimate question, obviously. Doug Slack's department—I am not going to speak for Doug Slack's department—has a general carriage in terms of Economic Development and Trade, there is no question about that, and the general policy guidelines and framework. But not all of the expertise in particular areas lies within his department. Some of it does lie in other departments and, of course, outside. When it comes to issues such as building and structural engineering kinds of things, most of that expertise lies within my department. When you are trying to establish relationships with Government and between Governments, and when you are trying to facilitate an environment in which private enterprise from Australia can actually develop in Indonesia, it is quite appropriate for departments with the expertise to go ahead and do the Government-to-Government contact and to provide that framework within which private enterprise can get into it.

Mrs BIRD: I guess that what I have difficulty coming to terms with is: what are the real tangible benefits? I just do not see it. I just cannot see what benefits there are in teachers teaching the teachers. You are talking about experts teaching experts. To take 40 people on an export drive overseas seems to me, quite frankly, to be a bit of a junket. It looks like a gravy train.

Dr WATSON: A couple of weeks ago, we had a group from New Hampshire which was led by a couple of senior Cabinet Ministers. The United States has a slightly different system, particularly at the State level, but certainly the heads of departments are usually Cabinet Ministers. They came from New Hampshire to here, leading a trade delegation from New Hampshire to Queensland and then to New South Wales and Victoria, with a number of private-enterprise people. The reason for doing that—and I think particularly in Asia—the reason for having a Government head is, if you like, to provide an entree. I think you will find that it is particularly important in Asia. But even between New Hampshire and Queensland it is important to have a Government-to-Government approach which provides the umbrella under which much of the other negotiations take place.

When they came out here, New Hampshire brought a couple of experts in particular areas. They had someone leading it in economic development and trade, and they had some particular experts along with them. I guess that one could argue about the exact benefits. Some of them turn out to be economic benefits which one can measure. Some are non-economic benefits which are difficult to measure. But I think that most of us understand that Government-to-Government interaction providing a framework within which business puts a foot tentatively forward in trade delegations is extremely important. That is the role my department plays.

Mrs BIRD: I really am not convinced that Public Works, which supplies a service to clients, is doing public relations—and that is what you are implying—which I see as part of either the Premier's Department or Co-ordinator General's. It is certainly part of Doug Slack's department. However, I cannot see that Public Works has a role to play there any more than perhaps Primary Industries or something like that. Are we to see everybody having a department or a place in Jakarta?

Dr WATSON: I would say: only where there is potential expertise. The Director-General is leading it. Would you like him to provide some details?

Mr ELDER: Why would you not second?

Dr WATSON: You could, but one does not mutually exclude the other.

Mr DAVIES: Taking the last part, yes—the Education Department has had a reasonably active export program for a large number of years, so has Primary Industries. Every department has a particular market segment in those target countries, where, establishing department-to-department relationships with those sister departments provides a framework within which your private sector can interact with their private sector in a more facilitating way. That is a pretty standard process. It usually commences with an MOU signed by Ministers and so on. In our case it covers the building and construction industry. All the private sector members of the mission are going of their own free will and at their own cost because they sense that participating in a Government mission is going to provide them with a strategic advantage. The reality is that in those countries there is much closer linkage between the marketplace and the Government. That has been proven time and again.

Mrs BIRD: I think you are missing my point. My point is that that is not a job for Public Works; that is, in fact, the role of Economic Development.

Mr DAVIES: Economic Development sets the high-level, Government-to-Government relationships, but underneath that there are all the specialist departments. There are opportunities for them to interact with their sister departments within the framework set by Economic Development. We plan to put a Public Works officer in the Queensland Government office run by Economic Development and Trade, but he will be a specialist builder. He will sit in that office to continue to follow up leads discovered by that trade mission of builders into Jakarta.

Mrs BIRD: What is the cost of that office in Jakarta?

Mr WOODWARD: I would have to take it on notice to get the full cost.

Mr GRIERSON: The total cost in our budget for export initiatives this year is \$350,000. That is our total budget for this year.

Mrs BIRD: I would like to know the cost for Jakarta.

Mr GRIERSON: We will take that on notice.

Mrs BIRD: And the extra cost of the viruses that went through the computers. I guess that is an additional cost.

Dr WATSON: With respect to that, obviously information came to us from various parts of the department for getting information together for the Committee. So far as I am aware, the virus that was introduced into our system yesterday or the day before has been isolated and destroyed.

Mr MACKENROTH: Do you know the name of the virus?

Dr WATSON: Show Off. That has been isolated to where it was in the system. That has been taken care of. We will be working on discovering how it got introduced somewhere else.

Mr MACKENROTH: From which account would the funding for the Jakarta office come? It is a new initiative.

Mr DAVIES: The office is funded out of Economic Development and Trade. Our officer who will be stationed there will be funded from our budget.

Mr MACKENROTH: But from where specifically in your budget?

Mr GRIERSON: We have an allocation of \$350,000 in our budget this year for export initiatives.

Mr MACKENROTH: Under consolidated revenue?

Mr GRIERSON: Yes.

Mr ELDER: You are putting an officer out there to convince the overseas market to use your services.

Mr DAVIES: To use the services.

Mr ELDER: That is to grow your business and convince those overseas markets to use your services.

Dr WATSON: Queensland industries as well.

Mr ELDER: And your services, too, presumably.

Dr WATSON: If it is Government to Government, there might be some benefit.

Mr ELDER: How will you convince overseas Governments and overseas businesses to use your services when your own program outlays in the building area show a net decrease in the client department capital works totalling \$100m? That is a result of lower than expected capital works coming from client departments. If you cannot convince your client departments to use your services and there is a \$100m reduction, how will you convince overseas Governments to use your services?

Dr WATSON: You know that there has been some untying of funds. In preparing those figures, the department has been, if you like, conservative or realistic about what it can do. It will not move from a tied situation to an untied situation and win everything. I think it would be a bit unrealistic to think that. That is my understanding of what that figure in the budget reflects. Mr Gary May can provide more details if you want them.

Mr ELDER: It is self-explanatory in your own MPS. You have departments walking away from you to the value of \$100m and you are going to go out and try to promote yourself out in the——

Dr WATSON: Competition varies from time to time and year to year. Those things occur. Simply because you might miss out on a contract here does not necessarily mean that you are going to miss out on a contract there. There is absolutely no relationship.

Mrs BIRD: I take you back to the Scurr report. I understand you have answered that to a fairly great degree in these documents. I want to know its status now. How much did that cost in full? I must have it somewhere, but I could not find it. Are we going to see the report? Will that be made public?

Dr WATSON: As far as I know, the Scurr report was considered by Cabinet some time ago. Cabinet decided that it wanted other work to be done. That was done. Since that time, the implementation committee has been established, which consists of Warwick Temby from the Housing Industry Association, Greg Quinn from the Master Builders Association, two subcontract organisations and two from the QBSA. They are working through that process now. I have had only some preliminary discussions with them. In the next couple of weeks I expect to sit down with the implementation committee and start to work through what they are doing. Eventually a lot of information will become public. I cannot say that the Scurr report will become public. I think that has already been considered by Cabinet and surpassed.

Mrs BIRD: Does Mr Davies or Mr Woodward have any comments to make in relation to costs?

Dr WATSON: Mal Grierson may have something on the cost.

Mr GRIERSON: We will have to take that on notice. Your question related to the Scurr report.

Mrs BIRD: In full.

Mr GRIERSON: In full is difficult, because it is still continuing. As the Minister said, the implementation committee is working right now on the whole program. The secretariat has been provided by the QBSA. Some of our officers are working on it. We can give you a cost of that exercise——

Mrs BIRD: Up to the formation of the implementation committee.

Mr GRIERSON: We will provide that for you on notice.

Mrs BIRD: On that first page you refer to the untying of clients. How real is that? I understand that the percentage of that is fairly high for untying of clients. Can you explain to me the sorts of clients that are included in that large percentage? Are they clients that you would normally deal with or are they clients that would come in from outsourcing anyway?

Dr WATSON: Once upon a time Public Works was given the money, then it allocated it out. Under the previous Government, there started to be a devolution process where the money, rather than it being allocated to Public Works—or Administrative

Services then—it went to the individual department. In that sense it is untied from what it was previously. It is being devolved to the departments. The departments have some discretion with how they utilise those funds. For most traditional departments—for example, Health, Education or Police and Corrective Services—the work is still flowing through the Department of Public Works and Housing. It is now done on a project management basis, not on money going to the Department of Public Works and Housing for specific projects. It goes to the others. The devolution process has been in since 1990-91.

Mr GRIERSON: Currently, the only business units that are tied, and have been tied for the last five or six years, are Q-Fleet—departments must get their vehicles through Q-Fleet—and Q-Build where maintenance is undertaken by Q-Build. In that case, the money for building maintenance is within our budget, not the departments. All other business units have been untied for some time.

Mrs BIRD: The development of the best practice asset maintenance model—and it is a great model that has received applause and has been exported to other States—are we doing that now? It was a great model, but did we do anything with it?

Dr WATSON: Where are you talking about?

Mrs BIRD: Page 2, four from the bottom.

Dr WATSON: Gary May can probably come forward and answer that in some detail.

Mrs BIRD: Mr May should stay here.

Mr MAY: There are a number of points to make in relation to maintenance. As the Minister has pointed out, currently the funds for maintenance are with the Department of Public Works and Housing. Yes, we have been working for some period of time in relation to developing maintenance models. Essentially, we are interested in creating a best practice model which ensures that we are getting a proper assessment of our buildings in terms of the maintenance requirement and, in terms of the service provision, getting the most cost-effective service provision for the delivery of the maintenance service. The Government has a tremendous investment in assets and it is critical that they be maintained properly.

Mrs BIRD: Certainly.

Mr MAY: The issue of the maintenance model and the devolution of funds is currently an issue that we are preparing a Cabinet submission on and, therefore, it would be inappropriate to try to telegraph what the outcome of that will be, suffice to say that we are most keen to continue with that agenda of working with the client agencies and the central agencies to ensure that we are getting a best practice maintenance model.

Mrs BIRD: So it has not been applied yet?

Mr MAY: It is still to be considered by Cabinet.

Mrs BIRD: It has received some awards?

Mr MAY: There has been a good deal of praise for the work that we have been doing in that area. I

do a lot of work nationally in capital works procurement—maintenance-type issues.

Mrs BIRD: Applying it is a different thing, though, is it not?

Mr MAY: Yes, there are some challenges ahead.

Mrs BIRD: I turn to page 3 and the estimated actuals of the 1996-97 budget. Given that the Ministerial Program Statements would have gone to print some time ago, did this \$978m happen? Is that what you reached in terms of the actuals?

Dr WATSON: That is our estimated actual.

Mrs BIRD: Have you gone anywhere near that?

Dr WATSON: Can I just say—

Mrs BIRD: We all know that there was this tremendous rush of business over the last couple of months. Firstly, I want to know if you did get to that and, secondly, and more importantly, I wanted to know about the prioritisation of projects in order to reach that amount. Was there genuine prioritisation of projects?

Dr WATSON: Again, my understanding is that we have every confidence of reaching that figure. In terms of prioritisation, I think that the issue really comes back to the fact that, as you know, last year both the Federal and State Budgets were put off for particular reasons—election reasons and a change of Government. Therefore, that process started late. If you are talking about an accelerated process, the answer to that is: yes. The Budget did not pass until later in the year and we are still going to have the amount that has been allocated for the year being spent in a shorter period. Next year, when the Budget goes through at the beginning of the next financial year, there is essentially going to be 12 months where departments know what their allocations are for sure. So to answer that part of your question that is implying that there is an acceleration, the answer to that is: yes. That is a function of the Budget process.

In terms of priorities, because the money is being devolved, it goes to departments. The departments determine the priorities, not the Department of Public Works and Housing. The Department of Public Works and Housing acts as the project manager, not the department that determines the priorities. So if you are after a particular thing, you would have to ask the appropriate Ministers of the priorities within their departments.

Mrs BIRD: Yes, but the priorities within the departments that were already submitted to Public Works for work were too long in coming. Minister, you know that. You know that Sheldon's freeze kept things back. You had the money to spend and you had to spend it. Are you telling me that, even though there were long-term projects on the books, you did not take something that would swallow up that money up quickly and use that money in the last few months?

Dr WATSON: The answer is really what I gave before. The issue of priorities for departments is up to the individual departments. Whether you like it or

not, Governments and the Public Service do not go ahead and spend money before Parliament appropriates it, even if they are doing planning.

Mrs BIRD: I am not suggesting that.

Dr WATSON: The reality is that there was an acceleration from when the Budget passed last year. There is no question about that. The priorities are still for the departments. So if there is something particular, it is really up to the Ministers in the individual departments. That is what has happened with devolution.

Mrs BIRD: Yes, but project managers were brought in, were they not? Special project managers were brought in to speed up the process. Under the Minister for Public Works, extra project managers who could stimulate the process and make sure that the work and the money was spent were introduced. Is that not true?

Dr WATSON: As far as I understand, we have a mixture between projects or parts of projects being managed by our department and projects being contracted out. I cannot tell you which projects have been and how many were but there has been a mixture and there always has been.

Mrs BIRD: You are not answering the question, Minister.

The CHAIRMAN: The time for non-Government members' questions has expired. It is time for Government members questions. Can you please tell us what is happening currently with the CSHA reforms?

Dr WATSON: The Commonwealth/State Housing Agreement came under some question last year and the beginning of this year. We did have a Housing Ministers Conference in Perth last Friday. I think the result of that is basically the following: one is that the threat that the Commonwealth was going to do something—I will not say "arbitrarily" but certain contrary to what the position was for the rest of the States—has dissipated. The Commonwealth has agreed to step back from the reforms that it was proposing. It has agreed to some certainty of funding for the next two years, until the end of the current Commonwealth/State Housing Agreement.

Secondly, over the life of that agreement the States have agreed to start to introduce some efficiencies into the public housing area; they have agreed to look at what they do. Over the next little while, they will sit down with the Commonwealth on an individual basis to see how some reforms can be introduced which will gain some efficiencies and target public housing a little better than is currently done. In that way, hopefully, they will satisfy the Commonwealth for continued funding in the longer run.

Queensland is not in that bad a position. Some of the other States are not in the same financial position as we are and they will need to move on things a little faster. Of course, Victoria started to move last weekend. Queensland is in a fortunate position as we have a fairly efficient housing sector already and any changes that we will introduce—and let me say, no decisions have been made—will be made for future tenants.

Basically, we have agreed with the Commonwealth to pursue some changes in the future which will increase the efficiency and the effectiveness of the provision of public housing. We have said that we will do that while we protect certain groups within our society such as the disabled and those who are looking for crisis accommodation and so on. Over the next few months we will sit down with the Commonwealth and reach some kind of bilateral agreement.

The CHAIRMAN: The Ministerial Program Statements at page 90 indicates the planned installation of smoke alarms in approximately 50% of existing dwellings. Can you provide an update and explain the benefits of installing those alarms?

Dr WATSON: That program has been ongoing. I will ask Eric Carfoot to give some details on it.

Mr CARFOOT: In January 1997, Cabinet decided that all new and existing public housing, community housing and ATSI housing be provided with smoke alarms and then a retrofit program would be commenced by the department to undertake the requirement. The department has been including smoke alarms in new medium-density public housing projects since November 1994, which was a requirement under the previous Building Code of Australia. It is estimated that 3,000 dwellings already have smoke alarms provided throughout the State. The new Building Code of Australia requirements, effective from 1 July 1997, require all new dwellings, which include detached houses, duplexes and attached houses, to include smoke alarms. However, the department has made a commitment to supply smoke alarms to all types of existing public housing accommodation for the safety of our tenants.

The department is undertaking a retrofit smoke alarm program to supply all departmental public housing dwellings with smoke alarms. The installation program will commence in July of this year. Fifty per cent of all public housing dwellings, which is about 25,000 dwellings, will have smoke alarms installed this financial year at an approximate cost of \$4m. The benefits of the program are increased safety and protection for our tenants and compliance with the BCA requirements. The department is providing alarms in existing accommodation above the requirements of the BCA, which only requires new constructions to be fitted with such alarms. The department has developed a tenant education program to promote awareness of the program amongst our tenants. Q-Build will be coordinating the installation of the smoke alarms and will commence with a pilot program in tenancies managed out of the Fortitude Valley area office in July.

