

**ESTIMATES COMMITTEE C**

Mr G. B. Fenlon (Chair)	Mr V. G. Johnson
Mrs J. M. Attwood	Mr B. E. Laming
Mrs E. A. Cunningham	Mr P. G. Reeves

**PUBLIC WORKS; HOUSING****IN ATTENDANCE**

Hon. R. E. Schwarten, Minister for Public Works and Minister for Housing  
 Department of Public Works—  
 Mr M. Grierson, Acting Director-General  
 Mr T. Woodward, Director, Finance and Information Technology  
 Mr W. Pashen, Assistant Director, Finance and Information Technology  
 Ms C. Tonkin, Director, Queensland Purchasing  
 Mr L. Clarence, Group General Manager, Services and General Manager, Q-FLEET  
 Mr B. Hunt, General Manager, SDS  
 Mr M. Smith, Group General Manager, Works Queensland and General Manager, Project Services  
 Mr R. Rankin, Acting General Manager, Q-Build Department of Housing—  
 Ms L. A. Apelt, Acting Director-General  
 Mr I. Fulton, General Manager, Home Purchase Assistance and Financial Services  
 Mr A. Ackfun, General Manager, ATSI Housing  
 Mr D. Short, Acting Assistant Director, Budget and Financial Reporting  
 Ms J. O'Farrell, Acting Manager, Program Management  
 Mr G. Smith, General Manager, Housing Services  
 Mr J. Nelson, Acting General Manager, Community Housing  
 Mr D. Manzie, Acting General Manager, Property Assets Group

The Committee commenced at 8.30 a.m.

**The CHAIRMAN:** I declare open this meeting of Estimates Committee C. I would like to introduce the members of the Committee: Julie Attwood, the Member for Mount Ommaney; Phil Reeves, the member for Mansfield; Liz Cunningham, the member for Gladstone; Vaughan Johnson, the member for Gregory; and Bruce Laming, the member for Mooloolah. I am Gary Fenlon, the Chairman of this Committee and the member for Greenslopes.

The Committee will examine the proposed expenditure contained in the Appropriation Bill 1998 for the portfolios of Public Works and Housing, and Transport and Main Roads in that order. The Committee has agreed that it will suspend the

hearing for two 30-minute breaks, one in the morning session and one in the afternoon session, as well as for a one-hour lunchbreak between 1.30 p.m. and 2.30 p.m., subject to any changes that the Committee may deem appropriate as these proceedings unfold today.

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 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 of the time is allocated to non-Government members. Government members and non-Government members of the Committee will take turns in asking questions in blocks lasting approximately 20 minutes.

Copies of the Committee's questions on notice and the Minister's responses are available from our staff here today. In accordance with the Sessional Orders, each of the Ministers may make an opening statement lasting up to five minutes. I ask the Minister to use that statement to advise the Committee of any changes to the Budget papers for his portfolio. I understand that in this case the Minister wishes to make two short statements relating to each section of his portfolio.

In relation to the media coverage of today's hearings, the Committee has resolved that video coverage is allowed only during 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 advisers to Ministers to identify themselves before they answer a question.

The proceedings today are similar to Parliament to the extent that the public cannot participate in the proceedings. I remind members of the public that in accordance with Standing Order 195 strangers, that is, the public, may be admitted or excluded from the hearing at the pleasure of the Committee. If anyone attending today has a mobile phone, please switch it off while in the Chamber so as not to disrupt the proceedings.

The first item for consideration is the Estimates of expenditure for the portfolio of Public Works and Housing. The time allotted is four and a half hours. The examination will begin with the Department of Public Works, followed by the Department of Housing. I declare the proposed expenditure for the Minister for Public Works and Housing 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 SCHWARTEN:** Yes, I would. I am pleased to be here today as the Minister for Public Works and Minister for Housing. In regard to the Department of Public Works, the MPS reflects a budget of \$2 billion for 1998-99, a large amount of which includes capital works programs on behalf of

client agencies. Whilst a considerable amount has been achieved in past years, I am aware that there are major challenges ahead for the department in the ensuing years. The Premier has clearly stated the Government's priorities for capital works and job creation throughout the State, both of which are areas of responsibility under this department. I look forward to making a major contribution to achieving the Government's targets in increased apprenticeship training and more efficiency and effective delivery of the Government's Capital Works Program. The Department of Public Works also has key roles to play in service delivery to other Government departments in respect of the construction and maintenance of the State's built assets. I intend to strengthen these roles in partnership with the building industry. I would now be pleased to answer any questions the Committee may have in relation to the budget for 1998-99 for the Department of Public Works.

**The CHAIRMAN:** The first round of questions will go to non-Government members.

**Mr LAMING:** I refer to page 1-9 of the MPS and the key performance indicators. Why is the Government unable to present 100% asset data reporting on whole-of-Government assets?

**Mr GRIERSON:** That information refers to the Queensland Building Information System—QBIS. As you are aware, the capital works funding was devolved some years ago to client agencies. The client agencies have the responsibility to submit information into that system. We are in their hands. At this stage all agencies have not responded and input data into that system. We are only able to report on the information that we have, which is the capital works that we control and that information that is forthcoming from other departments—Education, Health and so on.

**Mr LAMING:** In the future, is it intended that a higher percentage of performance indicators will be available to you?

**Mr SCHWARTEN:** My intention is to try to get on top of a lot of these issues with other departments. My view is that we need to get more and more reporting through our central agency. That is certainly what industry is telling me. It is probably telling you the same thing. Until we get to that stage, I think we will have those sorts of problems. It is a priority for me in the next six or so months.

**Mr LAMING:** I refer to page 1-8 and the planned performance for 1998-99. What are the Government's plans for the ongoing special maintenance related programs for ozone depleting substances, back flow prevention, asbestos management and seamless flooring?

**Mr SCHWARTEN:** With regard to back flow, you would be aware that we have entered into a joint venture in that regard. I think we lead the other States in terms of addressing that issue. The potential for problems to exist as a result of mishaps from back flow is enormous. I am pleased to say that we are on top of those issues.

With regard to ozone depleting substances, the Ozone Depleting Substances Management Program,

which commenced in 1995-96, ensures that the Government continues to meet its obligations in complying with international protocols and legislative arrangements. The program was ended on 30 June 1998. The total program expenditure up to 30 June was \$10.05m. Due to delays associated with the cogeneration proposal for the production of electricity and heat using energy that would otherwise be wasted at 80 George Street—unrelated to this program but having an impact on this building—the program has a small carryover of \$0.724m.

With regard to asbestos management, this program started in 1994 as a long-term program established for the removal and management of in situ asbestos in Government owned and occupied buildings. I remember that pretty well, because I worked for Tom Burns when we started that program. The audit carried out throughout the State would make your hair stand on end, given the potentially dangerous situation that we had at that stage.

Up until 30 June, we spent \$10.755m on auditing and a further \$3.947m on urgent asbestos removal. The completion date of the asbestos management program is 30 June 1999. All buildings will have been audited for the full extent of asbestos and the estimated costs to remove asbestos or manage it should be known. The ongoing removal of asbestos containing materials as they deteriorate would be addressed through maintenance or other programs. So it is an issue and we will continue to do it.

As you know, the problem with asbestos only really comes to the fore when it is interfered with—when it is drilled, broken or whatever. There is a lot of panic out there amongst people, especially in my Housing portfolio, who live in fibro houses. They think that that is a problem, but it is not a problem per se until people start to hose off their super six fibro roofs or whatever else.

**Mr LAMING:** I now refer you to footnote 6 on page 1-11 of the MPS, Program Outlays. I ask: what generated the need for the Office of State Revenue and DNR to acquire additional leased accommodation after the conclusion of its restructuring in which it was downsized?

**Mr SCHWARTEN:** We sold the Anzac Square building.

**Mr LAMING:** I beg your pardon?

**Mr SCHWARTEN:** We sold the Anzac Square building. That is the reason we had to get other space, because that is where they were. Do you want to elaborate on that?

**Mr GRIERSON:** Both of those departments occupied large amounts of space in the Anzac Square building which the Government regarded as surplus to its requirements as far as meeting modern office accommodation was concerned, and that building has been sold. The transaction was completed just before the end of the financial year.

**Mr SCHWARTEN:** They had to find a new home.

**Mr LAMING:** I also refer you to footnote 8 on page 1-11 of the MPS, Program Outlays, where it states that an additional \$700,000 is being paid to BERU. What additional research will be conducted to justify the additional expenditure from the Housing Program?

**Mr GRIERSON:** I can bring forward Dale Gilbert who is the head of our Built Environment Research Unit to give you the individual details of the program, but in general terms we are researching into building materials, energy saving materials, making sure non-toxic building materials are used, looking at the pollution issues regarding housing situated next to freeways and making sure that we have all the scientific information such that we provide the best living conditions in the Housing portfolio. Whilst there are two departments—Housing and Public Works—the Public Works Department still provides the construction and maintenance roles for the Housing portfolio. Would you like Mr Gilbert to elaborate?

**Mr LAMING:** No, I think that answer is adequate, thankyou.

**Mr SCHWARTEN:** Just on that point, I think that that is the way we have to go in terms of looking at the sustainability of our building because it will save us money in the long term. If you go out to the herbarium, where I went the other day—and I invite you to do that—as part of the joint venture they are doing with the QUT, they have an inverted prism which controls the heat and light in there at a very low cost. Also out at the Waterford school there is a similar sort of project which has ended up being, in my view, very successful. There are a couple there that you might like to have a look at.

**Mr LAMING:** On the same page, footnote 9 indicates that only \$2.8m has been provided for the Hervey Bay office block in the 1998-99 budget. Why can this Government not deliver the construction of this building within the 12 months as was budgeted for in the coalition Budget?

**Mr SCHWARTEN:** I think you will find that the coalition was going to deliver it at exactly the same time we are, which is the end of next year. As you would know, that runs over two Budget years. There is nothing new in that. If you go over here to William Street, you will find that is exactly how that building was budgeted. The Rockhampton courthouse, for example, was budgeted over three or four years, I think. There is nothing unusual about that at all. You pay for the work as it is done. We are hardly going to take the money out of this year's budget for work that will not be completed until the next year. From memory, about \$4.7m is going into that building. It will be completed and on time. The tender documents are being done at the moment. I intend to place an advertisement within the next couple of weeks for expressions of interest in that regard.

**Mr LAMING:** I now refer to Q-Fleet on page 1-30 of the MPS, Planned Performance. Could you identify the other non-motor vehicle assets planned to be managed by Q-Fleet in 1998-99 and what is the anticipated profit from such activities?

**Mr GRIERSON:** I will ask Les Clarence, the General Manager of Q-Fleet to come forward to give you the specifics, but I do know that Q-Fleet is looking at information technology assets and other assets that agencies have indicated an interest in Q-Fleet managing, a la purchasing, maintaining and financing.

**Mr CLARENCE:** The services that Q-Fleet are looking to expand into include plant and materials handling equipment—we are already doing some of that work for organisations such as SDS—and IT equipment, as the acting director-general said. We are currently negotiating with our financier, the Queensland Treasury Corporation, on an arrangement whereby we will become its asset manager. It will, in fact, lease IT equipment to Government departments and we will provide an asset management service for it. They are the major areas that we are currently looking at.

**Mr LAMING:** I also refer you to footnote 11 on page 1-31 of the Ministerial Portfolio Statements, Program Outlays, in which you state that there will be lower acquisition costs due to the lengthening of the replacement cycle for sales tax vehicles. Could you please explain this measure and outline the ongoing profits or losses associated with such a change in asset management?

**Mr CLARENCE:** The note that is referred to there relates to an initial decision by Q-Fleet when the Federal Government introduced sales tax where vehicles were placed on 12 month leases rather than 24 month leases. With the change in the motor vehicle market, the returns on those vehicles are starting to drop. So rather than continue that, we have moved those leases out to 24 months, which is the more traditional lease period for Government vehicles.