The CHAIRMAN: Will the Department of Public Works and Housing continue to acquire high-cost public housing in areas such as the Gold Coast and the Sunshine Coast, purely on the basis of the long waiting times in those locations?

Dr WATSON: In the past year, the department has tried to address the issue of exceptionally long waiting times in some areas, including the Gold Coast and the Sunshine Coast. I believe that about a

year ago some 200 households had wait times over four years. The program this year has almost halved that number of households.

Obviously, wait times cannot be the only criterion by which you allocate scarce resources in public housing. I intend looking at that to decide whether or not we can provide a more complex way of allocating those funds. I have made one or two decisions to try to ensure that there is not an excessive amount spent on public housing in the high-cost areas. You probably know that I have put a cap of \$145,000 per house on public housing expenditure. I did that to ensure that we were not expending excessive amounts in those areas, that we were actually delivering public housing to the potential tenants who really needed it and to increase the number of such houses available.

The answer is that the department has tried to address that issue in those particular areas. We are concerned about the amount of money that is put into those areas, and that concern has been addressed at the same time as the number of households with significant wait times in those areas has been cut.

Mr HEALY: Page 80 on the Ministerial Program Statements indicates that the Accelerated Accessible Housing Program intended to provide an additional 120 dwellings.

Dr WATSON: Yes.

Mr HEALY: It appears from pages 88 and 89 of the MPS that 85 dwellings commenced construction and 40 dwellings were purchased. How was the department able to provide more houses under the Accelerated Accessible Housing Program than was anticipated?

Dr WATSON: That is right; there were efficiencies there and Eric Carfoot can take the credit for it.

Mr CARFOOT: Thank you, Minister. Mr Healy, the original 120 dwellings was to be made up of construction, purchase, land purchase and modifications. As we got into the program—and I cannot really take the credit—we were able to piggyback onto a buyer's market in the purchase of existing dwellings which gave us better returns than we had originally anticipated. We also had planned for a high component of detached housing in the Accelerated Accessible Housing Program. As the program evolved and we consulted more with our clients, we found that more medium-density housing was required rather than detached housing. This was cheaper to provide, so we had an efficiency gain there as well. The two factors combined meant that we could provide an additional five dwellings on top of the 120 dwellings for the same \$12m.

Mr HEALY: The Ministerial Program Statements indicates that maintenance expenditure for public housing for 1997-98 will be \$45.1m, down from \$52.4m in 1996-97. How is it intended to deliver maintenance at this reduced level, given the likely impact of the introduction of regular property inspections?

Dr WATSON: Again, some of that has been

brought forward and I will let Eric Carfoot give you the details.

Mr CARFOOT: As the Minister indicated, an additional \$5m was made available to the department for maintenance this financial year. That meant that we could bring forward \$5m worth of planned maintenance for 1997-98 into this financial year. The allocation of \$52.4m had an additional \$5m. The apples to apples comparison is really \$47.4m as against \$45.1m. Once again, I reiterate that we have already done \$5m worth of work that we had planned to do on top of the \$45.1m. We believe that improved property management and inspections will lead to the identification of additional maintenance in the early stages. That is something that we would encourage. We believe that by better maintaining our existing stock and better applying our money to our accelerated upgrade programs we can save ourselves money in the long run.

We believe that the money we have spent in 1996-97 in additional upgrades and maintenance expenditure has assisted us to ensure that our properties have an improved standard and hence a better capital value. We believe that the quantum of money we are spending on maintenance, which runs to 1.25% of its current book value, is equivalent to the current best practice of 1% to 1.5% of capital value being spent on maintenance. We believe that by instituting regular property inspections in the coming financial year, we will be better able to maintain the stock to a higher standard.

Mr BAUMANN: Page 82 of the Ministerial Program Statements indicates that the service description for Housing Accommodation is to "improve the program's capacity to assist disadvantaged people". How much effort is being focused on this area?

Dr WATSON: I will ask Graham Smith to come forward and answer the question. As I have said previously, the Government places a high emphasis on obtaining housing that is appropriate for disabled people. It is difficult to obtain acceptable housing for disabled people in the private market. That is perhaps an instance of market failure. Obviously, because of the Government's social obligations, it has to put a reasonable emphasis on that segment of its program. Mr Smith can give some details.

Mr SMITH: To assist this group, the Housing Program has ensured equity of access for people with specialty needs by purpose building new housing and modifying existing stock. The Housing Program specifically assisted 174 people in 1993-94; 164 people in 1994-95; and 184 people in 1995-96. However, in recent times, significant additional effort has been focused on assisting this group to gain access to housing. In the 1996-97 capital works program, the previous Minister stated that funding should be focused on building housing for people with disabilities who need wheelchair accessible housing. In addition, \$12m was allocated specifically to the Accelerated Accessible Housing Program to modify, purchase or purpose build housing for people with special needs. As a result, 430 people with a disability will be assisted in 1996-97, which

represents an increase of 234% in housing outcomes for disadvantaged people over the previous year.

The priority has again been given to the needs of people with a disability in the 1997-98 capital works program. All new construction projects will have a disability component. It is predicted that 350 people with a disability will receive housing in the 1997-98 financial year. Assistance will also be provided to people with a disability and older people who are already living in public rental housing. As tenants get older or they acquire disability while in public housing, the Department of Public Works and Housing will modify its accommodation to ensure safety, good health and continuing independence. In 1995-96 the department modified 1,378 existing units of accommodation, and this will increase to a projected 1,584 modifications in the current financial year.

Mr BAUMANN: Page 78 of the MPS refers to the monitoring and addressing of any ongoing affordability issues for existing customers of the Home Purchase Assistance Unit. What affordability issues currently exist and how are these being addressed?

Dr WATSON: I will ask Mr Ian Fulton to come forward and answer that question. He is the General Manager of the Home Purchase Assistance Unit.

Mr FULTON: One of the functions of the Home Purchase Assistance Unit is to monitor and address ongoing affordability issues for borrowers. Affordability is related to the fact that the department's products are targeted at low to moderate income earners who generally have a lower financial capacity to respond to changes in their financial circumstances and to market fluctuations. The department addresses affordabilities in a number of ways. For borrowers under the interest subsidy scheme, income is reviewed annually or on request by the borrower, and repayments are set according to income.

For borrowers under the home loan and Rental Purchase Plan schemes, affordability relates primarily to the borrower's capacity to meet obligations and has been addressed in a number of ways with a major assistance package introduced in January and February of 1996. For home loans, the additional assistance package included an interest subsidy to fixed rate borrowers to stop any escalation of debt; and for the Rental Purchase Plan, a reduction in the lease payment, abolition of the compulsory acquisition of additional shares in the property, reduction in the annual repayment escalation from 6% and 4% to 2.5%, and free property insurance.

Other affordability measures for borrowers include home tenure fixed rate borrowers having the option of converting to a variable interest rate. There is also a loan-to-rent scheme, whereby the borrower can be offered public rental accommodation or the department can purchase the property and allow the borrower to remain in the property and pay a public housing rent. This measure is available to borrowers from all loan schemes where a permanent or significant deterioration in circumstances can be demonstrated. As part of the ongoing assessment of borrower affordability, these measures are currently

being assessed to determine their overall effectiveness and targeting.

The CHAIRMAN: The time for questions from Government members has expired.

Mr MACKENROTH: I refer to page 20 of the MPS and to Corporate and Executive Support, which has an internal audit function. Can you advise me whether the internal audit division, which did an investigation into issues that I raised in the Parliament in relation to Q-Build employees, has completed that investigation?

Mr GRIERSON: Yes, that investigation was concluded. Are we talking about Dod's House?

Mr MACKENROTH: Yes, that was part of it. That investigation was concluded?

Mr GRIERSON: Yes.

Mr MACKENROTH: Was any action taken in Q-Build in relation to that investigation?

Dr WATSON: I think that was referred to the CJC.

Mr DAVIES: The outcome was referred to the CJC.

Mr MACKENROTH: The outcome was referred to the CJC. Did it need to be referred to the CJC?

Mr DAVIES: We have not heard back.

Mr MACKENROTH: No, I did not ask whether you had heard back. I asked: did the outcome need to be referred to the CJC?

Mr DAVIES: I think that may have been a requirement under the statute.

Mr MACKENROTH: Did your own report recommend that action be taken against employees of Q-Build and, if so, has any action been taken?

Mr DAVIES: No and no.

Mr MACKENROTH: Your own report did not recommend that action be taken against any employees?

Mr DAVIES: No. I think it recommended that some systems be tightened, but there was no specific action recommended against any employees.

Mr MACKENROTH: It did recommend that some systems be tightened?

Mr DAVIES: Yes. I will take it on notice.

Mr MACKENROTH: Fair enough. That would indicate that the systems were fairly loose?

Mr DAVIES: It indicated that the recommendation was that some systems be tightened.

Dr WATSON: Perhaps John Scrivens should come forward and answer that question.

Mr SCRIVENS: The matter was referred to the Criminal Justice Commission. To the best of my knowledge—and I have been away for the past week—we have not had a response from the CJC as yet.

Mr MACKENROTH: Sure, but I am not talking about whether the CJC has found that anyone has

acted criminally or wrongly; what I am talking about is whether, within your own department, there was any recommendation that action be taken against any employees for any actions that they had been involved in. Did that report require any action to be taken by the department?

Mr SCRIVENS: I cannot recall the actual recommendations in the report.

Dr WATSON: Mr Grierson might be able to help.

Mr GRIERSON: My recollection is that there was no specific action against any individual, but there certainly was a recommendation to the Director-General that some procedures be tightened in regard to dealing with private sector suppliers of services to Q-Build. Officers were counselled in regard to—

Mr MACKENROTH: Attending functions at Dod's House.

Mr GRIERSON:—attending functions.

Mr MACKENROTH: At Dod's House.

Mr GRIERSON: I do not think Dod's House had any specific mention, but attending functions or receiving gifts or any such thing, which is part of the code of practice for all public servants.

Mr MACKENROTH: Did you find that people had attended a function at Dod's House, or did you not ask?

Mr GRIERSON: Yes, we found that there were two officers who had attended a function—in fact, went to lunch at Dod's House. It was not a function.

Mr MACKENROTH: By Dickinson Constructions?

Mr GRIERSON: Yes.

Mr MACKENROTH: As guests of Dickinson Constructions?

Mr GRIERSON: I think they went with Mr Dickinson.

Mr SCRIVENS: This was—

Mr MACKENROTH: That is fine; that is all. I am finished if you tell me that. It just helps me with my writ.

Dr WATSON: It may not be able to be tendered in court.

Mr MACKENROTH: That is okay. I will send your answer to Mr Dickinson. It will stop his stupidity. So they were at Dod's House with Mr Dickinson, hey? Great!

Mr DAVIES: I would be very careful with that. I think there might have been—

Mr MACKENROTH: I will be very careful. I will just send him the answer.

Mr DAVIES: It was totally disconnected by a year or something.

Mr MACKENROTH: That does not work in the court.

Dr WATSON: I believe that Hansard cannot be used as evidence in a court proceeding, but at any rate—

Mr MACKENROTH: No, but he is suing me on what I said in Hansard, so it will go with it, you see.

Mr ELDER: It will be in Hansard.

Mr MACKENROTH: Yes, it will be in Hansard.

Dr WATSON: I understand the difference.

Mr MACKENROTH: I refer to the meeting of the Commonwealth/State housing officers held in Melbourne on Friday, 28 February, and ask: did your Director-General attend this meeting?

Dr WATSON: On Friday, 28 February?

Mr MACKENROTH: On Friday, 28 February.

Mr DAVIES: Yes.

Mr MACKENROTH: Do you normally attend meetings of housing officers?

Mr DAVIES: Yes.

Mr MACKENROTH: All meetings of housing officers—not ministerial meetings but housing officer meetings?

Mr DAVIES: Housing official meetings I have been, yes.

Mr MACKENROTH: You normally attend them?

Mr DAVIES: Yes.

Mr MACKENROTH: What was your involvement in that meeting?

Mr DAVIES: I cannot recollect the meeting.

Mr CARFOOT: It was the chief executives' meeting.

Mr DAVIES: Normally chief executives from all States meet. I cannot recollect involvement in February.

Mr MACKENROTH: 28 February. Did you attend that meeting and stay for only an hour at the meeting?

Mr DAVIES: I will need to get advice. I am advised that I arrived late, two hours before the end of the meeting.

Mr MACKENROTH: Was your attendance at that meeting mainly so that you could attend the concert the next day of the three tenors at the Melbourne Cricket Ground?

Mr DAVIES: No.

Mr MACKENROTH: Did you attend that concert?

Mr DAVIES: Yes.

Mr MACKENROTH: You did?

Mr DAVIES: Yes.

Mr MACKENROTH: The Government paid for you to fly to Melbourne so you could attend the three tenors concert?

Mr DAVIES: I was in Melbourne on official duties on a Friday, I believe, and I remained in Melbourne for the weekend.

Mr MACKENROTH: So you paid your own hotel bills over the weekend, or did the Government pay your hotel bills over the weekend?

Mr DAVIES: I honestly cannot answer that. I would presume that the appropriate process was followed.

Mr MACKENROTH: Would you take that question on notice?

Mr DAVIES: Yes, I will.

Mr MACKENROTH: I want to know whether the Government paid your bills on the Friday and the Saturday nights. I go back to questions that were asked by the Government members before in relation to existing tenants of the Queensland Housing Commission and your meeting last Friday in Perth. I refer to a letter written to the Treasurer, Joan Sheldon, by your predecessor, Mr Connor, in September last year where he advised her that his major concern for Queensland was the worst-case scenario and that would be where protection or grandfathering for existing tenants is phased out and that, under the proposals, this would be possibly over five years. Whilst you were talking about bringing in a system of charging rents of 25% for new tenants, can you advise me whether there is any intention to grandfather the system in so that existing tenants will eventually have their rents increased to that 25% level, as your predecessor informed the Treasurer may be the case?

Dr WATSON: I have no intention of altering the conditions of existing tenants.

Mr MACKENROTH: At this stage, or you have no intention of altering the——

Dr WATSON: I do not have any intention. Those issues will eventually go to Cabinet, but I have given, if you like, a public commitment that it is not necessary for Queensland to do that, and I do not see doing so. My intention is to look at future tenants and introduce any changes over that period, not on the current tenants. But I am not aware of the letter you referred to, so——

Mr MACKENROTH: You know I would have quoted it faithfully. The Victorian Minister announced after last Friday's meeting that she intended to change the tenure of new public housing tenants in that State to one where they would go on a termed tenancy of three to five years. Have you any intention of following that lead?

Dr WATSON: I think we are going to have to look at the tenure of future tenants as part of the reform process. I do not have any specific things in mind at the moment, but I intend to look at that. The Commonwealth is going to require us to look at those things and, to get continued funding in the future, to satisfy them that we are actually trying to reform the public housing process. But that is something I will have to consider and take to Cabinet at some future time.

Mr MACKENROTH: You said before that you needed to target needs as well.

Dr WATSON: Yes.

Mr MACKENROTH: Can you advise me as to what percentage of present departmental tenants

receive a rebate under the lower level of rents than the 25%, where they are charged between 20% to 22%? The answer is 98%.

Mr CARFOOT: Between 96% and 98%.

Mr MACKENROTH: When we talk about targeting needs, under a program that has rents at between 20% and 22%, 98% of the people in those houses or units are getting a rebate, so they are paying less than that. Why do we need to unnecessarily scare people by telling them we are going to put it up even higher?

Dr WATSON: We did not.

Mr MACKENROTH: I think we have.

Dr WATSON: That is not what I put out. I made it quite clear that we were not going to go down the Victorian road, what they did at the weekend, and one of the reasons was that our public housing tenants were already paying roughly where Victoria was going to. Secondly, I made it clear that we would only be looking at the issue with respect to future tenants. There has been absolutely no scaring of existing tenants at all. I agree with you: the efficiency gains are not very great in Queensland. That was one of the issues that was discussed at the conference, that different States had different situations, and to go the Commonwealth route did not make a great deal of sense and one had to get into, if you like, a bilateral agreement between individual States—take into account the States' circumstances.

Mr MACKENROTH: I told them that for three years. You can continue to tell them, but probably what we should do is take a bilateral decision here and tell them to jump in the lake.

Dr WATSON: I have had some discussions with Jocelyn Newman. I know her reasonably well. I expect that over the next few months we will have fruitful discussions, and I hope that we will reach agreement at the end of that time.

Mr MACKENROTH: Good luck. The Commonwealth only wants to change the system so it pays less money. That is what it comes down to.