**Mr SCHWARTEN:** The used car market is not doing so great is the short answer to that.

**Mr LAMING:** Minister, I refer to your press conference on 23 September. You indicated that Cabinet had decided to cancel the refinancing proposal of the Q-Fleet car fleet which cost taxpayers about \$250,000. Can you confirm that this is the correct figure?

**Mr SCHWARTEN:** I thought it was more like \$357,000. I do not know where you got the \$250,000 from. I can confirm that that is the figure.

**Mr LAMING:** Since the refinancing of the car fleet was estimated to save Queensland taxpayers \$375,000 per year, at the same time resulting in no permanent job losses, I ask: how can the cancelling of this option, which would have saved money yet not cost any jobs, be construed as a good deal for Queensland taxpayers?

**Mr SCHWARTEN:** It depends whether you believe in fairy stories or not. I believe in the old adage of toehold, foothold, strangle hold. The toehold was Macquarie Bank buying our fleet, which I did not think was favourable to Queensland, for \$375,000. I think one of the great offsets we get is that we buy Australian cars—about 6,000 a year. The Australian motor industry does very well out of that. Once you get out of that system and do not own

your own fleet, in my view ultimately you lose control of the whole thing. I still believe and maintain that it was the mouse race for the rat race, that is, the short road to privatisation. This Government is opposed to privatisation of Q-Fleet and will continue to be so. I believe that the general public is sick and tired of economic rationalism and I will not have a bar of it. I think that \$357,000 is small beer indeed to keep job security in Q-Fleet.

**Mrs LIZ CUNNINGHAM:** I would like to check my interpretation of your answer to question on notice No. 10. From reading your answer I am led to believe that no increased cost accrued to the department from splitting up and creating two corporate entities for Public Works and the Department of Housing.

**Mr SCHWARTEN:** That is right.

**Mr GRIERSON:** In the split-up there were obviously some new positions created. There is obviously a new Director-General for Housing and there are support staff. A new ministerial liaison officer position was created and there were obviously some other minor costs, for new stationery and the like. In the split-up there were other positions that were not filled and there were some rationalisations so that the net corporate costs, over both departments, have not increased. Other positions were used to substitute for the new positions.

**Mr SCHWARTEN:** Treasury did not give us any more money; I can tell you that.

**Mrs LIZ CUNNINGHAM:** I refer to another question on notice. It appears that there is a worrying level of risk within the department as regards the millennium bug. You have said in part of the answer that there are contingency plans in place. My understanding is that we will start to feel the impact of a lack of preparation for the turn of the century in mid-1999. From the information in your answer it appears that there is little chance that in many areas the department will be ready by mid-1999. I am asking for a more definitive response in those major areas of risk.

**Mr SCHWARTEN:** As soon as I took over I was assured by the department that we were in good hands in that regard, but I will let Mal explain further.

**Mr GRIERSON:** The year 2000 bug causes us two problems in Public Works. The first is the information technology problem on all of our systems. We have certainly got that under control. A project team has been formed, and our project office has gone through all of our existing systems. The major systems in fact will not cause us a problem because they are being upgraded and replaced by the new SAP financial system and the MINCON MIMS maintenance system for Q-Build, which is another major system. A lot of smaller systems are being checked. The suppliers are giving us guarantees that their packages and software are year 2000 compliant. We are confident in that area.

The second area that affects our department, of course, is all of the building systems—airconditioning, security, building management systems, lighting, audio and visual. The list goes on and on. All of those systems are controlled by

computers, which obviously have chips in them. We have a second project team looking at all of the buildings that the Government occupies. Office buildings are not too bad, but obviously we have major concerns about things such as the Brisbane Convention Centre, which has enormous amounts of electronics. Hospitals are also a concern. So we have a second team going through and looking at all of the computer controlled building systems. We are very confident that we will have everything ready in time.

**Mrs LIZ CUNNINGHAM:** That is where I am probably looking for more assurance. You have said that they are currently looking at the buildings. It is 1 October 1998 and, as I said, my understanding is that problems will become apparent mid-1999 to the point where they may be unable to be corrected in time. You have responsibility for a large number of buildings, and particularly in relation to critical care units such as hospitals I would like to be a bit more reassured. What I am getting to is that if there is a need for a greater budget allocation in this area, then it cannot just be stalled because there is no money available.

**Mr GRIERSON:** We are concerned about that. The building related systems are not such a problem mid next year. Those systems are driven by the question "What's today's date?" So 1/1/2000 is when that is going to hit. It is the information technology systems that could cause us concern on 1 July next year, because then people are starting to put in dates relating to that financial year, which goes into the 00. That may be in relation to leave, long service leave, contracts—all of those things.

**Mrs LIZ CUNNINGHAM:** Is it your belief that there should be a greater allocation of funds towards correcting that problem?

**Mr GRIERSON:** Yes.

**The CHAIRMAN:** The time for non-Government members' questions has expired. I refer to pages 1 to 9 of the MPS linking job creation to the Capital Works Program. What major capital works are proposed by the Department of Public Works for commencement this year in regional areas? What are the costs of these projects? What benefits will these projects bring to the local communities and to the State?

**Mr SCHWARTEN:** The Capital Works Program, as all honourable members would know, is a key to revitalising any economy. The building dollar travels around areas between five and six times, and in regional areas it is more than that. It is a key kick-starter in regional Queensland. The Hervey Bay building I have already referred to. About \$4.7m will be spent there. In relation to the Cairns Convention Centre, you will observe that there is a variance in that. In the previous Budget it was \$21m-odd. In this Budget it is \$28.5m because there was a recognition that not enough money was set aside previously to fit it out properly. Again, that will be a huge boost to Cairns. The project has to be finished by September next year for the NBA. Building at Emerald totals \$2.285m and one at Gympie is \$600,000. They are all good projects that will be delivered on time and on budget.

While we are speaking about the Capital Works Program, our department is now working on a system of laying out the capital works projects for all to see, basically. I cannot believe that in this day and age we still have to look in the Courier-Mail on a Saturday morning to find out what projects are coming up. Industry is saying that it wants some certainty. It wants some ability to future plan. We also recognise, of course, that the lead time in preparation is down time. We want people out there with hammers and nail bags—working rather than planning. We are very well advanced in that as well.

**Mrs ATTWOOD:** Page 1-2 of the department's MPS refers to the Rockhampton Smart City Initiative, and page 1-12 indicates that \$2m is in the building division's budget for this project. As you are also the member for Rockhampton, I am sure you can give me further details of this initiative.

**Mr SCHWARTEN:** I might add that the Chair is also a Rocky boy. He still has ongoing interests in Rockhampton. He is also a graduate from the university there. The Smart City concept is, indeed, a very smart idea. I do not claim credit for it. It was something brought up by the university. Professor Leo Bartlett was one of the key players. Mike Maher and Eric Lasska were the drivers of it. And of course Chancellor Chipman is pushing it as well.

We have a problem in Rocky in terms of the CBD, as the honourable member for Gregory would know. His good wife and I were down there one day and she told me how dead she thought it was; it needed a bit of life in it. The reality is that it is not the only CBD in the world that is running into trouble. I think that the university's proposal to rehouse at least part of their campus in the CBD is one that requires the support of not just our Government but the Federal Government as well. They have dragged their feet on it a bit. The local authority supports it. The first submission that I took to Cabinet was to hand over several buildings in that area: three court buildings and the old TAFE building in Quay Street. Of course, you cannot hand over those buildings without some refurbishment. As the Chair would know, the old Supreme Court building there, which we have a bit of an affinity with—it was where our brother shearers were tried in 1891—needs some refurbishment. But on a serious note, the \$2m will be a key element in job creation in the area. \$2m of work will go in there. More importantly, it is the sort of work that apprentices can really get their teeth into—tongue and groove, wide skirting boards and all that stuff of days gone by. That is the sort of stuff that people can become skilled in. It is a great proposal.

**Mr REEVES:** In the run-up to the State election, Labor indicated that Q-Build would play an important part in Labor's planned Breaking the Unemployment Cycle and, in doing so, help address both the skills shortage and the persistent problem of youth unemployment in Queensland. I notice that there is a reference to expanded employment opportunities for building trade apprentices and trainees on page 1-25 of the Ministerial Portfolio Statements. Could you provide more details of these employment opportunities?

**Mr SCHWARTEN:** Next year there will be 140 apprentices. There would have been 90 under the previous allocation. We are going to put on another 50 young people throughout the State. The great thing about Q-Build is that it is regionalised. That means that young people right across the State will get an opportunity to get a Government apprenticeship in the building industry via that Jobs Plan proposal. The extra money that was injected into this budget, of course, is to do that. That is why some of the Budget documents are a bit misleading where they have the number of apprentices cited in them. But we will put 50 extra ones on. And to do that, of course, what we need also to do—if anybody knows anything about training apprentices, you know that you have to have a number of tradespeople per apprentice. So we will retain another 40 people who are coming out of their time in the next year. It has always been a source of annoyance to me that we train these people—and train them very well—and then turn them out the door when they come out of their time. So we will retain about 40 of them. Included in that will be a number of plumbing apprentices. I do not know whether you know it or not, but what happens with a plumbing apprentice is that, after four years, they come out but they are not a licensed plumber until they have done the fifth year. So industry has been saying to us, "You are not doing these kids any favours by not keeping them there for the extra year and giving them a licence. They are far more employable with that licence." I am very excited about the proposal. There will be 30 administrative trainees and six graduates on top of that.

**The CHAIRMAN:** This is a question about something that is very dear to my heart as a president of a P & C. The previous Government chose to devolve maintenance programs to school level as part of the so-called Leading Schools proposals. What effect could this have on the quality of maintenance work being done on schools?

**Mr SCHWARTEN:** I think that any honourable member who has been around their schools will have witnessed or heard from the principals—the smart principals are the ones who say to me, "Look, we don't want to be bothered with this. We don't want to be in the business of maintaining schools or running capital works. We want to be in the business of teaching kids and getting education programs running in schools." However, there are a number of principals who think that they know better about the building industry than Q-Build does; that they can fix buildings better than we can. Something that Q-Build does very well, in my view, is maintain schools.

Soon after taking over as Minister, I asked for a list of some of the problems we had, because I will remember that, at the Yeppoon High School, the principal there obviously thought he was a painting contractor or something. He got a quote from Q-Build, and I think these are the sort of ballpark figures—\$26,000 was the quote. He got a local bloke to quote for \$16,000. The Q-Build blokes asked could they sharpen their pencils and have a look at his quote. What he quoted on was two coats of acrylic paint over enamel with no prep coat or anything else. And anybody who knows anything

about painting knows the folly of that—and obviously the cleaning down and so on. He was very entrepreneurial, that principal. He had the children bring in some old clothes and clean the building down—with no reference to workplace health and safety. How one of those kids was not badly hurt, I do not know. I would not want it to be my kid who went to school to clean down the building, and so on. But the long-term effects of that are going to be—having engaged this person—that paint is going to fall off the wall, and guess who is going to have to come and fix it up? That school is going to end up with a huge bill to clean up that mess down the track.

There are other issues, such as safety. One school principal decided to get a local glass company to put glass in louvres and so forth. The fact is that anything below a metre should have toughened glass in it. They did not do that and, of course, the inevitable happened: a kid came into contact with it. The Education Department might find out all about how you cut corners as a result of that, and someone will probably sue them because a kid has been hurt. There are literally scores of these. I have them here, and I will table them for anybody to read—right from interfering with a specialist, which we were talking about before; using cutting gear on the roof while the kids are inside; spraying fibres all over the school—all that type of thing. I guess that the bottom line is that the bootmaker should stick to his last. I believe that we have a quality product. We deliver it on time, with all reference to proper wages and proper conditions.

**Mrs ATTWOOD:** Getting back to jobs and training again, at a recent Public Works Committee inquiry into the operation of Q-Build, it was recommended that Q-Build undertake building trades programs in Aboriginal and Torres Strait Islander communities. Can the Minister explain what has been done in this regard?