Dr WATSON: That may be right. If it argues that there can be some efficiency gains, we will look at what we can do.

Mr MACKENROTH: I refer you to page 118 of Budget Paper No. 2. In particular, it states that Queensland will source its contribution to the Commonwealth's deficit reduction strategy from Commonwealth payments and the Commonwealth/State Housing Agreement. Last year Queensland's contribution of \$114m was sourced from the CSHA. Can the Minister confirm that Queensland will hand back \$118.8m of CSHA funds to the Commonwealth in 1997-98?

Dr WATSON: \$118.8m—that is what the Budget papers say.

Mr MACKENROTH: We will be handing back that money?

Dr WATSON: There is \$118.8m going back and it is being sourced from that particular fund.

Mr MACKENROTH: How much will Queensland hand back to the Commonwealth under the CSHA in 1998-99? Will the Queensland Government hand back housing funds to the Commonwealth again in the 1998-99 financial year and, if so, what totals will be provided back to the Commonwealth?

Dr WATSON: That is 1998-99. That is a way away. That process has not been decided yet.

Mr WOODWARD: Budget Paper No. 2 states that it is \$56.1m but, as the Minister said, that has not been decided at this point.

Dr WATSON: The reason of course is that, as you know, the Commonwealth cut it into three tranches in total: \$250m in 1996-97, \$250m in 1997-98 and \$125m in 1998-99. The \$56.1m presumably represents in forward Estimates half, because \$125m is half.

Mr MACKENROTH: Your predecessor claimed last year, not at the Budget Committee—you just stated that the \$118.8m will be handed back to the Commonwealth this year. He stated after the meeting that in fact that was not correct, that that \$118m was being sourced from—it was not \$118m last year, but the figure last year of \$114m—State funds to replace it. Where in the Budget papers does it show me that out of consolidated revenue the State is handing over \$118.8m of funds this year to replace that \$118.8m from Commonwealth funds? If we go outside of this Budget Estimates Committee and make that claim, it would be much easier if you had showed me beforehand because maybe I would not need to make it. But if you cannot, it will legitimise what is being said not just by myself but by housing groups.

Dr WATSON: I think the problem with determining exact amounts in looking at the Budget papers is that when you transfer funds around, every time you transfer the funds there is an appropriation. There is a lot of double accounting in that number. So you cannot derive the exact figure from the Budget papers.

Mr MACKENROTH: The question then is: is the \$118.8m being replaced by \$118.8m from consolidated revenue? If so, where is it in the Budget papers?

Dr WATSON: The answer is: technically, no.

Mr MACKENROTH: Technically no?

Dr WATSON: The funds are being replaced. Mr Woodward has the exact amounts.

Mr WOODWARD: The amount coming back to the department is \$88.8m.

Mr MACKENROTH: \$88.8m? Where is that?

Mr WOODWARD: It is not identified as a specific item throughout the Budget papers, but it is—

Mr MACKENROTH: Is that in addition to the State matching money?

Mr WOODWARD: That is in addition to the State matching money.

Mr MACKENROTH: Where has State matching money been funded from?

Mr WOODWARD: Actually, I could not tell you exactly from where, but it comes from the consolidated revenue fund.

Mr MACKENROTH: It does not every time. You see, lots of times it comes from the Housing Trust, does it not? Last year we had the trick of putting everything out of the Housing Trust into consolidated revenue and then putting it back. Then to confuse the issue, this year we are not dealing with all of it, so when you sit down and try to understand it—I know, Minister, that you were head of accounting at the university, so you might be able to explain it all to me. Is it being funded directly out of consolidated revenue or is it being funded from—

Dr WATSON: Can I answer the question? It flows right through. I agree with you. The way we do things is not particularly conducive to extracting the real figures without getting behind what is going on and trying to get to them because, as you said, every time each of those things move in and out of funds, they are an appropriation, they are double counted, and you cannot get to them. My Deputy Director-General is just pointing out to me that in the budget \$3.5 billion was budgeted last year within the public accounts. It is down to \$2.759 billion this year. One of the reasons is that we are trying to simplify the accounting system to make sure—seriously—

Mr MACKENROTH: But you complicated it last year. You are simplifying what you complicated.

The CHAIRMAN: Can I just interrupt? The Minister has three minutes to answer. You cannot go backwards and forwards all the time.

Dr WATSON: What I am saying is that they are trying to simplify the accounting system so that only the real flows are actually occurring and they are not double accounting. Next year—and I have already spoken to the department about this—

Mr MACKENROTH: You will change it again.

Dr WATSON: No. It will be changing, but in such a way as to remove more of them. What we ought to get to is a situation where—and I am not quite sure that we will ever get there—it does not matter how often it comes in and out of a fund, only the one figure is shown. They are doing that by splitting up the funds and making sure that there are only one or two, if you like, accounts which account for it. Then you will get the net real figure. I totally agree with you on that issue. It was not just last year. If you go back in history, you will discover that it is a fact that the Parliament appropriates money and, therefore, any flow has to be accounted for by an appropriation. Because you have things flying from different accounts, each one of those, even if they are only for the same real item, is accounted for in separate appropriations. I understand that. We are trying to eliminate that double accounting so that you will be able to get down to the point and say precisely what the real figure is, forgetting about all the double accounting.

Mr MACKENROTH: Last year—and I have a minute to ask the question, haven't I—your department for the first time ever put Housing Trust funds through consolidated revenue. They paid it

out of the Housing Trust into consolidated revenue and then back into the Housing Trust. That is the first time that that has ever happened. So it was very difficult last year to work out where in fact the money had come from and what had been paid where. I guess the thing has been changed this year again, so it is hard to then compare this year against last year. The simple question still comes down to: are the State matching funds being paid out of consolidated revenue or out of the Housing Trust funds?

Mr WOODWARD: I can simply answer that question. The money is coming directly from the consolidated revenue fund.

Mr MACKENROTH: State matching?

Mr WOODWARD: State matching.

Mr MACKENROTH: Whereabouts?

Mr WOODWARD: It is a conglomerate figure; it is not actually highlighted in any one place. It is \$70.1m in State matching from the consolidated revenue fund.

Mr MACKENROTH: But wouldn't it show up somewhere?

Mr WOODWARD: It is broken down across all the activities.

Mr MACKENROTH: Program funding sources at the bottom of each thing such as Housing Accommodation, the Housing Property Services Fund or the Queensland Housing Commission Fund?

Mr WOODWARD: It is broken across all the activities. The money comes down and it is actually prioritised across all the different programs.

Mr MACKENROTH: Where is it paid from the Consolidated Fund across to the housing funds?

Mr WOODWARD: Basically, that comes into the Queensland Housing Trust Fund, and then it is allocated across to the various programs.

Mr MACKENROTH: Where does it show me that that is paid across?

Mr WOODWARD: Unfortunately, the MPS does not actually show the trust funds.

Mr MACKENROTH: Which other document does?

Mr WOODWARD: It does not show as a separate item. We can probably show you a total figure in which it would be included, but it does not actually show as—

Mr MACKENROTH: Are you telling me that there is a \$70m transaction which is not shown in the Budget papers?

Mr WOODWARD: No, it is included. It would be included in a total figure.

Mr MACKENROTH: Where?

Mr WOODWARD: Can we take that on notice? We will come back to you with that information.

Mr MACKENROTH: Okay. So you can show me then where the—\$88.8m, did you say?

Mr WOODWARD: \$88.8m.

Mr MACKENROTH: So you can show me where the \$88.8m is paid from the Consolidated Fund into the Housing Trust Fund, plus whatever it is—\$70m-odd—into Housing Trust Funds as State matching and where it is not money that is taken from Housing Trust Funds, in other words, from tenants' rents?

Mr WOODWARD: I am not sure whether I can show you those exact amounts, but what I can show is that those amounts will be included in certain dollar figures appearing in the various statements. But I do not know whether I can actually show you the specific amounts.

Mr MACKENROTH: It seems pretty strange to me that you would not have a situation in which a \$70m transaction is not shown.

Mr WOODWARD: It is not that it is not shown, it is just that it is included in—

Mr MACKENROTH: It is just that you cannot see it.

Mr WOODWARD: It will probably most likely be included in a bigger figure.

Mr MACKENROTH: Perhaps if you find it, you could pay the telephone bill.

Dr WATSON: That is an irrelevancy.

The CHAIRMAN: The time for Opposition questions has expired. The hearing will adjourn for 15 minutes.

Sitting suspended from 4.06 p.m. to 4.23 p.m.

The CHAIRMAN: We will resume questions on the portfolio of Public Works and Housing. It is now time for Government questions. As outlined on page 71 of the Ministerial Program Statements, the Community Housing Grants Board was established as an independent body which provides recommendations to the Minister on funding allocations across community housing programs. Can the Minister outline the benefits flowing from the establishment of the Community Housing Grants Board?

Dr WATSON: After the first two weeks of being in office, after being in Parliament I took the opportunity of going to Cairns to launch the Future Ways and Future Means Program, which the Community Housing Grants Board is doing. At that time I had a brief discussion with the board about its program. I am fairly confident that, in the next few months, it will provide me with a comprehensive report on community housing in Queensland. I am looking forward to receiving that report towards the end of this year and hopefully taking some action on it.

Perhaps the best person to give you some more detail on exactly how the Community Housing Grants Board is operating is Jan Phillips. I will ask her to come forward and give you some more detail.

Ms PHILLIPS: The Community Housing Grants Board advises the Minister on community housing programs and funding levels. That includes providing advice in relation to the Community Housing Program, the Community Rent Scheme, the Home Assist/Home Secure Program, housing

resource services, the CSHA consultation project and other related programs and projects. Those programs fund community-based organisations to deliver housing advice and other housing-related services. In addition, the board provides advice to the Minister on community liaison and consultation arrangements. The major benefit of the board's establishment has been the independent and accountable allocation of funding to community organisations. In 1996-97 the board advised the Minister on the allocation of approximately \$107m in funding to community organisations and local government for the provision of housing and housing-related services. That includes the allocation of \$40m under the Rural and Regional Community Housing Program. The board has also examined consultation arrangements for the Housing Program as a whole. Recommendations should be made to the Minister in relation to that matter in the near future.

The Community Housing Grants Board is also overseeing a major review of the recurrent funding programs, the Future Ways and Future Means Program previously mentioned by the Minister. That will enable it to provide more effective advice on program outcomes and funding allocations, benefiting the community by ensuring that the Housing Program is delivering the most appropriate and effective outcomes and meeting the greatest housing needs. It is also running a sector development project and has a wide consultation process throughout Queensland.

Mr HEALY: On that subject of community housing, over the past couple of months I have been talking to some people involved in community housing in western Queensland about community housing in that area specifically. What is the situation with community housing projects in that region? Are we improving our delivery of housing in that part of Queensland?

Dr WATSON: In a moment I will ask Jan to answer that question. I was at my first country Cabinet meeting at Charleville a few weeks ago. That was delightful, of course. I took advantage of talking to a few people at the function that was put on the night before. I can say that I actually got some quite positive feedback about the program out there at that time. Jan has more of the details.

Ms PHILLIPS: There were 35 community housing projects in western Queensland as at 31 May 1997. Twenty-two of those were recently approved projects under the Rural and Regional Community Housing Program. Seven were approved on 24 December 1996 under the first round and 15 on 10 April 1997 under the second round. All of the projects are now progressing in accordance with expected time frames. In addition, three projects were completed during May 1997. It is expected that a further 11 of the projects will be completed or substantially completed this financial year. All remaining projects will be completed by 30 June 1998.

There has been considerable consultation with local governments regarding the implementation of the new funding agreements and streamlined processes in relation to the construction of new

dwelling. The results of this consultation have been that the funded organisations have developed a clear understanding of Government accountability requirements and departmental processes have been amended to improve the efficiency of those processes. Low-risk organisations are not required to have mortgages registered over their property if they are assessed as being unlikely to breach the funding agreement. All local governments assessed to date have met the low risk criteria. Local governments have provided very positive feedback and are progressively signing the funding agreements.

Mr HEALY: I am pleased to note the commencement of additional boarding house unit accommodation in 1997-98. This program is obviously commendable in so far as it targets homeless people or those who are at risk of homelessness. In past years the program has established properties mainly in inner city Brisbane. Are there any plans to extend the program beyond the limits of inner city Brisbane to some of the regional areas?

Dr WATSON: I guess it has probably concentrated on inner city Brisbane because that is where most of the people are. We are looking at other areas. I will let Jan answer that as well.

Ms PHILLIPS: At present, there are 86 units of boarding house accommodation which are operative; 43 units situated on the north side and 43 on the south side of Brisbane. The 1996-97 construction program, which will be completed by December 1997, will add a further 84 units to the north side of Brisbane. It is planned in 1997-98 to concentrate development of the program on the south side. Properties in that area are being investigated. That may yield 38 units of accommodation. However, the present construction program also includes a 30-unit development in Cairns. The 1997-98 program envisages provision of 14 units of accommodation in Townsville, 24 in Ipswich and 18 on the Gold Coast. Allocation of funds for those projects is to be considered by the Community Housing Grants Board prior to any recommendation to the Minister. Needs assessments are being conducted in other rural areas, including Goondiwindi, Longreach, Cloncurry and Thursday Island. If need is established, the program will respond in those areas in 1998-99.

Mr BAUMANN: On page 71 of the MPS you indicate that the Community Housing Grants Board will continue to play a key role in advising you on priorities for funding of community programs. You made reference to the launch of the Future Ways and Future Means review project conducted by the Community Housing Grants Board. Could you explain to us how that review will affect the Community Housing Grants Board?

Dr WATSON: Yes. I will ask Eric Carfoot to answer that question. As I said earlier, in May I had one general discussion with the Community Housing Grants Board. I expect to go to Thursday Island in four, five or six weeks. I intend going up there and having further discussions with the board, as they are doing public consultations on Thursday Island. I

ask Eric Carfoot to give you a detailed run-down of the review process.

Mr CARFOOT: Mr Baumann, we are trying to switch all the funding allocation within the various housing programs onto a properly assessed needs basis. The Future Ways and Future Means is just the start of the whole process. It is a program that has been instigated by the board to look at their recurrent funding programs, which occupy about \$30m of our budget to date. It is an attempt by the department to make sure that organisations which are being funded to deliver services actually do deliver the quality of outcomes for the dollars that they receive.

As I said before, we are looking for ways to improve delivery and the appropriateness of the services that we deliver to our consumers. The grants board actually recommends to the Minister programs to be funded and, in fact, as I said before, instigated this program to ensure that they were aware of any gaps in the services that were currently being funded and delivered to the consumers in Queensland.

The currently funded programs that are covered by Future Ways and Future Means are the Community Rent Scheme, the Home Assist/Home Secure Program, the Housing Resource Services Program and the Community Housing Resource Worker Program. The Future Ways and Future Means consultation process commenced in May of this year and will be concluded very quickly by July of this year. The things that we are asking the community groups to advise us on are, as I said before, current gaps in services being provided, locations where services may be required where they are not currently being delivered, what are the outcomes that they believe we should be delivering through the housing dollars invested in Queensland and the extent to which existing services are meeting any of those requirements.

Once the consultation process has been completed in July, the board will consider the outcomes and the needs analysis and make recommendations to the Minister which will impact upon funding for the following financial year.

Mr BAUMANN: Page 65 of the MPS refers to the commencement in 1996-97 of a Community Housing Management Strategy. Note 3 on page 67 indicates that there is additional recurrent funding being provided to deed of grant in trust communities under this strategy in 1997-98. Is the recurrent funding the full extent of the strategy? What activities are planned in 1997-98?

Dr WATSON: I will ask Alex Ackfun to come forward and answer that issue.

Mr ACKFUN: In answer to your question, normally recurrent funding under the Aboriginal and Torres Strait Islander Housing Program is limited to operational grants totalling \$160,000 for the Aboriginal Coordinating Council and the Islander Coordinating Council. The additional recurrent funding of \$778,000 is comprised of \$278,000 for the continuation of the Community Housing Management Strategy and \$500,000 to boost training initiatives,

which are aimed at developing local community skills in the fields of construction, repairs and maintenance.

In addition to the recurrent funding, the program has earmarked \$4.387m of the \$29.912m capital grants and subsidies in 1997-98 to be used as a complementary component of the Community Housing Management Strategy. This will enable the program to target up to five specific Aboriginal and Torres Strait Islander deed of grant in trust communities to provide a comprehensive response to infrastructure needs and health and safety upgrades to community houses. The five communities that we are targeting include Injinoo, Seisia, Umagico, Bamaga and New Mapoon. They are all in the northern peninsula area of the State. In essence, what it will do is allow us to concentrate our effort in this particular area to try to get improvements in the overall living conditions and standards within that particular community.

The CHAIRMAN: Minister, the Ministerial Program Statements on page 66 refer to land purchases for housing decreasing from 50 to 30 in 1997-98, yet the number of new dwelling commencements will increase by 23 to 120 in 1997-98. It is obvious that there is going to be an increase in construction activity in Aboriginal and Torres Strait Islander housing. We can only conclude that new dwelling commencements will utilise 120 sites in comparison with the 30 allotments being purchased. Where are the other 90 vacant lots coming from? What impact does this have on the program?

Dr WATSON: Of course, the Government does have, if you like, a land bank of blocks which they will use for future development. I think it is about 300 blocks, which represents a number of years' potential supply for housing needs. I will ask Alex to give you the full details.

Mr ACKFUN: The base Commonwealth/State Housing Agreement allocation of funding for the program would normally facilitate the construction and provision of 60 new units of accommodation. The additional 60 new dwelling commencements, which make up the total of 120 for the 1997-98 year, are for major development projects on Thursday Island. To cater for this increase in activity on Thursday Island, the program specifically purchased land during 1996-97 and identified existing sites which can be utilised as part of the redevelopment project. The program has approximately 300 vacant sites currently within its land bank right across Queensland, which is sufficient to handle the new 60 new dwellings that we plan to do in our urban and rural construction projects.

In addition to its land bank, the program has the additional option of undertaking construction on sites that possess existing housing in those places where houses need demolishing. The program operates on the basis of having sufficient land available for up to four to five years to ensure that it has suitable land to engage in its construction activity.

Mr HEALY: Just staying in the cape and the Torres Strait, the Ministerial Program Statements on page 64 refer to waiting times on Thursday Island

and Horn Island being in excess of 12 years. On page 68 reference is made to the major activity of house construction and improvements of \$27.45m in 1997-98. The accompanying note 3 refers to additional funding being allocated to housing redevelopment at Thursday Island. So how much of the \$27.45m is for the redevelopment housing on TI? What will the funding provide? What is the expected impact on waiting times for housing on TI?

Dr WATSON: I will let Alex answer in a moment. From the information that I have been provided, I can say that the expected impact is actually quite dramatic. It dropped from 12 to way down, but Alex will give the details.

Mr ACKFUN: Yes, it has certainly come down from in excess of 12 years to 2.4 years. That is a fairly significant drop once the 60 units are provided. Just to go on with that—a major redevelopment, an expansion of the housing project at Thursday Island, was approved in September 1996. The redevelopment project commenced during 1996-97 and was undertaken in full consultation with the local community. The project involves the construction of additional new accommodation plus the redevelopment of existing houses located on reserves. Each redevelopment project includes full site planning and preparation, provision of necessary infrastructure and services, the physical construction of those dwellings, and the delivery of an overall product which caters to the lifestyle of that particular community.

To answer your question, during 1997-98 the program will be allocating a total of \$14.35m for the provision of 60 units of accommodation on Thursday Island and Horn Island. The allocation of 60 units of accommodation will dramatically reduce the estimated wait times, as I stated earlier, from in excess of 12 years down to 2.4. That is based on the current applications that we have on hand, which are 142. I think that we need to use some caution with or put qualifications on basing the success of the project on wait times alone. We must also consider the creation of new accommodation and the fact that people from other places on the island take up the allocation of those houses. If that happens, it will have an impact. Some caution has to be used in looking only at the wait times. The program looks at maintaining the wait times on Thursday Island and Horn Island below the three-year level.

Mr HEALY: Page 83 of the MPS refers to the Home Assist/Home Secure Program. In a recent media statement, you announced the additional allocation of \$3m to this program. Can you outline the anticipated benefits from the additional allocation of funding?

Dr WATSON: Just after I became the Minister, a number of representations from members of Parliament were made to me concerning the question of security, particularly for high-risk areas in terms of break-ins and other crime. Representations were also made by people who were either disabled or elderly. It is an important issue; people have to feel safe in their environment, or as safe as we can make them. I took those representations on board and discussed them with the department. I decided that, for 1997-

98, we should attempt to address the issue of security. We have developed what we call the Home Safe Program, which has been allocated \$3m in 1997-98 and we expect that to be ongoing. This is part of an attempt to address the legitimate concerns of people in the community. Perhaps I can ask Graham Smith to give more details on the program.

Mr SMITH: The \$3m allocated to the Home Safe Program for the 1997-98 financial year will provide such items as security screens, security lighting, fencing and window locks. The program should help to address the problems that many public housing tenants have with access to home contents insurance. At present, some insurance companies will not insure houses in high-risk areas if the houses do not meet the insurance companies' security standards, while other insurance companies charge higher premiums and excesses in these areas. The department has a significant amount of public housing in these areas, many of which do not have adequate security for insurance purposes.

The Home Safe Program is not just about improving security but is also aimed at making tenants' homes safer and more secure. To this end, Home Safe Program funds will also be used to update electricity meter boxes in existing housing to the standard that is used in new housing in which the meter boxes have earth leakage safety devices.

Mr BAUMANN: Given the recent disgraceful images of the condition that some publicly owned housing has been left in, which have been shown very vividly on television and reported in the press, can you give an assurance that some initiatives have already been put in place or will be put in place to see that this does not continue?

Dr WATSON: I cannot assure you, of course, that none of that will occur. Obviously people have some responsibilities for looking after their properties. It is a concern when, from time to time, one sees media reports about the condition of public housing. My understanding is that in the past there have been no regular audits or inspections of tenants' properties to ensure that they are being kept to a reasonable standard. However, that is not to say that ad hoc inspections or audits do not occur; they do occur for a variety of reasons. At that stage, an attempt is being made to rectify the situation.

On a more positive note, a management unit is being created in each of the area offices. The management unit will specifically look after property management and will have responsibility for conducting routine inspections and trying to ensure that public housing tenants maintain their property appropriately. Again, Graham Smith can give you a few more details.

Mr SMITH: These units will be responsible for assessing the extent of maintenance works required and for issuing work orders on Q-Build for the provision of maintenance. The officers will perform an important role in controlling expenditure on maintenance and improving debt recovery attributable to property damage. The benefits of regular property condition audits include: increased tenant responsibilities to exercise due care over properties and abide by the condition of the tenancy

agreements, with tenants required to pay for any damage or clean-up; improved management of the asset; and early identification of potential problems concerning both property and tenancy management matters.

It is proposed that the program of regular property inspections will commence from 1 July 1997. When we implement the program, the requirements of the Residential Tenancy Act regarding access and notice by the landlord will have to be observed. It is expected that there will be an initial increase in maintenance requests and costs as the department and landlord presence is exercised, but those costs should reduce over time. Unfortunately, as is the experience of property managers in the private sector, regular audits will not prevent all cases of extreme property neglect or damage.

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

Mr MACKENROTH: Continuing with that issue, I recall seeing on television two houses that were left in a fairly bad state by tenants when they vacated the properties. I think that the Housing Department has something like 48,000 units of accommodation. Would you say that the condition of the two houses shown was typical of the way that people live in Housing Commission houses or would you say that it was similar to the way that people live in private accommodation as well as public accommodation?

Dr WATSON: I do not for one moment suggest that all public housing tenants do not look after their places; that is clearly not true.

Mr MACKENROTH: It is the same as anywhere else.

Dr WATSON: I do not think anything I have said implied that I thought that.

Mr MACKENROTH: No. I was giving you the opportunity to say that. It was implied by your predecessor on television, that is all. I know that you cannot answer for him.

Dr WATSON: I do not believe I have implied that.

Mr MACKENROTH: I was giving you the opportunity to say that. On 7 February, Mr Connor claimed that he was going to fix this problem because there was an annual bill of \$7m to fix houses that had been left in a condition similar to that of the two houses shown on television. Was the \$7m the cost of repairs that needed to be done when tenancies were changed over and not the cost of repairs for houses that were left in the condition of the two houses, as was implied, or as was the impression that was left in the viewers' minds from the television that night?

Dr WATSON: I cannot answer for what Mr Connor may have thought or said. I visited some department offices, as you probably know. From those visits, I have been quite impressed with some of the things that the area officers are doing to make the whole environment better for people who live in public housing. Taking the Richlands area: all the

reports are that, because of the activities of the Ipswich area office, things have improved dramatically. Not only do we not see the kind of issue that you are talking about, but people now want to live in that area simply because of the way that the program is being managed and is progressing.

Mr MACKENROTH: It is a good program. Is the \$7m referred to—and perhaps the manager of assets could answer—in fact the charge for the changeover of tenancies and what needs to be done at that time, or is it the charge for damage done to houses by tenants?

Dr WATSON: In a moment I will ask David Manzie to explain the \$7m. However, I do not want it to be linked to what the previous Minister may or may not have said because I am not aware of what figure he was referring to and I have not seen what you have in front of you. David Manzie can tell you what the \$7m was for.

Mr MANZIE: I understand that the \$7m is for repairs. In situations where people have left properties, we have to go in and carry out repairs.

Mr MACKENROTH: Or maintenance as well?

Mr MANZIE: Or maintenance, yes.

Mr MACKENROTH: And maintenance; you always bring your houses back up to a standard, do you not?

Mr MANZIE: That is right.

Mr MACKENROTH: So it is not necessarily damage that was done by people with intent to damage the house?

Mr MANZIE: No, not totally.

Mr MACKENROTH: That is fine.

Mrs BIRD: When will the enterprise bargaining agreement be signed and what has caused the delay in Q-Build?

Dr WATSON: Mr Hobday can come forward. I had better be careful; I think I signed it the other day.

Mr HOBDAY: The question is specifically in relation to Q-Build? We have eight enterprise agreements within the department. In Q-Build, issues in relation to hours of work and retrospectivity were still being negotiated with the unions. Agreement has been reached. There was some industrial action. That has been handled satisfactorily and has been through the Industrial Relations Commission. At the moment, the agreement is before the Ministers, that is, the Industrial Relations Subcommittee of Cabinet, for endorsement. We expect that to go to the IR subcommittee on the 16th of this month.

Mrs BIRD: So can we expect something by the end of the month?

Mr HOBDAY: I would hope that by the 16th we would have approval to go to the Industrial Relations Commission, in which case we would then seek for the agreement to be ratified.

Mrs BIRD: Can we speak about the Cultural Centre and what occurred there? I understand there were 34 redundancies; is that correct?

Dr WATSON: I do not believe there have been any redundancies yet.

Mrs BIRD: They have not occurred yet?

Dr WATSON: No.

Mrs BIRD: Are they to occur?

Dr WATSON: I cannot answer that question, because I do not know. We are going through a process there and the outcome has not yet been determined.

Mrs BIRD: What are you planning for those 34 positions?

Dr WATSON: We are still negotiating. My understanding is that some people may be employed by the Cultural Centre Trust. Some people may be redeployed. There may be some voluntary redundancies. That process has a long way to go yet.

Mrs BIRD: At what point are you in the process? Are you discussing redundancies at this point and the payment of redundancies?

Dr WATSON: No.

Mrs BIRD: Has there been any suggestion of the size of the payment of redundancies or their timing?

Dr WATSON: Not that I am aware. Perhaps the Director-General or Eric can answer that question. The issue has not yet come to me in that form at all. We are still working through the process.

Mr DAVIES: The trust is still negotiating a contract.

Mrs BIRD: That is right, yes.

Mr DAVIES: Those negotiations are continuing. The implications of that on Q-Build cannot be considered until that contract is finalised.

Mrs BIRD: You would be aware that the turmoil at the Cultural Centre has caused a tremendous amount of concern among the blue-collar workers in Q-Build throughout the State. They are very concerned. They are further concerned by a letter that went to all staff from Tony Waters. The letter is addressed to all staff and it mentions the Parliamentary Public Works Committee. Incidentally, Tony Waters is the general manager.

Dr WATSON: I know who Tony Waters is; I have not seen the letter, though.

Mrs BIRD: It states that the Parliamentary Public Works Committee will be conducting an inquiry into Q-Build. It then outlines the inquiry. The part of this letter that disturbed those blue-collar workers is the part stating—

"... I also want to be able to acknowledge Q-Build's current weaknesses, and show that we have a plan to overcome any weaknesses that do exist. My objective is to demonstrate Q-Build's willingness to become more competitive, more client focused and prove its strategic value to Government."

My concern about that—and I share the concerns of those blue-collar workers—is that this is the first step towards privatisation. Can you here and now allay

the fears of those workers and say that there will not be any job losses?

Dr WATSON: My understanding is that that letter is a fake. Is that right, Tony?

Mr WATERS: Not that letter. Would you like me to answer that?

Mrs BIRD: It has Mr Waters' signature on it.

Dr WATSON: I understand that there was a letter going around purporting—and I have not seen that one—to be from Tony Waters which is not from Tony Waters; it is a fake. Can I have a look at it so that I can see what you are referring to?

Mrs BIRD: Certainly. That concern is throughout the State; it is not just here, it is everywhere.

Dr WATSON: Tony has just told me that this went out to try to calm down people in Q-Build—

Mrs BIRD: I can assure you that it did not.

Dr WATSON:—after the Public Works Committee announced its inquiry. Obviously, I will take that parliamentary committee seriously—as you know, I always do—and we will try to provide help to that committee. When reviews into the efficiency and effectiveness of an organisation such as Q-Build are announced, it is understandable that employees in that organisation are concerned about what a parliamentary committee can do.

Mrs BIRD: With respect—

Dr WATSON: I am answering the question. You know as well as I do that people in the Public Service are concerned about inquiries by Parliament, because of the respect they have for it. As Mr Waters has advised me, this letter was sent out to try to calm down employees within Q-Build. We will attempt to cooperate with that committee to our utmost.

Mrs BIRD: You have missed the point again. The situation that developed with the Cultural Centre was the core issue that caused alarm for workers. That was coupled with the lack of an enterprise bargaining agreement and the announcements by the Public Works Committee. Nobody is complaining about the Public Works Committee; we all think it is a good idea. However, you do not send out a letter to the staff saying, "We will put in a submission outlining the weaknesses." That causes alarm bells to ring all over the place. Put yourself in their position. These are blue-collar workers. Jobs are hard to get. Some have been there for 30 to 35 years. If you say, "There will be no job losses", all will be solved. Writing a letter to them to say that a submission will go forward outlining weaknesses is pathetic.

Dr WATSON: I hope you are not suggesting that there is some kind of conspiracy with what went on in the Cultural Centre, EB and the parliamentary committee. Those things are separate events.

Mrs BIRD: No, that is a sequence of events.

Dr WATSON: Obviously, they would have occurred in a sequence, but they are unrelated. The EB process was going on for some time. Agreements have been reached on that. The Cultural Centre was a decision that has been made within the portfolio of

the Deputy Premier, Treasurer and Minister for The Arts. The parliamentary committee has announced an inquiry totally unrelated to any of those things. The timing of the announcement of that inquiry is undoubtedly unfortunate, but that is the prerogative of the Parliament, which I respect. We will deal with it.

Mrs BIRD: You and I can sit here and talk about the sequence of events, but can you tell me that you have no job losses in mind for Q-Build?

Dr WATSON: The Director-General reminded me of this, but I was going to say it anyway: the policy of the Government is that there will be no forced redundancies throughout the Public Service. Presumably, that will apply to Q-Build just as it applies everywhere else. But that is not the issue. The issues that you are trying to relate all occurred in a time period which is perhaps unfortunate, but they are unrelated occurrences.

Mrs BIRD: Look, I have come through three years of 1,000 job losses. I know the sequence of events. I am asking you to say here and now that you do not have any plans for blue-collar job losses.

Dr WATSON: I have already answered that it is the policy of the Government that there are no forced redundancies.

Mrs BIRD: No forced redundancies of blue-collar workers.

Dr WATSON: Of anybody. That is the policy of the Government as articulated.

The CHAIRMAN: Can I ask the attendant to copy that letter? Since there has been so much discussion on that correspondence, I suggest all members should have a copy.

Mrs BIRD: I am not so sure that they are going to be satisfied with what you are saying, but nevertheless—

Dr WATSON: I reinforce the fact that Mr Waters advised me that the intention of that letter was to try to calm down the employees in Q-Build given the announcement of the parliamentary committee of inquiry. If you tell me—

Mrs BIRD: You are saying that, but I don't believe it.