**Mr SCHWARTEN:** I have read that report, and no doubt all honourable members would have read it, as well. It was a good report in that it highlighted one of the areas that Q-Build does very well, that is, training and service into remote and rural communities in Queensland. I had some involvement with this previously. Dave Thomas, who is one of our managers in the Capricornia region, took me out to Woorabinda a couple of years ago to show me a project that he was embarking on there. We rebuilt 17 houses out there—I think it was 17—for much less than private enterprise could do them and involved the local people in the training. The problem with that program was that it came to an end too quickly for people to be totally qualified. When I became Minister, I had the idea that we should proceed with that further. I was aware that the hospital was going to be built at Woorabinda for about \$4m—somewhere around that figure. That building gave us an opportunity to put on some apprentices. We need to roll out that program over four years so that those kids can get an apprenticeship out of it.

There are a number of projects that are going to come on line over four years. There are some housing projects, there is the rebuilding of the council chambers and there is a child-care centre to

be done. We will be able to roll out a program for four years. Nine apprentices are going to be put on to start with in this project: painters, bricklayers and carpenters. I think it is a great project. Geoff Skerritt from my department is heading this up. He is doing a great job with it. There is a possibility of a couple other communities coming on line with it. I think it is the way to go. At the end of the day, I think that we will leave people in those communities who are trained to do their own maintenance in their own buildings, which is a noble aim.

**Mr GRIERSON:** Just a correction—the whole program is \$4m, but the actual health care is only \$2.7m.

**Mr REEVES:** With reference to page 1-9 of the MPS, what new initiatives have been undertaken by the Department of Public Works to reduce energy consumption in Government buildings?

**Mr SCHWARTEN:** We alluded to that before when I was discussing the Built Environment Unit in my department, which works in a joint venture way with QUT. I spoke of the herbarium, which has something like 600,000 dried plants. They date back to Banks' day. It is a real challenge to keep those things going. They have an inverted prism that has been laser cut and controls heat and light. In the awnings they have reflective material that reflects light in. That provides energy savings, controls the heat during the day and reflects the heat at the right time. It is really fantastic. Waterford State School is another example. Last year they have had to turn the lights on only three times, because they have used the type of skylight that was developed in that unit. I think it is a really great way to go. It is the only way we can go.

We talked a bit about it in relation to housing. In our public buildings we are looking at the capacity to tube lighting down in that system. When you look at it, you see that it is so simple. If anyone would like to go and look at it, I will arrange for them to have a look, especially the shadow Minister. If we are to be smart about where we go in the future—we are talking about cool schools and so on—to avoid huge power bills, we will have to start to look at this sort of development. This unit has my personal support and drive. I will get behind it and try to get some more cash out of Treasury next year. I think we are putting a couple of hundred thousand dollars into it this year.

**The CHAIRMAN:** Last year the Department of Public Works closed its disposals operation at Zillmere. I note at page 1-15 of the MPS the intention to broaden awareness of the Statewide disposal arrangements for the disposal of surplus Government assets. Can the Minister explain what arrangements have been put in place to assist departments and agencies to dispose of surplus and unwanted goods and, in particular, to reduce unnecessary storage costs associated with holding those unwanted goods?

**Mr SCHWARTEN:** One of the huge costs in disposing of the sort of stuff that we dispose of is the storage of them. You have taken up a lot of space by the time you get to auction it off. The initiative was to get that into the auctioneers' hands. We have regionalised that program so that people in

my part of the world, Mrs Cunningham's part of the world and Mr Johnson's part of the world get a chance to go to a Government auction and buy up computers and God knows what. They have those auctions in Rockhampton quite regularly. I have a briefing note on it, but I will get Mal to answer it further, because there are some more details that he is more aware of than I am. That is the broad principle.

**Mr GRIERSON:** We have expanded our disposal arrangements now to include the regional areas of Cairns, Townsville, Rockhampton, the Gold Coast and Toowoomba. Sorry, Minister—we do not have Gladstone in there yet.

**Mr SCHWARTEN:** I know, but we have to have something that Gladstone does not have. You can drive up to Rockhampton.

**Mr GRIERSON:** It does reduce storage costs. We have had incredible amounts of storage of excess Government equipment over the years, particularly things like computers as they become obsolete. We now have a more streamlined operation. As the sales are effected, revenue comes back into the agencies for reinvestment in either new services or new equipment. As the Minister said, we are getting a lot of support and good feedback from the regional areas. The regional people are now able to bid for surplus Government goods, which they have not been able to do in the past. They are very appreciative of that. The Auditor-General is very happy with the process. It gives a clear audit trail of where the stock has gone and where the revenue has come back. It is all fully documented through our new systems. We are working very closely with the Government agencies to give them assistance, guidelines and advice in the best way to dispose of certain types of goods. It is not best to auction everything. There are horses for courses. The departments now communicate with our purchasing division and get a lot more information. We also work closely with the Commonwealth. If there are surplus Commonwealth goods, we try to consolidate and coordinate those activities.

**Mrs ATTWOOD:** Page 1-48 of the MPS refers to the sales and distribution business units' production and distribution to clients of full-colour catalogues as well as enhanced on-line facilities. What are the new on-line facilities? How do they contribute to this business strategy?

**Mr SCHWARTEN:** I will get Bob Hunt to answer the details of that. It is catching up with the reality of the marketing world. Somebody was telling me this morning that Woolworths is now moving to electronic buying, so people can buy from home. That is what we are competing with.

**Mr HUNT:** SDS sees its core business strategy as providing customers with a competitive supply chain. It sees that objective as the integration of its business processes so that products, services and information that add value to the customer are provided from the supplier through to the end user. To achieve that outcome, it therefore has to be competitive in a market that is unrestricted in terms of product range, price, quality and logistics. SDS does

not have any tied clients. Fundamentally, SDS has been a mail order business. Until recently it has produced and distributed printed catalogues as its principal method of putting its offering before potential customers. Customers in turn have had to respond by placing orders by telephone, fax or letter. On receipt of those communications, SDS then goes through precisely the same process in a sense of rekeying that information into its information system so that the order can be assembled, packed and dispatched. As I said, those information processes essentially represent a repetition of the work already carried out, add little value as far as the customer is concerned and are labour and time intensive.

For that reason, SDS developed a Windows-based ordering system, known as Gateway, which allowed customers to directly enter the information into our ordering system. Whilst that was a definite improvement on the more manual process, nonetheless it was required to be updated every time a new catalogue came out and individually installed in each customer's premises or ordering point. A much more accessible and flexible tool is now available in the shape of the Internet site, which SDS has designed and commissioned this financial year. The site is believed to be the first Government merchandising site in this State and, in all probability, in Australia. In its development, SDS has been assisted by the Microsoft Corporation, which has put its money where its mouth is, with complimentary software and engineering support. The site allows SDS to display its catalogue to all its customers who have access to the Internet, to update it quickly and easily and allow them to place orders any time of the day, seven days a week. The importance of the development is that it adds value to the customer in terms of increasing SDS' responsiveness, it decreases their administrative costs and allows the order processing to be telescoped from days to seconds.

**The CHAIRMAN:** The time for Government members' questions has expired. We will have another block of questions from non-Government members.

**Mr LAMING:** I refer the Minister to his response to question on notice No. 16 for this Estimates Committee, in which you failed to detail any costs associated with the deamalgamation of the former Department of Public Works and Housing in the 1998-99 financial year.

**Mr SCHWARTEN:** That is the same question that Mrs Cunningham asked. Were you not happy with the answer?

**Mr LAMING:** I have some supplementary questions. They are a little bit complex. You might need to bear with me as I go through them. What is the budget allocation and staffing allocation for the Internal Audit Unit for the Department of Public Works for the 1998-99 year? There are actually four parts to that. I will give you those four parts.

Secondly, what is the budget allocation and staffing allocation for the Internal Audit Unit for the Department of Housing for the 1998-99 financial year?

**Mr SCHWARTEN:** You had better hold that one for the Housing people.

**Mr LAMING:** It is a little difficult. I would like to complete the question, because that is what the question is: it is about the amalgamation and the deamalgamation.

**Mr SCHWARTEN:** Yes, we will have a go at it.

**Mr LAMING:** The third part of it is: what was the staffing allocation for the Internal Audit Unit of the former Public Works and Housing Department? That is just the staffing allocation as at 25 June. What was the budget allocation for the Internal Audit Unit for the former Department of Public Works and Housing for the 1998-99 coalition Budget?

**Mr GRIERSON:** We will have to take that on notice to give you the actual detail of the breakdown. Can I just give you a general answer to that? Seeing that I was the deputy director-general of the Public Works and Housing Department for the last financial year, I know that the Internal Audit Unit was, I think, four people in number. With the split-up of the two departments, I know that there are two people in the Public Works Internal Audit Unit and there are two people in the Housing Internal Audit Unit. So we split it straight down the middle. I do not know exactly what the dollars are of that unit, but we can certainly take that on notice and come back. It was certainly split straight down the middle.

**Mr LAMING:** I can perhaps make it easier. It was my intention—and it may save the Committee's time if I do it in this way—to ask the same four questions, and I think that you have notes of them, of the finance section, marketing and corporate communications, planning and human resources and information management so that we get the complete picture in those four sections. Do you understand the question?

**Mr GRIERSON:** I understand exactly what you are asking, Mr Laming. We do have those figures, but to get the actual dollar figures we will need to get the—

**Mr SCHWARTEN:** We have not got them with us. There is no problem with you having them.

**Mr LAMING:** That will be on notice?

**Mr GRIERSON:** Yes.

**Mr SCHWARTEN:** Yes, we will take that on notice.

**Mr GRIERSON:** We will have to work with the Housing finance people and with Public Works to bring that together for you.

**Mr SCHWARTEN:** We should be able to get them within 24 hours.

**Mr GRIERSON:** No trouble.

**Mr LAMING:** Thank you.

**Mrs LIZ CUNNINGHAM:** I refer again to question on notice No. 13 about apprentices. Can you tell me the number of qualified people in the Goprint area—there is one apprentice proposed—in the Q-Fleet area, the number of qualified tradespeople, and also in the Q-Build area where there are 86 apprentices proposed to be employed?

**Mr SCHWARTEN:** You want to know the number of tradespeople in each of those areas?

**Mrs LIZ CUNNINGHAM:** Yes.

**Mr SCHWARTEN:** I have not got them with me.

**Mr GRIERSON:** Currently employed?

**Mrs LIZ CUNNINGHAM:** Yes.

**Mr SCHWARTEN:** I will have to take that on notice.

**Mrs LIZ CUNNINGHAM:** That is fine. At page 1-11 of the MPS, point 6, subpoint 2 states, "An increase in fees paid to QPM Property Management from the Building Trust Fund mainly due to a change in accounting treatment for property settlements and security." That increase totals \$5m. Can you give me some more information on that, please?

**Mr SCHWARTEN:** I will not, but I will flick it to someone who can.

**Mr WOODWARD:** We will have to take part of the question on notice. In effect, there has been a change in the accounting treatment whereby the fees previously used to be paid into a building trust fund now go directly to the property management trust fund. So they go directly to the actual business unit whereas previously they went through a different trust fund. The reduction of \$5m—I would have to take that on notice and come back to you and give you more detail on that.

**Mrs LIZ CUNNINGHAM:** Thank you very much. At page 1-12 of the MPS, subsection 2 states, "A reduction in professional fees paid to Project Services due to a change in the accounting treatment totalling \$59.6M." That is a significant amount of money. I guess the answer is going to be similar to the one that you have just given me. What effect did that have on Project Service's ability to do the work that they are charged to do?

**Mr GRIERSON:** No, Mrs Cunningham, that is strictly an accounting treatment. Formerly, the money would have gone to Project Services through trust accounts from the client, like Education Department, to this building trust account and then to Project Services. Now the financial systems are such that Education can pay Project Services direct.

**Mr SCHWARTEN:** Instead of it going through a clearing house.

**Mr GRIERSON:** It just does not go through that middle step now. Project Services still gets the same money.

**Mr SCHWARTEN:** The same money is there.

**Mrs LIZ CUNNINGHAM:** Then that is a misleading statement. It says, "A reduction in professional fees paid to Project Services ..." It implies that Project Services is getting a lesser amount of money, not that the process has changed.

**Mr SCHWARTEN:** It is very badly worded, actually.

**Mr GRIERSON:** The next line down is exactly the same situation, in that funds that went through the building trust accounts in the past now all go direct to the business units. It is just a new Treasury



way of doing the accounting treatment. I know what you are saying, yes.

**Mr SCHWARTEN:** I am advised that there is no less money available to them as a result.

**Mrs LIZ CUNNINGHAM:** That first dot point indicates that there is a reduction; not a change in the process but a reduction in the fees paid. That needs either to be amended or clarified somewhere, because that is an almost \$60m reduction.

**Mr SCHWARTEN:** You are right. That will be attended to.

**Mr LAMING:** Does your ministerial staff still prepare personally acknowledgment letters to correspondence received by you or is this now a function or duty of departmental personnel within the executive correspondence unit?

**Mr SCHWARTEN:** I do not know what system was available previous to my coming here, but I would suggest that it is probably done by both. I know that when I worked for Tom Burns it was done by both. I will ask one of them. Is that what you do? Some are, some are not. Some are done by the executive support unit; some are done by my staff, depending on who it is.

**Mr GRIERSON:** The process that we have now is that routine correspondence, standard questions about the Capital Works Program, go through executive services. All policy areas or sensitive matters go through the ministerial office.

**Mr LAMING:** Is there any idea what percentage of correspondence that would represent?

**Mr GRIERSON:** No, I would not know how much goes through the ministerial office. That is not part of the department's responsibility.

**Mr LAMING:** If the ESU is now preparing acknowledgment letters for the ministerial office, with reference to page 1-21, key performance indicators for executive services, based on estimates of approximately 4,000 pieces of correspondence per annum for the previous Minister and his DG, how do you reconcile an increase of just 150 pieces of correspondence for 1998-99 over the actual figures for the 1997-98 financial year?

**Mr SCHWARTEN:** That assumes that there is going to be more acknowledgments done by them than by us. I would not expect that that would be the case. I do not know what you are driving at here—whether there has been some impropriety in this regard.

**Mr LAMING:** No.

**Mr SCHWARTEN:** It has never been raised with me as an issue of people complaining that their workload is out of control or anything else by either the ESU, my staff, or anybody else.

**Mr GRIERSON:** You do understand that executive services services both departments? It services Public Works and Housing. That is one unit that we did not split in two.

**Mr SCHWARTEN:** It made no sense to do it.

**Mr GRIERSON:** That is right. It was operating very efficiently servicing both units. So that figure of

4,150 in 1998-99 does not just refer to Public Works; it refers to the Department of Public Works and the Department of Housing.

**Mr LAMING:** So there has really been no significant change in policy?

**Mr SCHWARTEN:** I did not think so. I will have a look at it.

**Mr LAMING:** Under key performance indicators, I applaud Goprint staff for meeting their sales per employee as outlined on page 1-34 of the MPS. How does the figure of \$0.1m compare with that of the private sector?

**Mr GRIERSON:** We will have to take that on notice. I do not have the figures here.

**Mr LAMING:** I thought there might have been some benchmark that would be—

**Mr GRIERSON:** There is certainly benchmarking, but I do not have that information with me.

**Mr SCHWARTEN:** I guess your point is whether or not Goprint can compete or whether we are better off going off line and getting outside printing done. Is that the tenor of your question?

**Mr LAMING:** Not necessarily. All organisations, be they Government or private, need to be seen to be operating efficiently.

**Mr SCHWARTEN:** I am confident that that is the case and I think the figures will back it up. What needs to be taken into account are some of the problems that Goprint will face which we as members of Parliament have created for them. For example, you can now get Hansard off the Internet, which has meant a reduction of work that for 100 years has been done at Goprint. Less and less people need to get Hansard. Those are the sorts of things that have affected their effectiveness. They have been geared up to do that sort of work.

So long as I am Minister, Goprint will stay. It provides a very valuable service to us. It has a very secure situation, bearing in mind the sorts of legal documents and so on that it prints. I think Governments need to stay in the business of having their own printers. The job security of those people is guaranteed while I am Minister.

**Mr LAMING:** Good. That question was on notice, I think.

**Mr SCHWARTEN:** We will get the figures for you. I just wanted to make that point.

**Mr GRIERSON:** What you are asking is: is there the equivalent for the private sector on that printing?

**Mr LAMING:** That is right. At page 1-36, under Staffing Resources, I refer to footnote 4, which relates to staffing resources for Goprint. Can you please outline the benefits to Government of outsourcing Stage B of the LOTE Program to the private sector?

**Mr GRIERSON:** We found that in Stage 1, the LOTE system involves the production of CD-ROMs and technical systems for Language Other than English translations. Goprint has extended that system into a number of languages now. I cannot

give the exact details, but I know they include Chinese and Japanese. We found that the product had value in a retail sense. A lot of people wished to buy it, but Goprint did not have the marketing expertise or the outlets to be able to take full advantage of that. When we were looking at extending that into further products, it was decided to contract out Stage B to the people who do have the outlets in marketing and selling those sorts of products. We believe that will give a better return to the Government and will allow the product to be sold into markets that we do not have access to.

**Mr LAMING:** Also under Staffing Resources, I refer the Minister to his response to question on notice No. 13 for this Estimates Committee, in which the Minister declares the intention to engage an additional four to six apprentices during the course of the 1998-99 financial year. Could you indicate where those additional staff are included in the staffing FTEs for Goprint in the MPS document?

**Mr GRIERSON:** Mr Laming, as the Minister indicated before, the MPS was printed some time ago, before the Government started to get some exact figures for the job creation program. The Jobs Policy Council is now starting to firm up figures for each of the various areas within the Government. As the Minister indicated, only recently some of those figures have been crystallised for the various business units. If you look at the MPS for Q-Build, you will not find the 140 apprentices. As the Minister indicated, that will be 140 for next year. Goprint is the same. Goprint will engage an additional four to six next year.

**Mr SCHWARTEN:** We were given one of the agency roles in delivering the extra apprentices that we promised at the last election. The pot of money, to simplify it, is coming out of the Jobs Plan that is coming through the Jobs Policy Council, of which my acting director-general is a member and I am an ex officio member. That is why it does not appear there.

**Mrs LIZ CUNNINGHAM:** Page 1-13 of the MPS talks about the receipts in the disposal of or rationalisation of housing. Bearing in mind what subpoint 4 states, under the Government Employee Housing Scheme \$5.004m was budgeted in 1997-98. Subpoint 10 talks about an increase in receipts due to the higher rationalisation of housing. I acknowledge that it has a positive impact on budgets, but have you any intention to review the rationalisation of employee housing?

**Mr SCHWARTEN:** Yes. It is probably time that this question was asked, because I got a letter from the Teachers Union yesterday asking that very question. I guess that is what you are referring to, the ongoing problems—

**Mrs LIZ CUNNINGHAM:** Not only with education, but with other Government departments.

**Mr SCHWARTEN:** Exactly. I certainly want to look at that. As you would be aware, the time for review comes up very shortly. I would welcome your advice as to how we could go with it. The principle is good, but we have had some problems previously with the application, especially with education. The

Teachers Union argued that for years it fought for those houses and it is not about to give them up, because they are of a better standard than the others. As far as I am concerned as Minister, we are back with a blank sheet of paper and we will revisit the issue in that regard. As members, you are more than welcome to provide me with your ideas.

**The CHAIRMAN:** The time for non-Government members' questions has expired. We move to Government members' questions.

**Mr REEVES:** Minister, to what extent does the SDS attempt to source products from Australian and Queensland suppliers? Does it have a program for increasing local content and contribution to local business development?

**Mr SCHWARTEN:** The short answer to that is yes. I will get the relevant person to answer in detail, because I think it requires that level of detail.

**Mr HUNT:** SDS has two major trading areas of activity, SDS Direct, which is general merchandise, and Furnco, which specialises in furniture. General merchandise is a very broad offering indeed, including stationery, educational materials, hardware, catering, pathology and janitorial supplies, to name just a few categories. I have to say that one of the difficulties is that a lot of that material is imported, particularly stationery. For that reason, it proves difficult on occasions to source an Australian product. Nonetheless, SDS has taken the opportunity to work with the Industrial Supplies Office to identify local manufacturers who can be added to the supplier group. Presently we have working with us one of the procurement engineers, who looks at areas where there is a significant volume of imported product involved and/or where service difficulties have been experienced.

The furniture and effects area is much more domestic in character. Again, preference has been accorded to local suppliers. Last year, 87% of all furniture supplied by SDS, which amounted to over \$10.6m, was sourced from 62 Queensland located companies. Of the balance, 11% came from interstate and only 2% from New Zealand. We are talking with one of the manufacturers there about opening up in Queensland because of the market that we can make available to them.

SDS is also engaged with the local furniture industry in ways that enable smaller local companies to compete for orders which would usually have gone to much larger national organisations. It renders that assistance in two ways. Firstly, we are willing to accept on occasions delivery of some orders in instalments so the smaller manufacturer does not have the additional cost of storing the work in progress. Secondly, orders for inventory can be issued in anticipation of demand, and we are prepared to accept it in instalments. Those arrangements are not altogether altruistic. There is a benefit for SDS in that there is a lower cost structure involved in the local industry and inevitably a shortened supply chain. In order to reach more potential local suppliers in the regions, in the past couple of weeks we have advertised in newspapers asking whether people are interested in becoming

suppliers to us. There has been a very pleasing response to that.

**The CHAIRMAN:** The coalition's May Budget contained a figure of \$21m for the construction of Stage 2 of the Cairns Convention Centre. In Budget Paper No. 3 the Labor Government indicated expenditure of \$28.5m for the same project. Could you please explain why the cost of this project has increased?

**Mr SCHWARTEN:** I touched on that before in a previous answer when we were talking about capital works. The reality is that, when the first Cabinet submission went up under the previous Government, between \$21m and \$28m was listed as the figure. The only amount that they were successful in getting was \$21m. There is a hell of a difference between \$21m and \$28m. When we had a close look at that, we saw that it was simply a case of trying to make a silk purse out of a sow's ear. It just could not be done. I asked my department to provide me with a list of the things that were to be left out. It was not feasible to build a quality building there as a result of that. We had to go back to taws and argue with Treasury, and we were successful in doing so. The original budget allocation of \$21m was sufficient to provide for only 5,000 plastic seats, bare concrete floors and no airconditioning. It will now have 5,800 upholstered seats, the minimum number acceptable for National Basketball League matches, acoustic treatment to contain noise from rock concerts or basketball matches, airconditioning and the essential hydraulics, power, lighting, audiovisual equipment and food and beverage facilities. The list goes on. The point is that you could have built a building for \$21m, but it would have presented an ongoing problem for future Governments. You are better off doing it at the right price the first time.

**Mrs ATTWOOD:** Under the Building Program in the MPS there are several references to Government employee housing. I remember that Tom Burns once said that he made an issue of improving the standard of Government housing in Queensland. What is the current standard of housing and what is the Department of Public Works doing about improving the standard of employee housing in the rural and remote areas of Queensland?

**Mr SCHWARTEN:** That follows on from Mrs Cunningham's earlier question. I worked for Burns when we kicked off that program. It was done with the noblest of intentions. I think we were up at Doomadgee and he saw two young women there in pretty crook accommodation. He said, "We have to do something about it." His idea of doing something about it was to sell stuff on the coast and give it to people in the west. I remember visiting Airlie Beach with him when he told people, "I'm going to sell your houses and give them to the people at Longreach." That went over really well at the school when he told them that! There are various issues. The member for Gladstone is aware of them. In some places, there is very little rental accommodation for public sector employees. Those are the sorts of issues that we need to look at. As I said, it is up for review and I will be looking closely at that issue.

There is no doubt that we have been able to improve the standard of accommodation for public sector employees as a result of getting that under one roof. There is no doubt whatsoever that the condition of those houses now is better than it was a couple of years ago. We have upgraded security, storage and climate control. The next phase will focus on kitchen and bathroom upgrades. About 300 more houses will be upgraded this year and 24 new dwellings will be built during the current financial year. These initiatives are expected to cost \$9m.