Dr WATSON: Okay. I am just telling you what I have been advised. If it has had a different effect then we are going to have to look at that.

Mrs BIRD: But you must have knowledge of the effect that it has had.

Dr WATSON: Not of that specific letter. I certainly acknowledge that the fact that the parliamentary committee announced an inquiry would have had a negative impact or would have generated uncertainty with respect to employees in Q-Build, but that was not something that the Government did; that was something that the Parliament did.

Mrs BIRD: Please, do not put all the blame on the committee.

Dr WATSON: But it is a fact.

Mrs BIRD: The blame rests totally with the decision of the cultural centre. That is where it started.

The CHAIRMAN: We ask questions and then the Minister answers them.

Dr WATSON: With all due respect, Mrs Bird, it was the Parliament, acting through the parliamentary committee. From my understanding it was agreed to. There was no indication that there was any dissent, so it was agreed by—

Mrs BIRD: And I wholly support it.

Dr WATSON: So do I. The Parliament, as I have indicated, has the right to do it. But that does not necessarily mean that what the Parliament does does not have an impact on employees within the Government. What Mr Waters did was to try to allay the fears of employees of Q-Build, not exacerbate them.

Mrs BIRD: I am sorry, but he has.

Dr WATSON: That was already done by the Parliament.

Mrs BIRD: No, it wasn't. It was done by the sacking of staff at the cultural centre.

Dr WATSON: But I have already answered that.

Mrs BIRD: Oh, well—

Dr WATSON: You are presupposing something that has not yet occurred.

Mrs BIRD: I refer to the statement on page 9 of the MPS, "A new framework for the management and delivery of maintenance is being developed and is due for completion by August 1997." Where does Q-Build with its 2,069 employees fit into this model and how many of those 2,069 employees are likely to be offered jobs in the new framework?

Dr WATSON: I would have thought the answer was already covered by my answer to the previous question. They will be fitting in. You are trying to imply there are going to be some kind of machinations or job losses in there, and I would have thought I already covered that in the answer to the previous question.

Mrs BIRD: No, I am asking you how many of these employees are likely to be offered jobs.

Dr WATSON: They all have jobs. They will continue to have jobs. The policy of the Government is that there is no forced redundancy—simple as that.

Mrs BIRD: So 2,069 people will continue to be employed?

Dr WATSON: I have no reason to believe they won't be.

Mrs BIRD: That is fine. If we can move on in page 9: "A research base for advising on competitive service delivery in the Building and Construction Industry has been established." What does that mean? What does it do?

Dr WATSON: I will ask Gary May to come forward and talk about that particular item.

Mr MAY: That item refers to some extent to the answer I provided before. In relation to all of the services we provide, we are seeking to ensure that they are provided as competitively as possible. In relation to capital works, for example, we are looking

at systems of prequalification and registration and a capital works process to try to ensure that Government agencies are following the most effective means possible in procuring their buildings. We have prepared discussion material in relation to maintenance in conjunction with client agencies. There is a desire on the part of the client agencies to have a greater involvement in the prioritisation of their work, and we are working towards ensuring that that opportunity is afforded to them. So we are continually looking at the way we do business, whether that be by use of our own people or through the fairly extensive contracting out that we have always done, particularly in the construction area, to try to ensure that we are getting the best value for the public dollar.

Mrs BIRD: Where did this come from? Was this just an idea that someone came up with, or was this a response to the industry?

Mr MAY: I think it is fair to say that the whole issue of competitive service delivery is something that is very much to the fore in all public works authorities in Australia, particularly with issues of competition policy and Hilmer reform, etc. They are issues that we cannot ignore. We have to be sure that we are addressing the requirements of those particular initiatives.

The CHAIRMAN: The time for Opposition questions has expired. Minister, what is the cost of implementing the priority housing initiative, which was instigated in 1996-97, and what will the area office staffing costs be this coming financial year to effectively deliver this initiative?

Dr WATSON: I will ask Graham Smith to come forward and answer that question.

Mr SMITH: Funding of \$586,000 has been committed during the 1996-97 financial year to ensure the successful introduction of this important Government initiative. Of that figure, \$320,000 has been provided to area offices throughout the State for increased staffing levels and to ensure the efficient and effective assessment of priority housing applications. A further \$59,000 was budgeted for the provision of training in assessing priority housing cases to over 200 metropolitan and regional staff. Payments for the members of the Priority Housing Committee totalled \$82,552 as at 30 May and are projected to be about \$85,000 by 30 June 1997. This figure includes the cost of sitting fees, special assignment fees, fares and allowances. The remaining costs of around \$122,000 have been utilised to implement the priority housing policy. Implementation costs include development and distribution of new procedures documentation, enhancement of computer systems, production of an information kit for community groups and the printing and distribution of new publications. Implementation activities were coordinated by a small project team which worked closely with the Priority Housing Committee.

For 1997-98 an additional 17 staffing positions have been provided to area offices throughout the State to manage the effective assessment of priority housing applications. This represents a recurrent cost of about \$660,000 per year. A review of the

staffing requirements will be undertaken within six months following the implementation of this program, that is, after the peak period has finished and after staff are more comfortable and efficient with the policy and procedures.

The CHAIRMAN: Has the Queensland Government resolved the confusion surrounding the change in the Government's quality assurance policy and how has the Government addressed small business concerns about the changes?

Dr WATSON: I think all of us as members of Parliament have had constituents who have come to us over the past little while on the issue of quality assurance and the impact it has had on them. Certainly I do not think anyone argues against the position of producing or buying quality products, but it has been perceived by a number of people, particularly small businesses, that the costs of obtaining quality assurance outweighed the benefits that they thought they obtained from it. The Government moved to resolve that issue by exempting purchases that were below \$10,000 per order or were in low risk areas from the necessity to purchase from quality assured firms.

Obviously, we have not exempted areas which we regarded as high risk because they are pretty important to the Government—very important to the Government—and we want to make sure that the Government is getting quality products. Perhaps Anton Donker might want to add something more to what I have said but I think I have probably covered the essence of it. The Government has resolved that issue—at least from my viewpoint as a member of Parliament rather than a Minister—that small businesses now believe they are getting a fairer go and that they do not have to actually incur the significant costs if they are producing only low value or low risk products to the Government. I think that that has helped resolve a lot of the issues.

Mr HEALY: Could I just touch briefly on the priority housing policy? I am interested to know what sort of community consultation was involved in developing that policy.

Dr WATSON: The priority housing policy is pretty important and I am going to ask Eric Carfoot to say something on that in a moment. In going back to what happened last Friday at the Commonwealth-State Housing Ministers Conference, part of the agreement included the issue of getting a segmented housing policy—in other words, targeting people who had higher needs than others. I think it is generally accepted that the Queensland policy meets the Commonwealth requirements. So I think we have gone a long way towards—we have gone part of the way already—satisfying some of the Commonwealth's desires to get some reform within the area. Let me ask Eric to give you a more detailed analysis of the development of the priority housing policy in Queensland.

Mr CARFOOT: The members of the committee themselves were selected and endorsed by Cabinet because of their expertise and community links and because of their capacity to make recommendations to the Minister on the most effective priority housing policy for Queensland.

During their first meeting held in December 1996, the committee carefully considered and agreed to an appropriate consultation strategy. The committee essentially devised a strategy which allowed for the introduction of its important priority housing policy in the shortest possible time, yet allowed for housing interest groups to have clear channels for policy enhancement and access to the committee members. The committee believes that this approach would be in the best interests of those people who are currently in urgent need for priority housing access for public rental.

The community organisations and individuals will be encouraged to contribute post-implementation policy improvement ideas by direct contact with individual committee members, written submissions or formal meetings with representatives of the committee. The committee's recommended policy was endorsed by the former Minister in February 1997 and that policy development phase included conducting detailed research and analysis of other priority housing systems in use in every other State and Territory within Australia and meeting with peak housing organisations, which the committee did on 6 January 1997, to discuss its policy concerns and expectations, with each committee member spending up to two days consulting with a variety of housing interest groups in their local areas.

The committee is mindful that the policy will need to be closely monitored, particularly during the first six months following its implementation. Information system reporting requirements for statistical data gathering have been identified to assist with this responsibility. The post implementation review of the priority housing policy and procedures will be undertaken and finalised within the six-month period following the introduction of the policy. This review will incorporate an extensive community consultation process.

Mr HEALY: On page 30 of the Ministerial Program Statements, there is reference made to Q-Build's contribution to new trade skills to the building industry through its provision of apprentice training. In fact, the Program Statements actually state that Q-Build employs and trains about 340 apprentices and advances around 90 of those to industry each year. Could you give us some details of the 1997 intake of apprentices, how this relates to the Government's policy of equal employment opportunity in terms of disadvantaged groups and the process that is used to target the minority groups? Also, could you outline briefly the contributions that Q-Build makes to the building industry through its own apprenticeship scheme?

Dr WATSON: The apprenticeship program is important to the Government. We take seriously the responsibility of training our younger generation in skills in a variety of areas, including apprenticeships, and the responsibility of giving people an opportunity in that area. I will ask Tony Waters to come forward and answer that in detail.

Mr WATERS: Q-Build inducted 88 apprentices during 1997 from a total of 4,311 applications taken

from across the State. Under the Government's equal employment opportunity policy, disadvantaged groups are targeted when applications are invited. For example, as part of the 1997 selection process, the advertising campaign for apprenticeships was specifically addressed to TAFE colleges, particularly student placement officers and women support officers; all branch offices of the Aboriginal and Torres Strait Islander Employment unit of the Department of Training and Industrial Relations; the Aboriginal and Torres Strait Islander Housing unit of our own department; Tradeswoman on the Move, a unit of DTIR; the Aboriginal and Torres Strait Islander unit of the Federal Department of Employment, Education, Training and Youth Affairs; the Queensland Deaf Society; and the Second Chance Program.

From the 4,311 applications, the 90 represents only a 2% acceptance rate from those applicants, so obviously the competition for selection is very strong. Q-Build looks for a sound pattern of training, achievement and satisfactory prevocation training or relevant work experience in selecting whom to make the apprenticeship offers to. We are finding unfortunately that many of the applicants are not selecting the most appropriate education streams while at high school and many are not entering into any prevocation training as well, which makes it very difficult for those applicants to compete against applicants who are better prepared for entering into an apprenticeship.

However, despite this, Q-Build has managed to induct a number of apprentices from the disadvantaged groups that were targeted. Within a pool of around 340 apprentices, it currently employs two apprentices with a disability; 10 female apprentices, three of those inducted in the current year; and 16 Aboriginal and Torres Strait Islander apprentices, with five of those inducted in the current year. Q-Build is making a very significant contribution to trade training in Queensland and no doubt if it was not doing that there may well be an under supply in Queensland of tradespersons entering the building and construction industry. Regional areas are well catered for in the intake, with 59% of Q-Build's current apprentices located outside the Brisbane metropolitan area and 45% in all employed outside the south-east corner of Queensland.

Mr BAUMANN: On page 30 of the Ministerial Program Statements, the integration of public housing maintenance services with Q-Build is listed as an achievement in the Program Performance Assessment for 1996-97. Would you provide us with some details of the integration and the current status of such action?

Dr WATSON: I will ask Tony in a moment to go into that in detail. In my trips to the regional centres, particularly Cairns and Toowoomba, I had an opportunity to discuss this issue with members in the housing area at both of those locations. Some of those discussions were through informal meetings and others were through the more formal meetings I had with the managers in those areas. The feeling and the feedback that I got from the employees on

the ground in those areas was that it is working quite well. They perceive some efficiencies there already. When you are integrating any organisation's aspects, there has to be some give and take, and they have to get to learn how the others operate in a much closer working environment. But the general feedback I got from those two areas—and Cairns and Toowoomba are important outlying regional centres—was very positive. Tony Waters might like to give some more details.

Mr WATERS: As a consequence of the formation of the current Public Works and Housing Department, it was decided to integrate the Housing maintenance work force with the Q-Build work force. That occurred in July 1996. The Housing maintenance centres, which had been established previously at Mansfield, Zillmere, Coopers Plains, Richlands and up in Townsville, were the work force that were to be integrated with Q-Build.

In July 1996, the 304 Housing maintenance employees were transferred to the Q-Build payroll system. Since then, they have undertaken a range of training initiatives to ensure that that integration takes place. The Townsville Housing maintenance centre was fully integrated with the Q-Build Burdekin regional office in late 1996. The next stage, which is operating at the moment, is for the Housing maintenance centre at Coopers Plains to be closed down as part of an overall rationalisation of Q-Build accommodation across the Brisbane metropolitan area. Those staff have been consulted. In fact, a group of staff have been involved in determining how individual people at Coopers Plains can be most sensitively integrated into the Q-Build work force. By the way, closing the Coopers Plains facility has provided a \$263,000 per year saving to Q-Build in rent saved.

The intention of integrating the work force is to have a single Q-Build maintenance work force that can be deployed against any of Q-Build's activities, whether it be providing maintenance to schools, prisons or public housing, and there should be no distinction between any of those maintenance workers. There is still a lot of work to be done to achieve that, but that is the intention of the integration.

Mr BAUMANN: Minister, still on page 30 of the MPS—you refer to Q-Build's "Successful management and delivery of ... programs." Would you please provide details regarding Q-Build's expected performance in 1996-97 against initial budget predictions?

Dr WATSON: I will ask Tony Waters to answer that in some detail, too.

Mr WATERS: The current year has been a very successful year for Q-Build. Q-Build is retained by the Department of Public Works and Housing under a purchaser/supplier agreement to plan, manage and deliver a number of programs on behalf of Government departments. In 1996-97, these programs involve expenditure of approximately \$119.5m. The programs involved are the Asset Maintenance Program, which is the largest, at \$103m; the Asbestos Removal Program, \$4.7m; the Backflow Prevention Program of \$1.8m; the Ozone Depleting

Substances Program of \$4.4m; and the Backlog Prevention Program of \$5m. All of those programs are on target to fully achieve their expenditure during this financial year.

In addition, Education Queensland has engaged Q-Build as project manager to deliver a number of educational programs, including: the Accelerated Capital Works Program of \$4m; the Backflow Prevention Program of \$1m; the Special Asbestos Planned Removal Program of \$4.5m; the Client Funded Maintenance Program of \$3m; and the Building Better Schools Program, which involves \$44m. That is made up of an upgrading program to classrooms in primary schools of \$20m, a Make Shade Program of \$5.5m; accelerating maintenance within schools of \$11.5m; and a Security Upgrade Program within schools of \$7m. It is anticipated that all of those programs as well will achieve full expenditure targets within the current financial year.

Q-Build is also engaged in a project management/construction management capacity in relation to an accelerated expansion upgrade program within the Housing Program—that is just under \$10m—and an accelerated capital portfolio management program of \$22.3m. A number of other building and maintenance programs and projects are being delivered to clients directly through Q-Build's trading centres. That has a value of around \$70m. In all, Q-Build's projected business turnover for 1996-97 is likely to exceed our initial predictions by between \$40m and \$50m, which represents an increase in forecast program activity of between 16% and 20% for the financial year.

The CHAIRMAN: Minister, I note in the Ministerial Program Statements that Q-Build briefly mentions its activities in disaster control and management. Would you please provide further details of Q-Build's role in disaster management and its involvement in this capacity in 1996-97?

Dr WATSON: Again, when I was in Cairns, I had the opportunity of talking to the Q-Build people on the ground and actually went into the area where they were looking at the potential disaster caused by cyclone Justin. I was able to talk to them in some detail. I must admit that I think they were a little surprised—given cyclone Justin's force—that they actually lost power there during that process. Of course, they had the backup power system, so they were able to continue. But I am not quite sure what that says about some of the power delivery around that area.

The Department of Public Works and Housing has a lead agency role with respect to building and engineering services. That is where the expertise of the department is. Obviously, along with Emergency Services and Premier's, we have a pretty important role to play if there is any disaster. In some areas, it is obviously responsible for disaster coordination, along with Emergency Services. Again, perhaps I should ask Tony Waters to elaborate on the issues and some of the planning that has gone on during the year.

Mr WATERS: Q-Build's State disaster management arrangements were mobilised five times during the current year: three times in relation to

cyclones and twice in relation to flooding. The first was tropical cyclones Ita and Gillian in February this year, when Q-Build's central disaster coordination centre in Brisbane was activated to monitor those cyclones. That involved placing regional officers on alert, but fortunately no action was required in relation to those two cyclones.