**Mr REEVES:** Page 1-15 of the MPS refers to the enhanced purchasing training initiatives. Given the significance of Government procurement to the Queensland economy, what training initiatives have been implemented to improve the performance of public servants involved in the area?

**Mr GRIERSON:** The problem is that we have about 14,000 public servants across the State who buy things on behalf of agencies. It is very difficult to keep that number of people trained in the best procurement methods. We have introduced a whole range of programs. One is a Graduate Certificate in Procurement Management. We have held negotiations with Griffith University and it is now running a fully accredited course which will lead to a Masters in Procurement Management. People can attend these courses and undertake these programs. They will also be offered through distance education; it is not just locked into the Brisbane scene. We have also produced copies of a new training catalogue and calender which we send out to all of these people letting them know what courses, seminars and programs are being held throughout the State. Our procurement people travel throughout the State. We have to make sure that people are aware that they are, for example, going to be in Mackay and they can go along and get the latest advice on procurement processing.

We have printed also tens of thousands of copies of a document we call the Guidelines for Procurement. We have set out in a range of glossy documents the various areas of procurement. Whether it be purchasing consulting services or purchasing IT equipment, it covers the different things you need to do in tendering and purchasing that sort of equipment. They have been distributed right throughout the State.

The other thing we are doing is that we are working with agencies to undertake skill profiles of their purchasing staff, for example, so that we can tell the Director-General of Natural Resources that his staff need further training in this or that area so that he can then take steps to ensure that his people are getting the best value for money for the dollars that they spend and also that the local suppliers are getting every opportunity throughout regional Queensland to supply Government requirements.

**The CHAIRMAN:** Q-Build's billing practices were mentioned by the Public Works Committee following the inquiry last year into the operations of Q-Build. On page 1-25 of the Ministerial Portfolio Statements there is reference under the heading 1998-99 Planned Performance to enhancement of Q-Build's billing and reporting arrangements so that

they better meet the requirements of clients. Can the Minister give some indication of what is being done in these areas?

**Mr SCHWARTEN:** I will ask Ron Rankin to provide some details. I think every member of Parliament at some time has heard the statement that Q-Build is too dear, charges too much for its services and that its billing practices are not up to scratch. I think that that was true. I do not cop that it was too dear, but I certainly cop the problems with billing, quoting and so on. I would ask Ron to give a more detailed answer.

**Mr RANKIN:** Following the Public Works Committee's report in March of this year Q-Build, with the assistance of an external cost accountant, commenced consulting with clients about their concerns with Q-Build's billing practices. Following a quite extensive consultation process, a report was prepared by an independent cost accountant which set out a number of recommendations for improving both pricing and billing practices. In order to implement these recommendations a full-time project group has been established within Q-Build. The work of this group is being oversighted by a steering committee which includes representatives from some of Q-Build's largest client agencies.

To date, Q-Build has made a number of commitments to clients, which include the following: the introduction of differential pricing, for example, differential selling rates for different types of trade work; fixed price arrangements, except where that is not feasible or not required by clients; improvement in the standard of invoicing format; the establishment and monitoring of billing performance standards; improvement in support of billing and work processes; regular client contact and availability of a quick response client contact line. Some good progress has already been made in delivering on these commitments. For example, new billing reporting arrangements have been developed for the Department of Education in close consultation with officers from that department. Other commitments will follow as the project develops.

**Mr GRIERSON:** Mrs Cunningham asked a question before about the year 2000. I mentioned that there is a new maintenance costing system going into Q-Build which is year 2000 compliant. That system will have features which will provide a lot more improvements in the billing area for client agencies. That is a second benefit.

**Mrs ATTWOOD:** Youth unemployment is a huge issue in my electorate, as it is everywhere. Could you tell me what specific programs Q-Fleet has in place for addressing youth unemployment?

**Mr SCHWARTEN:** To answer that, I will ask Les Clarence to come forward. You are right; it is an issue, and it is an issue that has been dealt with by our jobs council. Les will talk a bit more about how he intended to attack that through Q-Fleet.

**Mr CLARENCE:** Q-Fleet is very committed to providing opportunities for young people. This opportunity is extended to them through a number of programs, including apprenticeships, traineeships and graduate recruitment programs. As an

organisation, Q-Fleet provides full apprenticeships in the automated trades of panel beating and spray-painting, and two apprentices have completed those in the last 12 months. We also extend opportunities through a group training scheme in both motor mechanical and autoelectric trades. This group training scheme allows us to play an important role in the overall training of apprentices and allows us to reach far more individuals than we would be able to if we were taking full-time in-house apprenticeships. We currently have in training one autoelectrician and five apprentice motor mechanics through this group training scheme.

We also participated in the Graduate Recruitment Program. In the last 12 months we have taken on two: one in the marketing area and a communication graduate. It is intended to offer both of those people permanent employment on completion of their program. In 1998-99 Q-Fleet will continue to support the Youth Employment Program. Two panel beaters and one spray painter will continue their training and we will be offering further apprenticeships in spray-painting. In addition, we have two group scheme apprentices—one in mechanical and one in autoelectrical. They will be maintained throughout the year. The group scheme apprenticeships will provide partial training for at least four other individuals, and a further two graduate placements and two administrative traineeships are going to be offered over the next 12 months.

**The CHAIRMAN:** The time for Government questions has expired. We will have questions from non-Government members.

**Mr LAMING:** Firstly, I have a general question. Is Housing Queensland a tied client of Q-Build for their respective and/or their planned maintenance?

**Mr SCHWARTEN:** Are they?

**Mr LAMING:** Yes.

**Mr SCHWARTEN:** Yes, they are at the minute, and if I had my way they will continue to be so.

**Mr LAMING:** Referring to page 1-25 of the MPS, Planned Performance 1998-99, in which Q-Build outlines its desire to develop a more effective working relationship with its clients and offer more integrated business solutions, I would like to refer to the current dispute between Housing Queensland and Q-Build over the sale of heritage bricks from the demolition of an old bakery building in Boundary Street, West End. I ask: did Housing Queensland purchase the said property in Boundary Street?

**Mr SCHWARTEN:** Did we purchase the property—

**Mr LAMING:** Yes.

**Mr SCHWARTEN:**—that the bricks were on?

**Mr LAMING:** Yes.

**Mr SCHWARTEN:** As I understand it, yes. These are heritage listed bricks, are they?

**Mr LAMING:** Yes. Was it a development condition imposed by the—

**Mr SCHWARTEN:** Yes.

**Mr LAMING:**—Brisbane City Council for developing the site that the heritage bricks in question—

**Mr SCHWARTEN:** Yes.

**Mr LAMING:**—had to be preserved and were the bricks prepared for storage?

**Mr SCHWARTEN:** Yes, as I understand it—under your Government.

**Mr LAMING:** Were the bricks stored at Howard Smith wharves?

**Mr SCHWARTEN:** Yes, under your Government.

**Mr LAMING:** Were these bricks subsequently sold by Q-Build?

**Mr SCHWARTEN:** Yes, under your Government.

**Mr LAMING:** Did Q-Build try to ascertain the ownership of the bricks?

**Mr SCHWARTEN:** You had better ask your previous Minister whether that is the case. The truth is that these things happened and I am trying to fix it up now. It is a shambles. There is no question about it. For those of you who want to know the story, there was a bakery over there. There were some wonderful bricks in it and local people decided that they wanted to keep the bricks. We wanted the site to redevelop for housing. What to do? Compromise! We will use the bricks. They were stored on another site. The site had to be cleaned up. Q-Build went and cleaned it up—this is some time down the track. There are all these bricks there. What to do with the bricks? We will dispose of them. As I understand it, they were disposed of in the normal way—an ad in the paper. Somebody bought them. As I understand it, a Q-Build employee bought them. I am told by the department that that is totally aboveboard, that they were disposed of in the normal way. He now has those bricks—

**Mr LAMING:** Can I just interrupt? Can you advise me whether this was done by auction, tender or expression of interest?

**Mr SCHWARTEN:** As I understand it, it was done through the normal tendering process, was it not?

**Mr GRIERSON:** Yes, to my knowledge.

**Mr SCHWARTEN:** That is what I am advised, that that was the case.

**Mr LAMING:** Can you tell me when the tenders were called?

**Mr GRIERSON:** We will have to take that on notice and give you the exact date on it.

**Mr LAMING:** What about where they were advertised?

**Mr SCHWARTEN:** Again, the same thing—I do not know. I was told that they were advertised.

**Mr LAMING:** Are you able to tell me how many responses were received?

**Mr SCHWARTEN:** I have got no idea. Perhaps you had better ask David Watson.

**Mr LAMING:** Will you take that on notice?

**Mr SCHWARTEN:** Yes. The point I make is that I am trying to clean up a mess that you people left us. They were disposed of under—

**Mr JOHNSON:** Come on!

**Mr SCHWARTEN:** They were disposed of under your Government. All this happened under your Government. It is an absolute shambles.

**Mr LAMING:** I would just like some detail on this. Can you tell me how many bricks were indeed sold?

**Mr SCHWARTEN:** I think 20,000—enough for this bloke to build a huge fence around his house. That is the story. He has got a big house.

**Mr JOHNSON:** Go and count them in smoko time.

**Mr GRIERSON:** I think 30,000 bricks were actually sold. We will check that out and give you an actual figure.

**Mr LAMING:** Was a valuation made of the bricks?

**Mr GRIERSON:** I will have to take that on notice, too.

**Mr SCHWARTEN:** He paid a couple of grand for them, did he not—\$2,500, or something like that.

**Mr LAMING:** If you are taking on notice about the valuation, are you able to tell me who performed the valuation and also who acquired the—

**Mr SCHWARTEN:** I can tell you who it was not. It was not me. It might have been David Watson when he was the Minister.

**Mr GRIERSON:** We will certainly take that on notice. I would have to say that I would not think they would be getting a valuation for some second-hand bricks. I would have thought that they would have simply—I answered the question before about disposal of surplus Government products. I would have thought that for some pallets of bricks down at Howard Smith wharf they would have simply called expressions of interest for anybody who wanted to take them away. I doubt that. We will check it and if there is a valuation we will give you the exact details of who did it, when they did it and how much it was.

**Mr LAMING:** So there may not have been a valuation, but if there was—

**Mr GRIERSON:** If there was, through the Minister we will provide all those details.

**Mr LAMING:** You will provide that information. Also, who did eventually acquire the bricks and what was the price paid?

**Mr GRIERSON:** I think the Minister has answered that.

**Mr SCHWARTEN:** We will get the exact figures and get the name of the bloke, if you like. He is a Q-Build employee, as I understand it. The reality is that we have to try to get the bricks back because we promised those people out there—

**Mr LAMING:** I am coming to that.

**Mr SCHWARTEN:** Your mob did it. I am amazed that you are raising this. David Watson will kick you out of the Liberal Party for this.

**Mr LAMING:** After Housing Queensland discovered that the bricks were missing, did the purchaser offer to resell 35,000 bricks back to Housing Queensland?

**Mr SCHWARTEN:** No, we have not got them back, as far as I am aware.

**Mr LAMING:** Was there an offer to sell them?

**Mr SCHWARTEN:** As far as I know, yes, they went down and said to him, "We need to get them back."

**Mr LAMING:** But an offer was made to sell them?

**Mr SCHWARTEN:** He made an offer, as far as I know, and he said something like \$16,000 or something. He has seen a great old show out of this, I can give you the tip. I am going to send the bill to Watson or you.

**Mr LAMING:** So the purchaser offered to sell them back?

**Mr SCHWARTEN:** I do not know whether he did offer. I think they went down and said, "We've got to get these bricks back because we promised these people that we are going to use these ex-bakery bricks, but the Liberal Minister made sure we got rid of the bricks." I think that is what was said.