In relation to the western Queensland flooding in Charleville—Q-Build arranged for the deployment of approximately 20 Q-Build supervisors and tradespersons to assist in the building damage assessment reports for both Government buildings and private residences as well as assisting in damage repairs. South West Power had directed all residents whose houses had been inundated by floodwaters to have their electrical circuits checked by a licensed electrician before power could be restored. Six Q-Build electricians were deployed to Charleville to work with the local contractors to ensure that residential electrical systems were fit for power restoration.

In the north-west Queensland flooding in the Mount Isa-Cloncurry area, supervision staff were deployed to the impacted areas to assist in damage assessment reports and to coordinate work crews. There was also involvement later in the year in relation to tropical cyclone Justin. Again, damage assessment reports and building inspections were undertaken by Q-Build.

The CHAIRMAN: The time for questions from Government members has expired.

Mr MACKENROTH: I refer to the Ministerial Program Statements. On page 2, the last dot point refers to the implementation of new training strategies for Deed of Grant in Trust communities through the Community Housing Management Strategy. Can the Minister elaborate on what is proposed to be undertaken in the development of training in various groups in the non-Government sector. How will that particularly be tailored to the Aboriginal and Torres Strait Islander communities?

Mr ACKFUN: That particular strategy was commenced this year. That involved a number of housing awareness raising workshops conducted on Deeds of Grant in Trust communities within the ACC communities and also the ICC communities. There are a number of initiatives that we propose to carry out there, specifically the policy development that we plan to do at several workshops around those Deeds of Grant in Trust communities employing the ACC as facilitators in that process. There is a development of booklets that are particularly developed for and tailored to those particular communities. There is a range of other initiatives that we are looking for. We are using the Centre for Appropriate Technology to give us some advice on the particular booklet that I mentioned previously. We are funding two scholarships, which are awarded to community housing workers to undertake a graduate certificate in housing management delivered externally by the Swinburne University of Technology. We are also looking at pilot projects at Doomadgee in the northern peninsula area, which I mentioned previously, where we are looking at housing management training for those particular five

communities and also looking at the safety and health upgrades of community housing in that area. That will work in conjunction with the \$500,000 which the previous Minister approved this year for the development of construction training skills on those communities for repairs, maintenance and upgrades.

Dr WATSON: Last Friday, all the State Housing Ministers agreed to fund a proposal for a training program for Aboriginals. We have reached an agreement between the States to provide funding based on a proportion of the amount of money we receive under that particular program. We will be contributing to the development of a program for training.

Mr MACKENROTH: Is that to come out of the housing grants that are provided by the Commonwealth Government to us under the Aboriginal Rental Housing Program?

Mr ACKFUN: The tied funds that come into the Aboriginal Rental Housing Program—we get \$25.227m. We are yet to talk about where we get the money from—whether it is within the program that I administer or within the Housing Program generally.

Dr WATSON: There is some emphasis on that. The timing of that has not been determined. It is an agreement in principle to go ahead and do that. We are going to try to get money from ANTA before we go down that track.

Mr MACKENROTH: The consultancies document that you provided me in answer to a question on notice refers to C and B Consultants for the Thursday Island Redevelopment of \$105,118. Can you advise me of what that was for?

Dr WATSON: Which page was that?

Mr MACKENROTH: The pages are not numbered. It is under the Housing Program.

Mr ACKFUN: That was, as you say, the Thursday Island Redevelopment Project. The expertise was not within my division at the time that that particular redevelopment project was approved. We got some consultants in, that is, C and B Consultants, to manage the particular project for us. That is an ongoing consultancy up until the first stage.

Mr MACKENROTH: What specifically was the consultancy for?

Mr ACKFUN: That was for a number of site works that needed to be done on the particular sites at Thursday Island. There was some contaminated land in some of the sites that we required. I suppose it was generally to facilitate the redevelopment exercise on that island.

Mr MACKENROTH: So that went out to tender?

Mr ACKFUN: I am pretty sure that it did, but I would have to confirm that. I need to take that on notice.

Mr MACKENROTH: Could you provide me with the details of what went out to tender so that I can understand specifically what it was that was being tendered for?

Dr WATSON: I will provide some information for you.

Mr MACKENROTH: I refer now to page 3 of the Ministerial Program Statements. The opening paragraph, headed "Program Outlays" states—

"... decrease \$0.717B is directly attributable to reduced internal flows within the Housing program"—

as a result of—

"simplifying program financial structures ..."

We talked a bit about that before. Could you state simply what are the major financial transactions involved in the Housing Program? How have those been changed from those quoted in the 1996-97 Budget statements?

Dr WATSON: I have asked similar questions. I am not sure whether the answer is simple. I think Mr Tony Woodward has the answer.

Mr WOODWARD: I will try to put it in a very simple format. If you compare the 1996-97 budget to the 1997-98 budget, the difference is \$805m. That \$805m represents internal flows within the Housing Program, and between the consolidated revenue and the Housing Program representing \$604m. There was a one-off loan last year for \$50m which will not recur. There is a decrease in client capital of \$104m. That was discussed before as well. That \$104m is in the Building Program; it is not in the Housing Program. They are the three factors that make up the difference of \$805m.

Mr MACKENROTH: That does not simply explain it. All you have done is tell me that, if I take away the two figures, it is \$0.717 billion, which is the question that I asked you.

Mr WOODWARD: The \$0.717 billion is basically made up of that \$654m which I mentioned, that is, internal flows.

Mr MACKENROTH: That was money that transferred from the housing trust to consolidated revenue and came back?

Mr WOODWARD: In effect, a lot of that has been eliminated. In the next financial year a new trust fund structure has been set up, which eliminates the internal flows. With Government accounting, as the Minister explained before, you have to have appropriation in different areas. Even though you may be transferring money down from consolidated revenue into a program and then transferring that across to another program, each of those movements has to have appropriation. That is where the double counting comes in.

Mr MACKENROTH: So that has to be appropriated and then shown to you?

Mr WOODWARD: It has to be appropriated, but it has to be appropriated on each program. What we have done is, in effect, eliminate a lot of those internal flows.

Mr MACKENROTH: I will go back to about two hours ago when I asked you to show me where the allocation was under consolidated revenue. If you are saying that each one has to be appropriated, where is it?

Mr WOODWARD: In terms of your question before, Budget Paper No. 2 basically shows the QHC Trust Fund receipts of \$460m.

Mr MACKENROTH: What page is that?

Mr WOODWARD: That is page—

Mr MACKENROTH: You have not dealt with me before. The blokes who have will tell you that I never forget what you have told me.

Mr WOODWARD: That is page 234.

Dr WATSON: When it comes to figures, I do not often forget, either.

Mr WOODWARD: Under the Queensland Housing Commission Trust Fund, total receipts for 1997-98 is \$460m. Of that \$460m, there is a total of \$216m coming from the Consolidated Fund, which includes both the State matching and Commonwealth grants.

Mr MACKENROTH: Where does that show me that?

Mr WOODWARD: The \$460m?

Mr MACKENROTH: Yes.

Mr WOODWARD: \$460.485m. The actual total of the \$216m, which is the total grant, is not actually shown anywhere. It is part of the \$460m.

Mr MACKENROTH: So is that contained in property income and other revenue?

Mr WOODWARD: The \$460m is the total receipts.

Mr MACKENROTH: Right.

Mr WOODWARD: Which is represented by those three items above, which is the \$900,000, the \$452m and the \$6.6m.

Mr MACKENROTH: So if we go to the \$452.985m—

Mr WOODWARD: Yes.

Mr MACKENROTH: That is property income and other revenue.

Mr WOODWARD: And other revenue.

Mr MACKENROTH: That would be made of up of property income, that is, tenants' rents, which is money that is generated from within the trust itself. Is that correct?

Mr WOODWARD: Generated from tenants paying—

Mr MACKENROTH: By people paying money into the trust.

Mr WOODWARD: Exactly.

Mr MACKENROTH: It does not go through consolidated revenue.

Mr WOODWARD: No.

Mr MACKENROTH: Where does it show me where the break-up is? You have just told me that money is actually appropriated and shown in each program. Where does it show me where the appropriation from consolidated revenue is into that amount of \$452.985m?

Mr WOODWARD: We would have to go back to the MPS.

Mr MACKENROTH: Yes.

Mr WOODWARD: If we go to "Housing Policy"——

Mr MACKENROTH: Page?

Mr WOODWARD: Which will be page 62.

Mr MACKENROTH: Right.

Mr WOODWARD: Right at the bottom, "Program Funding Sources", there is \$43,187m, which is actually drawn down from the Consolidated Fund. That is the first one.

Mr MACKENROTH: Yes.

Mr WOODWARD: Under "Community Housing"——

Mr MACKENROTH: Page?

Mr WOODWARD: Page 74.

Mr MACKENROTH: Yes.

Mr WOODWARD: There is \$18.917m from the Consolidated Fund. If we turn to "Public Housing Portfolio Management"——

Mr MACKENROTH: Which page?

Mr WOODWARD: 91.

Mr MACKENROTH: Yes.

Mr WOODWARD: There is \$154m from the Consolidated Fund.

Mr MACKENROTH: Right.

Mr WOODWARD: Those three items come to \$216m.

Mr MACKENROTH: Right.

Mr WOODWARD: That is the total of the grants being drawn down from the consolidated revenue fund, which includes both the State matching and the Commonwealth grants.

Mr MACKENROTH: Right.

Mr WOODWARD: And forms part of——

Mr MACKENROTH: How much Commonwealth grant money is that in that \$216m?

Mr WOODWARD: It is \$49.2m.

Mr MACKENROTH: Right.

Mr WOODWARD: And the State——

Mr MACKENROTH: That does not include the Aboriginal grant money, does it?

Mr WOODWARD: No, it does not.

Mr MACKENROTH: That is okay. It is just that we have not included that in the \$216m.

Mr WOODWARD: And then the State grants coming down——

Mr MACKENROTH: The State grant money?

Mr WOODWARD: It is approximately \$158m.

Mr MACKENROTH: Right, which is made up of——

Mr WOODWARD: Which is made up of the State matching component.

Mr MACKENROTH: Which is how much again?

Mr WOODWARD: \$70,134,000.

Mr MACKENROTH: Yes.

Mr WOODWARD: And the Commonwealth component, which is the \$88.8m.

Mr MACKENROTH: Right. So that was \$118.8m. So really, the State has taken \$30m out of Commonwealth money, which should have gone into housing? That is what it amounts to. When you bring all of that down, the Commonwealth gave us \$118.8m in non-tied money—tied to the housing program but not tied in terms of matching—and when it all comes down, we have, in fact, siphoned off \$30m.

Dr WATSON: As I said to you earlier, that was the import of the answers that were given to the questions earlier on about the \$88.8m and the \$118.8m, and the difference is \$30m.

Mr MACKENROTH: No.

Dr WATSON: I understand. I am not arguing against your right to go through it, but that was the import of the questions and the answer before.

Mr MACKENROTH: Yes.

Dr WATSON: So it is consistent.

Mr MACKENROTH: Yes, but basically, what it means is that there will be 300 houses not built in Queensland this year because the Queensland Government took \$30m away from the housing program. That is the final effect of it.

Dr WATSON: That is only if you use that by itself because the same thing happened last year when there was——

Mr MACKENROTH: It did not happen last year.

Dr WATSON: No, the same thing happened last year of \$114m and \$84m. In addition, my understanding is that there was a one-off grant of \$50m—a one-off loan—that went into housing. So in essence, you got more than was taken away through a loan plus additional and you have got to look at averaging this over time. If you concentrate on that by itself, that is true, but to get the figure for the housing, you have to add the one-off \$50m as well.

Mr MACKENROTH: Was not the one-off loan of \$50m in last year's Budget, in fact, a one-off loan taken out in December 1995, which was not drawn upon during the early part of 1996 because of the capital works freeze?

Dr WATSON: I am not aware of that. My understanding is that it was through the Budget process that it was agreed that there would be a \$50m one-off loan.

Mr MACKENROTH: The Government agreed, I think, in November or December 1995 to borrow \$50m for the accelerated housing program, the Spot Purchase Program, which money was not used in 1995-96. That was a carryover and that one-off \$50m loan was, in fact, that loan.

Dr WATSON: There was a change of Government in between that time and a new process in that change of Government when that \$50m loan

was agreed to. Whether or not it was there in the previous Government is irrelevant.

Mr MACKENROTH: It is when you use that to justify what your program was last year.

Dr WATSON: No, a change of Government—

Mr MACKENROTH: The program last year was a carryover of what our Government left you.

Dr WATSON: No, it is not. If it was not spent, it was not spent. If it was not used, it was not used. It is up to the new Government to make a policy decision on that, which it did.

Mr MACKENROTH: Ian will tell you that that is right.

Dr WATSON: Whether or not it is there, there was a change of Government. One reviews the policies. If the previous Government let it lapse because it was not used, that is it.

Mr MACKENROTH: No, the previous Government did not let it lapse. The previous Government put it in place. Your Government did not use it.

Dr WATSON: It was not used by the previous Government.

Mr MACKENROTH: No. The previous Government put it in place in December and we were out of Government in February.

Dr WATSON: I cannot help the democratic process. The fact is that it was not used. When we come to the Budget process again, all those things will be on the table. It was agreed that there would be a \$50m loan at that particular time.

Mr MACKENROTH: A carryover of \$50m.

Dr WATSON: No, it was not a carryover. It was then decided that there would be a \$50m loan that year.

Mr MACKENROTH: It was already in place.

Mr GRIERSON: Mr Mackenroth, you asked a question that we took on notice in relation to those amounts. Has that question been answered?

Mr MACKENROTH: No, I would still like the answer. I refer to page 3 of the MPS, table (a) headed "Funds Within the Public Accounts". Minister, can you explain why the housing policy estimate in 1997-98 of \$107.307m is almost \$300m less than the estimated actual for 1996-97 of \$406.126m?

Dr WATSON: Again, you will get the same explanation but with different figures, because the same process is involved. Mr Woodward has the details, so he will give them to you. The same process was involved as before.

Mr WOODWARD: There are a number of reasons why that has occurred. If you take the 1996-97 budget figure, \$344m in unrequited transfers equates to the 1997-98 figure of \$103m in unrequited transfers. I can run through each of those items. There are probably 10 items which those unrequited transfers refer to. Unrequited transfers are transfers of money which do not relate to goods or services.

Mr MACKENROTH: I understand what they are.

Mr WOODWARD: It relates to unrequited transfers.

Mr MACKENROTH: Still on funds within public accounts, last year your predecessor raised the wildly unrealistic budget target for community housing of over \$110m. As your estimated actual is only just over \$47m, yet the budget for 1997-98 is \$127.45m, what makes you believe that that level of expenditure can be achieved this financial year when it involves a 270% increase in expenditure? What capacity do you believe the non-Government sector has to expend this amount in 1997-98?

Dr WATSON: I will let Mr Carfoot answer the question fully in a moment. It includes the community housing aspect and so on. Because of the delay in the Budget process at the State and the Federal levels and because the Commonwealth had not actually decided that it was going to review its requirements in this area, the program could not get under way until January of this year. Therefore, in terms of actual houses on the ground, the program is running a number of months late.

We have already started the process for this year. Approvals for the Community Housing Program for last year are in situ now and will now run through this coming financial year. The process for the ones for this financial year will be done by October at the latest. In the remaining year, because we are well down the track, we believe that we will actually be able to deliver those houses also.

The major reason is simply the delay caused by the changing conditions and the establishment of new conditions at the Commonwealth level. That delayed the planning process and the actual building of the houses. The process is now well under way. I will ask Eric Carfoot to give more detail if it is required.

Mr CARFOOT: As the Minister said, because of the approval process with the Commonwealth sign off on funding, the Community Housing Grants Board being instituted by the previous Minister and other issues, the funding rounds where the submissions were put to the Community Housing Grants Board were actually allocated in the November/December period and then as late as March this year. That meant that it was a physical impossibility to spend a great deal of money in that financial year. We have taken the opportunity of making this current financial year the planning year and next year will be the spending year. We have to utilise the funds wisely. We have taken the funds into public housing. The commitment to community housing will be repaid into that account next year and we will have houses on the ground.

Mr MACKENROTH: I have to say that you really should have made that decision before you allocated the money last year. Anyone involved in housing would have known that that would be the case.

Dr WATSON: You have the explanation of why it happened.

Mr MACKENROTH: I could have given that explanation at last year's Budget Estimates Committee. The department should have known that.

Can you provide details of the payments that this year will be made into programs or sections of the department other than the straight housing programs, that is, community housing, public rental housing or Aboriginal rental housing? I highlight things such as the Home Assist and Home Secure Programs, which I believe are now funded by the Housing Trust. Are there any others and can you list them? I can put that on notice if you cannot provide the detail now.

Dr WATSON: We will have to take it on notice, but we will provide the information.

The CHAIRMAN: The time for Opposition questions has expired. How has the Queensland Government developed the awareness of Government purchasing officers about the need to enhance the capabilities of local business and industry?

Dr WATSON: The Government is obviously concerned about ensuring that local businesses get a chance to compete for Queensland Government business. We are in the process of developing what we call a quick guide to buying locally. Hopefully, that should be available for distribution to purchasing officers throughout the Government by the end of this month or soon after. It will emphasise to each of the purchasing officers the State Purchasing Policy and our desire to buy locally whenever we can. It is obviously important, particularly for country areas, that local business people are given a chance to compete for business in their areas. The person in charge of putting that guide together is Anton Donker, so I will ask him to answer the question in more detail.

Mr DONKER: As the Minister said, we have developed a quick guide for buying locally. A lot of people may not be aware that already more than 80%—it is probably closer to 90%—of our buying is from Queensland resident suppliers. We are trying to enhance that and enhance the proportion of that that comes from regional areas. The major issues are the training and capability of purchasing officers so that they understand that they can buy locally and that that does not necessarily mean taking the lowest price but getting value for money. That includes things like local supply arrangements, dealing locally with people and being able to get parts easily on a whole-of-life basis. We are producing that quick guide to give very sensible, sane and pragmatic advice to people on that subject so that they can have more confidence, and that in particular will be matched with a range of training programs. That is due for release in June—at the end of this month.

The CHAIRMAN: How has the Queensland Government improved supplier access to Government buyer information?

Dr WATSON: Obviously it behoves the Government of any State, including Queensland, to take advantage of changes in technology. The Queensland Government is doing so. In particular, we have developed the Queensland Government

Marketplace, an Internet-based service which we hope will improve communication around the State and will enable Government business to be conducted more efficiently. Again, Anton has the carriage of that and I will ask him to give you the details.

Mr DONKER: There are lots of people buying in various departments—more than 4,000 or 5,000. The previous database that had all of the Government purchasing arrangements on it—a system called MAPPER—was inaccurate, outmoded and quite expensive to maintain. A new database, a Queensland Government Buyers Catalogue, has been developed as a replacement. It is already available in a large range of formats—on line, CD, disc, microfiche, hard copy. Basically, we provide it in whatever form the buyers want it. That has been done using commonly available software and development tools and at quite low cost. The new system is easier to use and has a greatly enhanced range of features. It covers all of the Government-wide standing offer arrangements and it is already being used by the police, Health, Education and various other departments, including DPI and DNR, not only for the Government-wide arrangements but also for their own departmental uses.

One of the features of the system is that not only can they access the Government offers; they can put on their own departmental offers and decide whether to make them available to other agencies or restrict them just to themselves. For example, not many people want flak jackets, as you can imagine, so the Police Service chooses to restrict that contract to itself. It has certainly been very well received by purchasing officers right around the Government.

The second initiative that the Minister referred to is the Government Marketplace, which is currently on trial. It is an Internet-based system that will be launched officially shortly. Basically, it includes an electronic tender database for potential suppliers to search so as to identify all of the current tender opportunities available to supply the Queensland Government. In addition, that Web site has the State Purchasing Policy, all of the other relevant purchasing and policy documents and the quick guides. That is being kept up to date on the Web and is available for people to visit, should they choose to do so.

Mr HEALY: I have a couple of questions in relation to Q-Fleet. Page 35 of the Ministerial Program Statements states that the program goal is to ensure efficiencies in service delivery to clients and other stakeholders. Can you provide details of Q-Fleet's efficiency gains through the implementation of business systems?

Dr WATSON: I visited Q-Fleet about 10 days ago and I went over a couple of the systems it is implementing, one of which is the Client Access System. The other system is an imported system for fleet management. It is being developed here and structured for the Queensland situation. Both of those are innovative programs which should significantly improve the efficiency of Q-Fleet. I will

ask Mr Les Clarence to come forward and give you the details.

Mr CLARENCE: As the Minister said, Q-Fleet is implementing two major changes to its business systems which have led, and will continue to lead, to increasing efficiencies in service delivery. As the Minister said, the first of those is our Client Access System, or CAS. As the Government's fleet manager, Q-Fleet holds vehicle data for all the vehicles that it manages. That data is stored on a central vehicle database and, by utilising the Client Access System, Q-Fleet's clients can access that information. CAS was designed and developed by Q-Fleet with the objective of reducing duplication across Government and to help clients ensure that their vehicle fleets are utilised at maximum effectiveness. This system is the first that we know of in a leasing organisation in Australia.

CAS also has the ability to store vehicle data that is not required by Q-Fleet but by its client. That can include information such as driver details, parking bays and so on. Clients can utilise CAS to hold that information and, therefore, it eliminates the need for them to keep their own separate vehicle records, as they have all of that information available from Q-Fleet, together with fleet management data, lease package information and service and maintenance records. CAS was first released to clients in late 1995, and we have 55 clients currently connected to CAS.

Q-Fleet is planning the following developments to CAS which will further enhance its capability. The enhancements include things such as direct client access to standard fleet management reports, improving the speed of access to data, the provision of fringe benefits tax information, on-line billing and on-line vehicle requisitioning. Those developments and enhancements are expected to be released during 1998.

The second of the major changes that Q-Fleet is making relates to the core system, which is called the Q-Fleet Information System. In January 1997, following a global tendering and evaluation process, we selected the Kerridge Transport System, from the United Kingdom, to be that core system. Kerridge provides an integrated vehicle leasing, fleet management, workshop and finance system which will significantly improve Q-Fleet's efficiency and services by providing on-line access and reporting.

Dr WATSON: If the member wishes, we can give you a bit more information about that.

Mr HEALY: I think we have received the information required. The 1995-96 annual report of the department refers to Q-Fleet and mentions relationships with motor vehicle repairers. Can you let us know what Q-Fleet is doing to manage and reduce motor vehicle accidents across the Government fleet?

Mr CLARENCE: As the fleet manager, Q-Fleet takes seriously the issue of vehicle accidents and continually monitors and benchmarks the number of accidents our fleet has. We are working closely with our insurance broker and underwriter to develop strategies which will help to reduce the number of

motor vehicle accidents across the fleet. Our current accident reduction strategy includes four major initiatives—practical defensive driver training, driver information and education programs, customer performance pricing, and providing clients with easy access to accident details. Q-Fleet introduced defensive driver training in October 1994. That program was developed after an analysis of accident types and causes and concentrates on specific driver behaviours. Courses are specifically tailored to meet the requirements of individual clients.

Through our underwriter, Suncorp, we have managed to negotiate an arrangement whereby it subsidises training fees in rural and remote areas so that the program costs in those areas are similar to what they are in south-east Queensland. We are also pursuing driver education and information tools other than training, with a view to ensuring that driver information and road safety messages are disseminated widely. The tools being used include videos, brochures and a regular column in the Q-Fleet flier.

Q-Fleet's customer performance pricing system gives clients the financial incentive to work towards improving their drivers' accident records. This system ensures that clients' insurance premiums reflect their accident histories. Q-Fleet clients can obtain information on accident statistics and losses to assist them in targeting specific areas for performance improvement, and that information is provided widely at Q-Fleet's client advisory committee meetings and client board meetings. We are continually trying to improve accident management strategies and to develop new initiatives to reduce the number and severity of accidents.

Issues under consideration include access to claims through the Client Access System, safety message stickers available through driver training providers, safe driving messages on vehicle service stickers, compulsory defensive driver training for drivers meeting specific criteria, and safe driving messages and feedback telephone numbers on some or all vehicles. To date, the work that we have been doing is starting to have an effect. Q-Fleet's claim rate is currently about 18 claims per 100 vehicles compared to 22 claims per 100 vehicles last year. The accident rate is better than the Australian benchmark, which is around 20 accidents per 100 vehicles, and better than the US standard, which is around 25 accidents per 100 vehicles.

Mr BAUMANN: Minister, I refer you back to page 39 of your MPS where it states that new business opportunities are being sought and success has been achieved with local, interstate and national clients. Can the Minister please outline the new business products that Goprint has developed and the opportunities for these products in the future?

Dr WATSON: I took the opportunity about two weeks ago to visit Goprint and look at what was going on in that area. Goprint is in an area which is changing rapidly because of technology, as are a lot of other areas, but we are talking about Goprint now. Information technology, computer technology,

graphic design—all of those things have changed rapidly over the last decade or so and are going to increasingly change rapidly in the future. Goprint is in a fairly competitive position. If it wants to provide Government agencies and departments with state-of-the-art work, whether it be in traditional pamphlets or booklets, whether it be on CD-ROMs, whether it be on the Internet or whatever, then it has to have the capabilities of developing in the same way as any private enterprise printer. From my couple of hours over there and talking to the management and the staff, I think it is coping pretty well.

They have actually developed a pretty interesting CD-ROM called The Language Market which is an educational package. At the moment it is in six languages: German, French, Italian, Chinese, Japanese and Indonesian. That is a pretty innovative package. I think it has been done in conjunction with the Education Department, so we cannot claim all the credit for it, but certainly it has been done there. If you are looking at opportunities for the future, they already have the expertise in that area. It would seem to me that that is one of the obvious future client developments. At the moment it is CD-ROM based. I would expect that to go to other forms of technology. When you look at the graphic designs and things that they do, I would think that is going to be available in different technologies. So there are a lot of opportunities, I think, for Goprint.

Mr BAUMANN: Still at page 39 of the MPS and a little bit more of Goprint's entrepreneurial ability—they are offering a facilities management option to Government departments. Can you explain the thrust of this initiative?

Dr WATSON: I think perhaps I should ask John Swan, the General Manager of Goprint, to come forward and talk about that. I probably should have done that for the previous question but I will do so now.

Mr SWAN: The facilities management option is an extension of Goprint's services. We already offer some in the sale of materials. The particular one we are talking about is the proliferation of large-volume copying machines in departments of both colour and black and white varieties. We feel there is a chance to rationalise that sort of equipment and do it very, very efficiently at a couple of centres, maybe in the city. We already have extended one centre in Mineral House. We are negotiating—and are very close, I hope, to finalisation—another centre in DTIR. The utilisation within departments of this expensive infrastructure, plus the fact that it is not core business for departments, has led to this approach by Goprint. We currently have agreements with Queensland Health, QPM, Housing and Local Government and Planning, as well as a longstanding agreement with the Open Access part of the Department of Education. We have a further project in Education to look at other areas where they have large-capacity copying needs. We are also negotiating with Training and Industrial Relations, parts of DPI—Fisheries and Forestry—Department of Justice and Attorney-General, Department of Tourism, Small Business and Industry and Queensland Rail. The aim is to expand our

operations and to link those other sites by modern technology such as CITEC's fibre-optic cable so that we can allow a high level of client service. Overall Government capital expenditure, we would hope, would be considerably reduced under such an arrangement.

Mr HEALY: I have a question on CITEC. I refer you to page 28 of the Ministerial Program Statements and in particular footnote 3 in relation to variations between the 1996-97 estimated actual and the 1997-98 estimate. It states that the increase in this section partially reflects the impact of the new round of enterprise bargaining and a continuation of the graduate recruitment program in CITEC. Can you just give us some details about that and how many graduates will in fact be employed by CITEC in 1997-98 and detail the benefits to CITEC?

Dr WATSON: The graduate recruitment program for CITEC has been fairly extensive. I think we have got in this last year about 20 or 25 graduates from various universities around Queensland—not just universities in Brisbane but other Queensland universities. Given the expectations of continuing change and demand for the computer services which CITEC provides, I would expect that to continue in the future. But I have Mary-Lou Dutton here, and she can answer that in some detail for you.

Ms DUTTON: CITEC is a business unit within the portfolio which operates as a separate business entity. It receives no direct Government funding. CITEC tenders for all contracts, both in the public sector and private industry, in competition with private companies. CITEC's success relies heavily on its ability to recruit and retain highly trained and enthusiastic staff. CITEC's graduate recruitment program therefore forms an integral part of its corporate objectives. CITEC commenced its graduate program in 1985, and many of Queensland's most outstanding professionals in the IT industry are products of CITEC's recruitment and training processes.

Over the last three years, CITEC has employed an average of 20 graduates per year and intends to maintain that intake level during 1997-98. Graduates are selected from applicants from universities Queensland-wide, as the Minister has said—the Central Queensland University, the Southern Queensland University and also the Gold Coast campus of Griffith University—as well as the Brisbane-based universities. Entry to the program is keenly sought by graduates as an opportunity to enter the information technology industry at the cutting edge. CITEC's graduate recruitment program not only provides CITEC with highly trained employees but also benefits Queensland's IT industry as a whole and provides quality employment opportunities for university graduates. CITEC offers graduates a supportive yet challenging environment to test and hone the IT skills that they learn at university. The program offers graduates a combination of project work, on-the-job training and mentoring by senior CITEC staff. Due to CITEC's size and experience, graduates have the opportunity to work in areas across the diverse IT industry,

ranging from on-line information services, data communications and large systems management through to desktop management.

Queensland needs capable, skilled professionals in the IT industry. The CITEC program has a flow-on effect to the local industry. As in any industry, staff in the IT industry are very mobile, and other firms in the Queensland IT industry are keen to employ staff who have undertaken CITEC's professional induction and training program. The Government is committed to the continuation of CITEC's annual graduate recruitment program.

The CHAIRMAN: Time has expired. Mr Healy, do you want an extension of time?

Mr HEALY: No.

The CHAIRMAN: The time for Government questions has expired. I now hand over questioning to non-Government members.

Mrs BIRD: There is widespread industry disquiet on prequalifications and who is invited to tender, particularly on major jobs. Is there a clear methodology on who gets on the panel and, if so, why does the industry not know about it?

Dr WATSON: I am not quite sure that there is widespread concern or dismay, but I will ask Gary May to come forward and answer that.

Mr MAY: The prequalification initiative that the Government has been developing has been developed in very close cooperation and consultation with industry. It is perhaps true to say that there are still some sectors of industry which may not be fully aware of the proposal. That is partly an issue of timing. There has been fairly extensive consultation at all of the major regional centres including Cairns, Townsville, Mackay, Rockhampton, Hervey Bay, the Gold Coast and, of course, Brisbane.

It will be a protracted process to explain to all industry participants just how the prequalification system is proposed to work, but there is essentially sign off from all of the major industry organisations on progress to date. I would hasten to add, however, that the prequalification proposal has not been submitted to Cabinet and is part of the package of reforms that are considered in the security of payment umbrella, and that has not been submitted to Cabinet. So at this stage it is still an initiative that we have been consulting with industry and developing up. As I say, while there might be some pockets of industries which are still unfamiliar with aspects of it, there is increasing industry support for it and, in some quarters, enthusiasm for it.

Mrs BIRD: Could you explain the tendering process for me? Who is invited to tender and who selects those persons?

Mr MAY: There are essentially two issues here. Prequalification should be understood to be the process whereby people who wish to do work for Government can actually be registered with Government to do work. That is a process that is done every year or every couple of years. It is different to the actual tendering process which occurs once a job is put out to tender. In order to

tender, we are looking for a situation where we have a body of prequalified suppliers who meet certain standards, and from that body of prequalified suppliers we can choose people to tender either on select lists or we can allow everybody within a particular category, a prequalified category, to actually tender. It depends; if there is a lot of people within a category, we may wish to still pursue the option of a select tender list. This course of action is strongly supported by industry which is very concerned with the proposition of 20 or 30 firms tendering on the one job and the abortive costs that are associated with so many firms tendering on the one job.

So the notion of select tender lists is supported by industry, but I would restate that point: prequalification is simply the process to get on our registers in order to be able to tender and then, once a project comes along, we will either put it to all of the people within a particular category or a select list of people within a particular category.

Mrs BIRD: Can I repeat my question? How does one become invited to be on a list? You have four, maybe five, people invited to tender. Who selects those people and why?

Dr WATSON: The issue has not been decided by Cabinet.

Mrs BIRD: Oh yes, it has; you are doing it all the time.