**Mr GRIERSON:** I think the actual steps were that the individual was approached and asked whether he had used the bricks, whether they were in a fence. The answer was no, they were not. Some of them were still available—in the order of 20,000 bricks. He was asked if he wanted to give them back. He did not like the word "give". He offered to sell them back, and the price he put on them was basically the price that he would have had to pay to replace them with new bricks to finish his fence.

**Mr SCHWARTEN:** The reality is that he has bought these bricks legally. I am sure that is the case. I will report it to the CJC if there is any hint of impropriety in any of this, but I am assured by my department that there were a heap of old bricks and they were put up for tender. Your mate David Watson should have been more in touch with it. He should have been camped down there at Howard Smith wharf to make sure the bricks were not taken away.

**The CHAIRMAN:** Mr Laming, could I perhaps caution you here? We may be getting off the issue of the Budget Estimates. I do not want to contain this very interesting discussion, but do we really need to pursue it that far?

**Mr LAMING:** I would like to ask a couple of supplementary questions if I may, with your indulgence, Mr Chairman. When did the general manager of Q-Build become aware of the issue and who advised him?

**Mr RANKIN:** We cannot answer that question. We will take it on notice.

**Mr LAMING:** Also, when did the general manager of the Property Assets Group become aware of the issue?

**Mr GRIERSON:** That person is a Housing employee. He will be here for the next section of hearing. Again, we can find out.

**Mr LAMING:** Can that be taken on notice at this point?

**Mr GRIERSON:** Yes.

**Mr LAMING:** Also, when did the director-general become aware of it?

**Mr GRIERSON:** I will have to go back and find out. It was two or three weeks ago or something.

**Mr SCHWARTEN:** That is about when I found out about it—two, three weeks ago or something.

**Mr LAMING:** What do you intend to do now to try to sort out the problem?

**Mr SCHWARTEN:** Well, if anybody has any advice, I would welcome it. We tried to buy them back. I am not sure I want to pay \$16,000 for them. I could go around and steal them, I suppose. What do you suggest? I did not create the problem.

**Mrs LIZ CUNNINGHAM:** Perhaps we could drag ourselves away from the bricks for one moment and go to page 1-23 of the MPS. There are a couple of notes at the bottom of the subprogram, Corporate and Executive Support. Given the high value and importance of information technology projects, could you clarify the two notes about a decrease in funding mainly due to non-utilisation of recoverable funding and a decrease principally due to the reduction in recoverable funding?

**Mr WOODWARD:** In effect, there was a reduction of \$500,000 non-utilisation of recoverable funding. It is not actually that the work was not undertaken, but we did not actually borrow to fund the IT projects. That relates to that first note which states, "The decrease is mainly due to the non-utilisation of recoverable funding." So it is where we borrow to undertake IT projects.

**Mr GRIERSON:** The way Treasury funds a lot of the information technology programs in departments is that it will lend the money as a recoverable loan such that when you get the benefits of the new IT system you will pay that loan back, usually with interest. In this case we were fortunate enough that we had some savings in other programs, so we did not need to borrow the recoverable loan.

**Mrs LIZ CUNNINGHAM:** And I take it the second one is the same? You funded the IT program through internal funds?

**Mr GRIERSON:** Yes.

**Mr JOHNSON:** I refer you to page 1-41 of the Ministerial Portfolio Statement and the implementation of the new financial systems in July 1997, using the SAP system. To date is this technology functioning satisfactorily, without any flaws? I know that some departments have had a few hiccups with the system.

**Mr SCHWARTEN:** I would be surprised if it did not have any flaws.

**Mr WOODWARD:** We introduced the first stage of our SAP system on 1 July 1997. Like all other systems, there were a few little teething problems but nothing of any significance. Since that time, the first stage went ahead and it has been very successful within the organisation. The second stage of our SAP implementation, which was predominantly

the Housing program, came in on 1 July 1998. Again, that has been very successful.

**Mr JOHNSON:** Again referring to page 1-41 and the operational systems planned to be replaced during the coming year, precisely when do you anticipate this will eventuate?

**Mr WOODWARD:** In terms of QPM, again the target date to put new systems in that particular business unit is 1 July 1999. That is the target date to actually put the systems in and have them operational.

**Mr JOHNSON:** So you are fairly well on line for that now, I take it?

**Mr WOODWARD:** We are still on course in terms of planning. We do have some critical dates to actually progress that particular project. We are still confident of getting it in by 1 July.

**Mr LAMING:** Referring to Project Services at page 1-37, is Housing Queensland a tied client of Project Services?

**Mr SCHWARTEN:** Yes.

**Mr LAMING:** What was the level of client satisfaction in 1997-98, and how was this measured?

**Mr SMITH:** Every year a third party organisation does a client survey—that is all clients, obviously including Housing. In addition to that we do internal surveys. They are done by the same survey. That is to match not only our clients' expectations and their response but also our own people's understanding of our clients' beliefs. We look at a match between the two.

We also have in our enterprise agreement a performance indicator which relates back to that client research. From memory, last year there was a 10% improvement in client satisfaction. We achieved that increase in client satisfaction across-the-board. The exact figure was above 10% but I do not know exactly what it was. There is obviously variability in our clients' responses in regard to not only the clients but also where the clients are. We look at region versus central office, so it is an amalgam. I would find it difficult right here and now to give you an exact answer on Housing per se as a client, but I probably could provide that information if you are interested.

**Mr LAMING:** Do you have a client satisfaction target for 1998-99?

**Mr SMITH:** It would be a 10% improvement on what we have at present. It has been an incremental approach. So in a continuous improvement program, it is 10% improvement on what we did last year. It is on a scale of one to 10, which is a pretty easy one. It is always dangerous to give numbers as broad brush, but on a scale of 1 to 10 we are sitting at about 7 plus at present. I just ask for 10% on whatever those figures are.

**Mr LAMING:** I refer to page 1-49, key performance indicators of Sales and Distribution Services. How does the figure of \$400,000 in sales per employee per annum compare with the private sector?

**Mr SCHWARTEN:** I do not know. That is the answer to that. I will get Bob Hunt to come over, and hopefully he will be able to tell us.

**Mr HUNT:** I cannot offer you any further information on that. Our difficulty in benchmarking has been to find an enterprise which is similar to ours.

**Mr LAMING:** In the same area on the Program Outlays, did the voluntary early retirements proceed in the 1997-98 financial year? If so, how many positions were eliminated, and how much was expended?

**Mr HUNT:** Yes, the voluntary early retirements did proceed in that year. The amount was of the order of \$370,000. I can give you a precise figure for that; I just cannot find it at the minute, but it is of that order.

**Mr GRIERSON:** The figure is \$322,000.

**Mr LAMING:** How many vacancies existed as at 30 June 1998?

**Mr HUNT:** There were about seven vacancies in what you might regard as permanent positions. We have a very large casual work force because of the seasonal nature of the business.

**Mr LAMING:** How was the figure of 98 FTEs in footnote 1 on page 1-51 derived?

**Mr HUNT:** That is derived by looking at the people who are employed as employees, rather than as employees of an employment agency, and converting that to a full-time equivalent ratio.

**Mr LAMING:** Which should add up to 98?

**Mr HUNT:** Yes.

**Mr LAMING:** Can you give details on the \$3.717m line item accounted as Financial Transactions included in the Program Outlays on page 1-50 of the MPS?

**Mr HUNT:** That amount is a short-term borrowing facility which is available to the business to cope with the seasonality of its production, in that most of the business is done in the December to January period. So inventory has to be bought in anticipation of that very high demand period. Because much of it goes to schools, the accounts cannot be rendered, or satisfied, until the third quarter of the financial year. Therefore, SDS has needed to borrow funds to ensure that its cash flow remains in a good state. The amount that you quote there is for the repayment of those facilities.

**Mr LAMING:** I refer to key performance indicators and staffing resources on pages 1-49 and 1-51. Since the 1998-99 estimated sales target remains the same as the 1997-98 actual at \$42m, why have staff levels been forecast to increase from 88 to 99 FTEs?

**Mr HUNT:** More of the staff are being taken on as permanent or temporary public servants, rather than as agency employees, because it is cheaper for us to do that. So more of the people who would have been paid for in another budget item are now coming into the salaries Vote.

**Mr LAMING:** And those other employees are not expressed into the FTEs?

**Mr HUNT:** Correct.

**Mr LAMING:** They are not?

**Mr HUNT:** Correct; they are not.

**Mr LAMING:** Only the full-time employees?

**Mr HUNT:** Yes.

**Mr LAMING:** In relation to the key performance indicators and Program Outlays, with the increase in total Program Outlays for the 1998-99 financial year, and in light of no projected sales growth for the same period, will this approach not lead to another substantial trading loss for SDS in the 1998-99 financial year and, if not, what strategies are going to be implemented to turn SDS's profitability around?

**Mr HUNT:** SDS ran at a loss last year for the first time in its history. That was for a number of reasons which will not recur. One of them was the VER program, which accounted for \$322,000. Another was that there were some substantial stock adjustments that needed to be made to get rid of old and obsolete stock which had been presenting a false position on the balance sheet. The third thing was that the business needed to reinvest in its information technology, which was some years old and, in a number of cases, was no longer supported by the vendor because of its age. So when one takes account of those abnormalities, then it would be expected that, had they not occurred, there would have been a profit last year, and it is certainly anticipated that there will be one this year.

**The CHAIRMAN:** The time for this section of questions from non-Government members has expired. We will move on to questions from Government members.

**Mr REEVES:** In regard to the expanded employment opportunities for building trades apprentices and trainees, what is the process undertaken to ensure equal opportunities in apprentice selection for next year in Q-Build's intake?

**Mr SCHWARTEN:** I will get Mal to outline that. Q-Build—and the department generally—is an equal opportunity employer. I would hope that, by this time next year, we have a significant number of female apprentices, but the reality is that non-traditional roles of apprentices have not been exactly embraced by females. I do not know whether that is because this department has not done enough to promote it in that way previously, but it certainly will be doing it from here on in.

**Mr GRIERSON:** The Minister is perfectly right. We do have difficulty in recruiting females into the apprenticeship ranks, but we do try very hard. Q-Build has regular contact with the ATSI units throughout the State, not only for females but for indigenous recruits into the apprenticeship program.

**Mr SCHWARTEN:** There are five of them, for a start, in our HITT program.

**Mr GRIERSON:** We have television coverage on all the regional stations when we are going to commence the recruitment program. We also use the radio stations. There is a program called Tradeswomen on the Move. We participate in that.

There are Women's Week activities. We participate in that and promote the apprenticeship program for females. We are a member of the National Association of Women in Construction and, through that, we try to send the message that there are employment opportunities. The TAFE colleges and schools receive promotional material from us. There are career expositions that the TAFE people run. We always have a stand there to promote employment opportunities for females, for disabled folk and for indigenous people. So our EEO program extends right throughout all programs that we have. When we come to the interview process—any person in the target groups we include in our interviewing numbers, and we ensure that interview panels include female and ATSI membership to make sure that our EEO opportunities are achieved.

**Mr SCHWARTEN:** I have already raised it with the Minister for Aboriginal and Torres Strait Islander Policy and Minister for Women's Policy and Minister for Fair Trading to run the ruler over our department in that regard as well to see whether the reason that we are not getting women into those non-traditional roles is anything to do with a lack of commitment from our department. I am not sure one way or the other yet.

**The CHAIRMAN:** It is noted that, within office facilities refurbishments on page 74 of Budget Paper No. 3, the Budget makes provision for \$250,000 for anti-discrimination compliance. What is the Department of Public Works doing in relation to anti-discrimination measures?

**Mr SCHWARTEN:** Obviously it is a very important role that we have to fulfil. I will ask Mal to outline that even further for us.

**Mr GRIERSON:** The department has a responsibility for ensuring that all Government buildings meet the anti-discrimination requirements that are proclaimed through legislation, both Commonwealth and State. That covers not just wheelchair access to the foyers of buildings, which is the traditional anti-discrimination consideration, but it also includes buttons in lifts, the height of water coolers, provisions for vision impaired people and hearing impaired people and colour-contrasting signage. There is a whole range of matters that we have to take into consideration. We have a program to audit Government buildings. We have almost completed the full audit. We have started installing the major items, which are toilet facilities, access facilities and lift provisions. If you go to 111 George Street, you will find that the lift buttons have braille signage on them. They are also at a height that can be reached by somebody in a wheelchair.

A good example of our efforts to deal with those issues is the Stage 5 drama theatre that we have just completed, the Optus Playhouse. It has the best provisions of any theatre in Australia and, I would suggest, in the world for people with disabilities. It has wheelchair access to the best seats in the house.

**Mr SCHWARTEN:** It has removable seats.

**Mr GRIERSON:** Yes. It has the loop system for hearing impaired people. It has special sound



rooms for people who need to be isolated from the audience because of sound problems.

**Mr SCHWARTEN:** Or for a kid who plays up.

**Mr GRIERSON:** Yes. We have the best facilities anywhere. The Chair of the Anti-Discrimination Tribunal at the time, Roslyn Atkinson, who is now a Supreme Court judge, went through the whole process with us in a hearing. She commended us. The ACROD groups, the anti-discrimination groups, have been across there and are very complimentary of the building. We have put a lot of effort into anti-discrimination measures in Government buildings. A lot more is to be done. We believe we are addressing it in the right way.

**Mrs ATTWOOD:** I note from page 1-37 of the MPS that the Project Services business unit has been financially successful. I do not believe that financial success is the only yardstick for a body responsible for the design and construction of public buildings. Can we be sure that financial success has not been achieved to the detriment of the standard of building design?

**Mr SCHWARTEN:** Yes, we can. I will get Max Smith to outline why. That is the case where we have control of them. I will make the point that one of the things that increasingly worries me is that, where this department is not involved, over a period there has been some compromising of building standards.

**Mr M. SMITH:** The commercial success has allowed us to continue to support design per se. One of the things that we have done is, last year, bring on 16 new graduates. This year we are bringing on 16 or 17 new graduates. In that, there is a need, obviously, to support the design philosophy. That is not to say that we do all of our designs in house. Well over 50% of our work is done in partnership with the private sector. You ask: how do you measure success? Success is measured by what is built there and by the reflection of your peers in their acknowledging awards of your organisation. Some of the awards we have won in partnership. My director-general mentioned the Brisbane Convention Centre, the Cairns Convention Centre, the Optus Playhouse and the Cliffs Boardwalks. There is a whole series of projects where we have worked in partnership with the private sector and received awards. Internally, this year we won the J. D. Stanley Award for non-residential architecture with the Queensland Chapter of the Royal Institute of Architects. That is "the award". One of our people, Don Watson, won that. We were very proud of that. Obviously the organisation was very proud to be involved in that. There have been a number of others. In 1996 we won the Master Builders Award for Excellence in Partnering Arrangements. In the housing arena over a number of years there have been HIA awards. We are fair dinkum about sustaining a good design prowess within Project Services. We are fair dinkum about working with the private sector in doing that. We will have had 32 new graduates within our organisation over the past couple of years. If we continue to do that, then there will be a career stream for our people also.

**Mr REEVES:** I notice on page 1-41 of the MPS that your department manages the

accommodation leases on behalf of the Queensland Government. What measures are in place to ensure the effectiveness and consistency of negotiated leases?

**Mr GRIERSON:** The department manages about 400,000 square metres of office space throughout the State, the majority of which is in the CBD of Brisbane. That involves leasing costs of about \$88m a year. We are the major tenant of leased office space in Queensland. We had a lot of problems with the owners of buildings. They all had a different style and approach to dealing with their clients, different approach to maintenance—replacement of carpets and a whole range of matters, such as who was responsible if the airconditioning was not working. In conjunction with the major players around town, the Real Estate Institute and the Property Council, we developed a standard Government lease. We took it out to the building owners and went through it with them and negotiated. We have finally reached a position where 95%, I think the figure is, of all new Government leases and renewals are on that standard lease. We have this right throughout the State. The tenants know what their rights and responsibilities are; the owners know what their rights and responsibilities are. It is a very simple, plain English lease. There is not all the jargon in it. Everybody knows where they stand. We have found that it is very successful. The key to it is that the industry played a part in developing it. The industry is very supportive of that lease.

**The CHAIRMAN:** Can the Minister explain what benefits the Procurement Management Improvement Projects outlined on page 1-15 of the MPS are expected to bring to public sector management in Queensland? Can the Minister point to any evidence of the success of those projects?

**Mr SCHWARTEN:** I will call Christine Tonkin, who manages that section of our department, forward. She will be able to give you a detailed response to that.

**Ms TONKIN:** The Procurement Management Improvement Projects are a very important initiative, because they are helping departments get a handle on the total procurement management within the organisation. We are hoping to bring our departments up to world's best practice in this regard, to help reduce the high cost of a number of goods and services that we are buying, to improve the efficiency of the procurement function, to reduce our vulnerability in key supply markets, to improve the contribution that supply makes to achieving Government objectives, to secure long-term viability for commercialised business units—and that is where we have had some considerable successes—and to improve the capability of the procurement function to contribute to Government's objectives, for example, supporting local business and industry. We have helped Q-Build in particular improve relationships with key suppliers and to better place Q-Build to reduce their overall cost structure and, therefore, improve their profitability and long-term viability.

The Department of Natural Resources has been assisted to get a handle on its total spend of about

\$110m per year and to better plan the way it goes about its procurement so that it reduces the costs that the Government is paying and also has a greater recognition of local suppliers and their capacity to contribute to the department's objectives.

**The CHAIRMAN:** The time for Government members' questions has now expired. I believe there are some final questions that non-Government members will ask.

**Mr LAMING:** I return to the matter of the heritage bricks. I asked when the matter was brought to the attention of the General Manager of Q-Build, the General Manager of PAG and the director-general. You were going to come back to me with that information. I am sure you would be able to answer me as to whether or not that was brought to the attention of those people, including the director-general, before the last election was called.

**Mr GRIERSON:** Mr Laming, I honestly do not remember. I would say that it is in the last three weeks.

**Mr LAMING:** It is that recent?

**Mr GRIERSON:** It is that recent that I heard the story of the bricks—three or four weeks, I think.

**Mr LAMING:** So can we assume that the other people—

**Mr GRIERSON:** Sorry, I can answer you definitely, because the person who raised the issue with me is the Acting Director-General of Housing, who was obviously not appointed until this Government changed. So she raised it with me. So it must have been in the last four or five weeks at the most.

**Mr LAMING:** Moving on from that point—and perhaps the question should go to the Minister—you made several remarks about the previous Minister. If this advice came through to those people and the director-general as recently as we have just been advised, how could the previous Minister have possibly been aware of this matter?

**Mr SCHWARTEN:** You have raised the question. What I am saying to you is that it happened under the previous Minister at a time when I had no control over it at all. Yet you are coming here and using this forum today to bring out an issue to obviously try to embarrass this Government, this Minister, when, in fact, the decisions that were made previously had nothing whatsoever to do with me, my Government or indeed the acting director-general of the department. The director-general of the previous department has now gone the way of all good doggies and he is not here to answer the question, either. So what I am suggesting to you is that you are trying to have a bit of a grandstand here today and score a few political points off me over this issue when, in fact, I was only made aware of it. I admit freely that it is a shambles, but it was not a shambles created by me or the people who you are now putting under pressure. The fact of the matter is that we have got to try to find a way around this, because certain commitments were given previously to those people in good faith. There has been some bungle that has meant that those bricks have now passed out of the Government's hands. It happened

when I was not in the chair. I am assured that there is nothing whatsoever to connect with Government.

You have brought this up today to try to score a cheap political point. It does you and your position really no justice whatsoever. I thought that you were a bit better than that. I have opened my office to you, as you know. I think that I am the only Minister who has afforded a shadow Minister a full briefing from senior officers of my department. I think that I am the only one who has done that—opened up the budget to you. Yet you have chosen to come in here today and make a hero of yourself to get a few political points.

I will tell you this now: I will refer the matter to the CJC here and now and we will see what happens as a result of it, because you are not going to come in here and try to big-note yourself and stand over me.

**Mr LAMING:** Yes, but that was not the intention of my bringing it up.

**Mr SCHWARTEN:** What rot.

**Mr LAMING:** It was yourself who was critical of the previous Minister.

**Mr SCHWARTEN:** Absolutely.

**Mr LAMING:** That he should have fixed it up.

**Mr SCHWARTEN:** He should have.

**Mr LAMING:** Quite obviously, from the answer—

**Mr SCHWARTEN:** You brought it up here today, digger.

**Mr LAMING:** From the answer of the director-general, the previous Minister had no way of knowing—

**Mr SCHWARTEN:** It did not happen under our Government. That is what I am saying.

**Mr LAMING:** He had no way of knowing that this matter—

**Mr SCHWARTEN:** Why did you bring it up? You tell me why you brought it up today other than to try to politically embarrass me. That is the reason you brought it up, not out of any concern about the bricks.

**Mr LAMING:** We have established that—it is on the record—the previous—

**Mr SCHWARTEN:** I will tell you what we have established on the record, and that is that it happened under you.

**Mr LAMING:** No, the previous Minister had no way of knowing. Therefore, he was not responsible for it.

**Mr SCHWARTEN:** You are just trying to score because you have probably gone over there now and he has kicked your arse. That is probably the truth of it.

**The CHAIRMAN:** Order! Can we bring the Committee back to order. Do you have any more questions?

**Mrs LIZ CUNNINGHAM:** Page 1-28 of the MPS talks about a reduction in staffing levels and field staff in particular—and I acknowledge that it

happened in the 1997-98 Budget—from 1,065 to 959. But I note that it is intended to continue with those field staffing numbers. Given the importance of the work done in the regions and in the field, I wondered why you had not anticipated increasing those staffing levels?

**Mr SCHWARTEN:** That is the question that I think Mal answered before. This does not include the extra finances that will come via the jobs council. So it is anticipated in that document but, at that stage, the money was not in our budget to do anything about it. Obviously, as a key employer of tradespeople and of training people, we were the logical choice to get that increase. You are right. The first time that I saw it there I thought, "This is a great message to try to sell when we are trying to put people on", but that is, in fact, the reality of it.

**Mr GRIERSON:** For example, that additional 40 apprentices coming out of their time that the Minister said that we would retain are not there. So there is another 40 on top of that as a minimum.

**Mrs LIZ CUNNINGHAM:** My apologies. I missed the comment earlier. Across the page on 1-29 it states, "Actual expenditure on vehicle maintenance was reduced in 1997-98 despite a continuation of growth in the size of the fleet." I assume that the safety of the vehicles is being maintained. Can you give me some assurance that all levels of maintenance are being carried out appropriately to gain those savings?

**Mr SCHWARTEN:** I hope the answer is yes to that.

**Mrs LIZ CUNNINGHAM:** So do I. Unfortunately, cars do not miraculously improve themselves.

**Mr CLARENCE:** I can assure Mrs Cunningham that all of our vehicles are maintained correctly and in accordance with the manufacturer's requirements. All unscheduled servicing that is required is also undertaken. The decrease in cost is as a result of a proactive management process that Q-Fleet has in place, which ensures that we get the best possible price for all servicing work that is done and that we make the most out of the warranty provisions that are provided by our manufacturers.

**Mrs LIZ CUNNINGHAM:** Could I just ask a follow-up question, please? Given that I heard earlier that vehicles were being retained longer, one would assume that their maintenance requirements would increase rather than decrease. I heard what you have just said, but there seems to be an anomaly within your answers here and within the information in the book. Vehicles as they age and as their mileage increases do require a greater level of maintenance. Are you able to give a 100% assurance that that maintenance is adequate?

**Mr CLARENCE:** Yes. The vehicles that I referred to earlier which have had an extended life have had an extended life from 12 months to 24 months. They are still covered by the manufacturer's warranty. So it really is, in the main, scheduled servicing that is required. But I can again assure the member that all of our vehicles are appropriately maintained.

**Mrs LIZ CUNNINGHAM:** Within the increase of that 12 months to 24 months there is also a commensurate check on the mileage that is done with the vehicle?