Mr MACKENROTH: Buy a carton of beer.

Dr WATSON: Are we talking about the prequalification process and then that or—

Mrs BIRD: We are talking about tendering. We are talking about invitations to tender for a specific job.

Dr WATSON: So it has nothing to do with the prequalifications.

Mr MAY: I think the distinction between the prequalification, which the initial question was about, and tendering is one that I sought to stress. If the question is: who gets on select tender lists, that decision is made according to a number of criterion.

Mrs BIRD: You are skirting the issue, I am sorry. I have specifically asked: when you have limited invitations to people to tender, who selects the people to be tendered, to be invited to tender?

Mr MAY: We have a panel of people that includes people with project experience and contractual experience, and if it is a major project the client agency would be involved in that as well.

Mr GRIERSON: The final decision usually rests with the Executive Director Building and myself as the Deputy Director-General.

Mrs BIRD: What is the criteria then for selection? Why is it that you select some people for some tender and they are not selected for the next tender, although it is almost a duplication?

Mr MAY: The criteria for selection is generally included in the tender document and includes such things as financial capacity—particularly financial capacity; an organisation has to have enough substance behind it to be considered for a certain

size of project—management expertise, previous experience—

Mrs BIRD: But you have already decided that. That has already been decided, because you have already given them a contract. Why then when they have done a very good job, an excellent job, are they not considered to be invited to tender again?

Mr MAY: If they have done a very good job and an excellent job they are indeed considered in formulating the next tender list, but not every builder can be on every project. Industry itself is very critical of that practice of including too many tenderers on a list. So the work does tend to be rotated around. If there are many builders who have all done a very good job, there has to be a decision made in respect of which of those builders are appropriate to a particular job. Whilst they might miss one today, they might get one tomorrow.

Mrs BIRD: So in fact what you are saying is, if you get this contract, it is most unlikely that you will be invited to tender for the next contract?

Mr MAY: It depends. We have very good records and those records show a fairly equitable distribution of work amongst various categories of builders.

Mrs BIRD: So you like to spread it around?

Mr MAY: Yes, provided people are capable of doing the work. By the way, we do consult with QMBA in respect of the distribution of work, so the industry organisation is aware of the processes that we use and of the fact that we are attempting to be fair and equitable in our distribution of work.

Mrs BIRD: Then I put it to you that if a firm knows it is on this contract, it has won this contract, but it is not going to get the next contract, why would it bother making this one a good contract?

Mr MAY: Because it knows that there will be future opportunities. It may not be the next but it may be the one after that. If a firm wishes to maintain a good reputation with Government—and the more responsible firms always do—it will make sure that it does a good job.

Mrs BIRD: There is a quality risk involved with that, of course, because you are saying that, although you have your selection panel and your selection criteria, within the next bundle you cannot be certain because you have not had them do work before where in fact you had witnessed the sort of work that the previous contractor could do. I will put it to you that the industry is aware of that.

If we can go now to page 9, the first dot point; I appreciate that you have given us a response in terms of the asbestos, but I just want to ask: there has been some criticism of the management of the asbestos program in that whilst there is a lot of money being spent on staff, that is going on administration and consultancies. My question to you is: what delivery is anticipated in the next 12 months?

Dr WATSON: My understanding of the process is that there was a list developed of high-risk issues with respect to asbestos. I will get one of the officers to come and talk to you about the particular

details. However, there was a list developed of high-risk areas—high-risk buildings and things like that. An audit of that has been undertaken. The high-risk areas have been attended to already. They are now working down the priorities depending upon the risk. If that changes for some reason and one which was lower down in risk increases in risk because there has been some disturbance, that will be attended to straightaway. But to get you the details, I will ask Keith Farr to come forward.

Mrs BIRD: I am interested to know how much work is actually being done other than administration and consultancies.

Mr FARR: The program has identified 30,000 Government buildings that had a potential to have a problem within them. In the two years of the program to date, 15,000 of those buildings have been audited. Each of those buildings has had either urgent high-risk asbestos removed or a building management plan put in place for that. The building management plan identifies the asbestos that is within the building and a strategy to make sure that it does not affect people, so that the occupants and workers who will come into that building are aware of the asbestos. It is a process that gets reviewed so that if the situation as far as the high-risk nature of that asbestos changes, a removal program will be implemented. In the forthcoming year—in fact, in the next two years—the remaining 15,000 buildings that had some potential problem will be audited and categorised into low, medium and high risk. Those that require urgent removal will be removed, and building management plans will be put in place for the remaining buildings.

Mrs BIRD: Minister, are there any schools or any school classrooms that are yet to be cleaned of asbestos?

Mr FARR: All of the schools throughout Queensland have not been finalised. Some of those are not within the first 15,000 regarded as high-risk areas. The high-risk areas were deemed to be those that were built prior to 1990 and those that had boilers, airconditioning plants and lagging on pipes. In most of the schools it is asbestos roofing which, if it is in a stable condition, does not present a high risk. But every one of those schools will be looked at over the forthcoming year.

Mrs BIRD: Is there a priority for schools?

Mr FARR: Yes, there is a priority for schools to be done during this coming financial year.

Mrs BIRD: I would be interested to know what percentage of the money goes into administration and consultancies as compared to the actual removal of the asbestos. I do not expect you to have that now, but could I get that on notice some time?

Dr WATSON: Presumably that would also include administration and things like that, the audit fees and the consultants. Someone has to do that. That might be referred to as administration, but it is part of a rational management program.

Mrs BIRD: I would still like to know.

Dr WATSON: Okay. We can get those figures. But I want to make the point that you cannot think of

administration in terms of being inefficient and the removal of asbestos as being the real part of the job. I mean, both things have to be done.

Mrs BIRD: I note that on page 44 of the MPS you say, "An overall improvement in measurable client satisfaction occurred". How do you gauge that? If that is so, why did the Minister for Education dispense with your services?

Dr WATSON: It was measured by customer survey. I cannot recall the exact figures. I remember actually seeing the figures. I cannot remember what they were, but there was definitely an improvement in the perceived service that the customers were getting. Maybe somebody can actually give me those figures. It was definitely done by a survey.

Mrs BIRD: And questions were asked of customers on a survey form?

Dr WATSON: Yes.

Mrs BIRD: And the Minister for Education?

Dr WATSON: As far as I can tell, the Minister for Education is reasonably happy. I think there is an issue when money is devolved—although not maintenance. The area to which it is devolved has a right to look at the priorities of the use. But in terms of conducting maintenance or building of schools and things like that—that is done through Project Services, which is run by the department. I am not aware that there are any significant issues there.

Mrs BIRD: Yes, but it damages your whole-of-Government approach to which you refer constantly throughout your MPS.

Dr WATSON: Not necessarily. The issue with respect to devolution, which started a number of years ago, is that, when it comes to an area like Education, perhaps it should be the Education Department that decides the priorities of the schools and perhaps even the priorities of building schools, adding classrooms and things like that, rather than the Department of Public Works and Housing—or the Administrative Services Department, as it was before. I see nothing inconsistent with the department deciding the priorities and the Department of Public Works and Housing implementing those priorities as the agent for that department.

The CHAIRMAN: The time for questions from non-Government members has expired. I call on Government members for further questions.

Mr HEALY: Minister, I refer you to page 55 of the Ministerial Program Statements. This is under "General Public Services" and "Sales and Distribution Services". At the top of page 55 is a dot point which talks about the "first full colour illustrated catalogue" by Sales and Distribution Services. Can you outline the need for such a catalogue and the benefits to the operations undertaken by this business unit?

Dr WATSON: Yes. It is a pretty interesting development. I will get Bob Hunt, the General Manager of SDS, to come forward and answer that.

Mr HUNT: Fundamentally, SDS is a mail order business. As was indicated earlier in this afternoon's proceedings, there are no tied clients of the business, nor any guaranteed business which goes

to it. It is for that reason that SDS and its predecessor organisations have produced and distributed catalogues as their principal method of informing potential customers about their products.

We have conducted customer surveys and the results informed us that there was a high demand from our customers for a pictorial publication to assist them with product identification, information about part numbers, units of sale and price. Our customers tell us that a limited text-only representation is much more difficult to work with. Our experience since we have produced the catalogue in its present form has shown that better identification translates into fewer incorrect orders and, therefore, savings in rectification as well as avoidance of delays in procuring the correct product. Our major competitors produce similar publications. That was a very clear indication to us that, to remain competitive, we need to look very closely at that practice.

The benefits that have accrued since the publication has been in the public domain are that we have recorded increased sales of new products resulting from early customer awareness of them in our range. We have had reduced returns due to better ordering. That translates into savings from less stock damage in transit, lower freight and labour costs. Our customer surveys have indicated to us that there has been increased satisfaction with the service provided in that manner. As valuable a contribution as the catalogue makes, SDS recognises that it also imports some rigidities in that it only appears once a year. Those rigidities can stand in the way of our trading effectively with our customers. To enhance the flexibility of that document in the market we have introduced this year a quarterly flier, which introduces new products and promotes specials. We are also working on a number of opportunities for greater electronic commerce, including the use of CD-ROM and Internet facilities.

Mr HEALY: This question may refer to CITEC. Could you explain how your department is using modern communications technology to assist regional Queensland?

Dr WATSON: We are using it in a variety of ways. Perhaps one of the things I could do is give some specific examples. The State Archives has introduced systems to allow the information that they have to be available for rural and regional Queensland. I would expect that, as we go down the track, we will see the Internet being utilised by Governments to provide broader access to regional and rural Queenslanders. In the past we have used television and the Queensland television network to interact directly with rural and regional Queensland. In fact, when I was Parliamentary Secretary to the Treasurer, I used that to communicate directly with rural Queensland on the effect of the changes in what we were proposing in the gaming area. There are quite a number of ways that we are doing that. I will ask Anton Donker, the head of that section in my department, to come forward and answer that in greater detail.

Mr DONKER: As the Minister pointed out, CITEC's video conferencing services are used quite

extensively throughout the State, particularly in educational and medical applications. There are two distinct ones. One is effectively a business television service: one-way video and two-way voice to many sites through the State. The second is video conferencing, which allows two-way interaction between in excess of 50 sites throughout the State. Queensland is actually a world leader in lots of areas there, particularly clinical applications, such as psychiatry through Health, and a lot of educational activity.

Using the business television and the remote commercial television service operated by Channel 10, CITEC produced a series of programs called "Talkabout" aimed particularly at community areas in remote parts of the State—things like women's issues for isolated women in those areas and even issues on regional policing with Queensland Police. CITEC is also providing through its public access system access to documents like land titles and company searches for people wherever they are in the State. They are accessible on line.

For Primary Industries, things like Farmfacts are sent out through CITEC and also information from the Fish Management Authority. I have already indicated earlier that things like the Queensland Government Marketplace is going on line. Perhaps members are interested to know that the Queensland Government Directory listing all of the ministerial offices and members of Parliament for State and Federal jurisdictions is on line on the Internet and kept up to date—unlike the one that was printed—on a monthly basis. That is accessible for any members of the public. Those are very real things that make not only the department but also the Government accessible right throughout the State.

Mr BAUMANN: I understand that there has been rapid acceleration of the commercialisation of almost all functional areas in the Housing Program. Could you outline to us the reasons for that?

Dr WATSON: There is a move right across Governments to commercialise their functions. Commercialisation simply means that what we are trying to do is produce the social outcomes that we want but to do so in an effective and efficient manner. The previous Government did that. I think it did that in the correct way in many, many cases to produce better social outcomes for lower amounts of taxpayer dollars or to achieve more of the social output that it wanted for the same amount of dollars. I do not see any part of Government as being necessarily exempt from those pressures, because taxpayers demand that Governments are efficient and effective. In the Housing section or other sections of my department we can expect that process to continue.

Mr BAUMANN: As you would be well aware, in the past 24 hours there has been some comment in regard to the condition of Parliament House. I would like to know if you could advise us of what your department plans to do in regard to this matter?

Dr WATSON: It was rather ironic that that occurred because the Speaker came to my office when we were meeting last week and asked, "What have you done about approving some funds for

Parliament House?" In fact, I had approved the program about half a dozen days before he spoke to me. I said, "Let me just get it." I had some of the details faxed over. That program was directly addressing the particular issue that came up. Perhaps I can ask Mr Grierson to give the details.

Mr GRIERSON: In regard to the parliamentary complex, we are undertaking quite a bit of work at the moment. During the 1996-97 Office Accommodation Program we funded \$1.5m for refurbishment for levels 3 and 4 of the Annexe, an \$81,000 office fit out for the Annexe and \$8,000 for the kitchen. \$360,000 has been spent in upgrading the Speakers Dining Room.

The main area, though, to which there was reference in the last 24 hours deals with the stonework and the exterior of the building. We have agreed with the staff of the Speaker that our department will fund \$500,000 worth of stonework restoration, \$299,000 out of this year's budget and \$201,000 out of next year's capital budget for our department. We are also funding a \$1.5m energy management upgrade for Parliament House.

The work that relates to the pieces of concrete which are supposedly loose—in fact, on 3 June we awarded a tender for \$740,000 to a firm T. A. Taylor to undertake all of that rectification work. We had meetings with the contractor on site yesterday. We expect work to start here on 18 June and be completed by 27 February 1998. So a lot of work is being done down here.

Mr BAUMANN: As you gaze into the crystal ball, do you see any additional lifts available anywhere along the way?

Mr GRIERSON: We believe that the health program of the Ministers is such that the stairs are very good exercise.

Mr BAUMANN: I take that on board.

Dr WATSON: And more importantly, the members.

The CHAIRMAN: Minister, there has been considerable concern expressed within the local architectural profession regarding the extensive use of southern consultants on projects, particularly in the area of hospitals. What is your view regarding the use of southern consultants?

Dr WATSON: As I indicated previously we have a desire, if you like, to buy locally. However, we have to be careful because there is no way that we as a Government can actually put a definite ban on going interstate. That would be against the National Competition Policy and perhaps against the Trade Practices Act. What we have done, and what we will continue to do, is to try to ensure that the tendering process is fair to allow Queensland firms to bid for the tender and to make sure where we can—although remember a lot of this, of course, is with the client departments, whether that be Health or Education—to make sure that the tender documents themselves do not inadvertently discriminate against Queensland firms.

As I said, in areas other than the architect, which I think you referred to, we are certainly asking

purchasing officers to buy locally. We have produced a booklet to do that. Just a few days ago I had a discussion not with architects but with consulting engineers who expressed similar kinds of concerns, although I think in their case it probably is not as bad as what I understand the architects perceive it to be, although none of the architects have actually approached me personally.

We are conscious that we are a Queensland Government and to as large an extent as possible we ought to be supporting Queensland businesses, but we are constrained in the longer term by our laws which this Parliament and the Federal Parliament have agreed to.

Mrs BIRD: Does that include the wine in the members bar or in the gift shop?

Dr WATSON: Mrs Bird, I think you would probably have to talk to the Speaker about that particular issue. I am not quite sure if these laws really apply to the wine in Parliament House.

The CHAIRMAN: Thank you, Minister. I have received a letter from the Director-General of the Department of Main Roads and also from the Minister clarifying one question asked this morning and correcting another. He has attached Appendix 1 and Appendix 2 to his correspondence. I seek leave of the Committee to have this correspondence incorporated in Hansard within the Transport and Main Roads portfolio.

Mr ELDER: I think you would need to only incorporate the correction to Hansard. The other is a

correction to a question on notice, but you can incorporate them if you like.

Mr MACKENROTH: We can incorporate the lot. Any time the Minister wants to say that he is wrong, we will agree with it.

The CHAIRMAN: Thank you.

The time allotted for the consideration of the Estimates for the Public Works and Housing portfolio has expired. Minister, I would like to thank you and your portfolio officers for their attendance and their full cooperation. I regret that some people who were answering questions were cut off, but under the Standing Orders we would have to seek an extension of time. No doubt, everybody had lots more questions. The member for Chatsworth even offered to take over and finish off the whole afternoon for us.

Mr MACKENROTH: No, I did not offer that. What I said was at 20 to 7, "Why don't we go home now because you can get your answers in the party room." I was offering to go home early. You just give up your time and we can go home.

Mr ELDER: He should have said it a bit louder.

The CHAIRMAN: Yes, we misunderstood. I would also like to thank the Hansard staff, the audio operator, and also our timekeeper and attendants for the work that they have done here today. I declare this public hearing closed.

The Committee adjourned at 7 p.m.