**Mr CLARENCE:** That is correct. The number of vehicles involved is around 1,200. So it is about 10% of the fleet.

**Mrs LIZ CUNNINGHAM:** Thankyou.

**The CHAIRMAN:** Thankyou, members. I understand that the Committee has now finished its questions in relation to the Department of Public Works. On behalf of the Committee, I thank all officers for their great assistance in informing the Committee this morning.

Sitting suspended from 10.37 a.m. to 11.12 a.m.

**The CHAIRMAN:** I declare the Committee proceedings again open. Minister, I believe that you wish to make a statement in relation to this area of your portfolio, the Department of Housing?

**Mr SCHWARTEN:** Thank you, Chairman. The incoming Beattie Government decided to establish the Department of Housing as a separate department, which required a break-up of the previous Department of Public Works and Housing. The new department is now established as a separate department with responsibility for public housing, community housing, Aboriginal and Torres Strait Islander housing, private housing assistance and home purchase assistance.

The Department of Housing will be a key contributor to the Government's objective of building better communities through the development of an effective overall housing system for Queensland. The Department of Housing is the State's biggest landlord, managing over 50,000 public housing tenancies, with over \$4 billion worth of assets. It is also the biggest developer of residential accommodation. Therefore, the department is in a unique position to set standards and influence supply across both public and private sectors.

I am committed to the development of housing policy that will influence and maintain acceptable community standards, improve its own services to better address needs of individuals and communities, influence the private market to become more responsive and contribute to the development of sustainable communities. I welcome this opportunity to put my Estimates before the Committee.

**The CHAIRMAN:** Thank you. The first 20-minute section of questions will be from Government members.

**Mr REEVES:** Minister, could you inform the Committee of any more information about the famous bricks?

**Mr SCHWARTEN:** The bricks certainly seem to dominate this morning. There is an old saying: never ask a question unless you know the answer. I think the honourable member truly exemplifies the position of being hoist with one's own petard. The fact of the matter is that I inadvertently misled the Committee this morning—

**Mr LAMING:** It would be a waste of time having Estimates if the Committee knew the answers to all the questions.

**Mr SCHWARTEN:** You thought that you knew the answer to this one; that is the problem. I inadvertently misled the Committee this morning by stating it was Dr Watson's responsibility. It was not solely Dr Watson's responsibility at all. That larger-than-life first casualty of the Borbidge Cabinet, Mr Connor, was responsible for the advertisement being placed to sell the aforementioned bricks.

In the Courier-Mail on 26 March 1997, there was an offer for purchase of those bricks. It seems that there was not a lot of interest in those second-hand bricks. Nobody saw the value of them at that point in time. A concerted effort was made to sell them after that. They scoured through the Yellow Pages to see if someone would take them. Finally, two offers were made. One was made by the Q-Build gentleman who was referred to this morning and one was made by somebody else. The Q-Build person made a higher offer and, therefore, it was accepted. Dr Watson was the Minister at the time.

The point was made to me that I could not expect the previous Minister to be aware of this, yet the member raised it this morning with the expectation that I would be aware of it and that somehow I would bear the responsibility for this bungle. The fact of the matter is that this displays to me the incompetence and indolence of the first Minister concerned. He was not on top of his department and his portfolio, and he had not set in train enough mechanisms for reporting. Secondly, it also displays the incompetence of the director-general of the time, who obviously was not in touch with what was going on in his own portfolio, so much so that a concerted effort was being made to get rid of those assets when a deal had been done. There were obviously no checks or balances in that system. It is little wonder that the people of Queensland rejected that Government at the last election, because the brick episode really amplifies the sort of incompetence that went on under that Government. By the way, the bricks were sold on 2 June 1997.

In typical form, as an incoming Labor Government we have to clean up a mess that was been left to us by a previous Government. I will do my best to do that. Do not ask me how we will do it at this point in time. We have tried to get the bricks back and make good our word to the good people and the Brisbane City Council. All I can say is that we will do our best to get the bricks back and not run up a huge bill for the Queensland taxpayer as a result.

**The CHAIRMAN:** I note the strategic issues section at page 2-2 of the MPS in relation to lifting the image of public housing. Can you tell us what strategies you have implemented?

**Mr SCHWARTEN:** If we are fair minded, we would all say that the image of Queensland Housing has never been good. It is very unfair that it is that way, because each and every person in this room could cite a public housing tenant who is an exemplary citizen and who is no different to anybody else who looks after their home, is a top neighbour and pays their way. They are the three ground rules that I have established as Minister. Those are the only standards that I expect from these people. I do not accept that they are in any way, shape or form

anything other than decent people whose only crime in life—if you want to call it a crime—is that they cannot afford their own home.

The reality is that we cannot afford to sweep under the counter the rare cases of abuse of rental homes. I am not going to do that and I am not going to excuse people who do. As far as I am concerned, there is simply no excuse for people knocking their houses around, being bad neighbours or not paying their rent. To get onto a positive foot, the way to do that is to make sure that the 2% of tenants who do the wrong thing are not in a position to bring down the good name of the 98% of good tenants. In so doing, I make it known that we are proud of the 98% of people who are exemplary tenants. I want to look at a system of rewards for those people so that we can show that, as members of Parliament, we are proud to have them as neighbours. There is a raft of issues that I am looking at.

The thing that strikes me is that people in public housing have been there for 50 or 60 years. You do not see that in private housing. If you talk to some of those people, they have made terrific efforts in helping the community. They could probably have bought the houses time and time again when one looks at what they have paid in rent. What do we do? Previously, we did the kitchen up when they left or died and somebody else was coming in. Those are the sorts of protocols that we are looking at.

As soon as I became Minister, I put the garden competition back on the agenda. That has been received very well. We have devoted \$100,000 to it. Wherever I have gone throughout the State, our tenants have embraced it. Our tenant action groups are also playing a good role and I intend to enhance their role. We have a good story to tell. Nobody should be ashamed to be living in Department of Housing houses. I will make sure that that is the case. I am very proud of those people.

**Mrs ATTWOOD:** Please advise the total cost of the Chesterton component of the outsourced Public Housing Tenancy and Property Management pilot referred to on page 2-25 of the MPS. Why is this pilot continuing, given the Government's views on this project when it was in Opposition?

**Mr SCHWARTEN:** It is around \$5m. It is a pilot scheme once again put in place by the previous Government. The number of complaints that I have received from members of Parliament about that whole management system tends to tell me that it was not particularly successful. The number of letters that I have had from individual tenants also tells me that. But be that as it may, it was a pilot scheme entered into in good faith by the previous Government and by Chesterton. I am not here to bucket either of them. The truth is that these things have to run their course. There is an expiry date for this. To break that commitment would expose the taxpayers of this State to litigation and cost. I think it winds up at the end of January next year. I believe it has proved how worth while our officers are and what a great job the public sector does in managing public sector housing.

I have said on record previously in the Parliament that I do not believe the private sector

can look after public housing, because so much value adding needs to be done. For example, public housing management and protocols and managing waiting lists are not the sorts of things that necessarily enter into the minds of private providers. I am not in any way denigrating their efforts; this is a different sort of business and it requires a lot of dedication to manage public housing. We have 50,000 people throughout the State in housing of varying degrees of quality. The standard of some is quite poor. We have situations where people simply will not live in public housing. That is why we have vacancies out there. I do not believe that private enterprise can do it better than public enterprise. I think that any fair assessment that is made of this experiment will prove that to be the case.

**Mr REEVES:** On page 2-5 of the MPS the explanation given for the increase in inputs includes reference to the fiscal deficit reduction contributions. In a statement to the Queensland Parliament on 27 August you said that more than \$130m had been eroded from the Housing Program by the previous Government through a variety of methods, including this. What has been the impact of this erosion of funds?

**Mr SCHWARTEN:** It is obviously a very significant erosion. I said this morning that the building dollar travels around between five and anything up to seven times. It is a significant economic cost to start with. In terms of houses, it is 1,600 if we did not buy the land, and it is 1,200 if we did. We went without a significant number of houses. Every time I see Costello on the television big-noting himself about how he put the Budget reduction process in place and how we are \$1.2 billion better off because of that, I think of all those people on our waiting lists who cannot get a home. I think of all of the chippies who could have got work over the past couple of years. I think of all the painters, real estate agents and so on who would have got work at a time when it was needed over the past couple of years. But in order to satisfy the Howard Government's obsession with getting money back, the previous Government took it from the place that really could not afford to give it, and that was from Queensland Housing. I am pleased that our Government has reinstated that money and that that part of the arrangement will not be going back to Mr Costello or whoever is in office after Saturday.

The fact is that the money that was required for housing has now set us back in terms of where we are headed. We should have been on line to create a lot more jobs and houses than we are, but we will now have to try to pick up the slack from the past two years. It certainly has had an immeasurable effect on the Queensland economy. Who knows just how much better it could have been over the past two years if we had seen that sort of money going into bricks, mortar, glass and timber in this State. At the very least, we could have given people a quality roof over their heads.

**The CHAIRMAN:** In the strategic issues section of the MPS you refer to a Youth Housing Initiative to encourage the provision of community-

based housing for young people. Could you please expand on this?

**Ms APELT:** The 1998-99 Community Housing budget has included the provision for \$3.5m under the long-term community housing program for a youth housing initiative. Expressions of interest have gone out for ideas for youth housing under that \$3.5m program. Those expressions have now come in and we are looking at those through the usual process we have for prioritising initiatives under that funding. The number of submissions that have come in has gone beyond the \$3.5m available and we are now working through those against a set of priorities to see what could be funded under that program. We will perhaps also look at some of the initiatives that have come forward for this funding round for consideration in the next funding round. We have received 54 submissions and the total funding requested through those submissions is of the order of \$25m. We have a considerable task ahead of us now to look at the priorities that we could fund this time and which ones might be identified for future funding rounds.

**Mrs ATTWOOD:** With reference to page 2-9 of the MPS and given that the current Commonwealth/State Housing Agreement—CSHA—is due to expire in June 1999 and no new agreement has been finalised, what steps are being taken to expedite the signing of a new agreement to ensure that future capital works programs are not delayed and to ensure that the department is not entering into contractual arrangements without the appropriate funding guarantees from the Commonwealth Government?

**Mr SCHWARTEN:** I thank you for the question, because this is a very important issue that both the previous Government and this Government have had to deal with. Early this year the State was told to get its act together and develop these agreements. They did; they honoured that to the word. I do not know whether that was some sort of surprise to the Federal Government. But that is basically the end of it. At the first meeting that I went to a couple of months ago, all Ministers for Housing from all persuasions of politics were critical of the Federal Government for not coming clean about what it intended for the next CSH Agreement over the next five years. Whilst it does not come into effect until the second part of next year, the reality is that we need to plan, as all Governments need to do, in terms of housing.

We were told that it would be addressed in October. We are now having a Federal election in October. God only knows when we are going to hear about this. This is a very serious set of circumstances. That is why I took to Cabinet a submission on the matter looking for \$39m to hold us over to the next Budget. If we do not have that commitment, about 155 homes would not be able to be built next year. You need planning, advice and certainty in the industry to get those projects up and running. Cabinet has agreed to bring forward that \$39m in the event of the worst case scenario occurring, and that is our not knowing. To do otherwise would have been absolutely foolhardy.

The Premier has written to the current Prime Minister indicating Queensland's concern about it. I understand that has occurred in respect of other States as well. We can but hope that the worst case scenario does not eventuate.

**Ms APELT:** In addition to the 155 new dwellings under the Community Housing Program, the \$39m underwriting will also enable 803 dwellings to be constructed through the Public Housing Program.

**Mr REEVES:** Could you please explain the purpose of the Northern Peninsula Area demonstration project referred to on page 2-17 of the MPS? How will this improve health outcomes for indigenous people?

**Mr SCHWARTEN:** Linda has more detail on that. I was recently up there.

**Ms APELT:** Just generally, I will give a slight overview, then I will ask Alex Ackfun, General Manager for the Aboriginal and Torres Strait Islander Housing Program to expand on that. The overall intention of the program has an emphasis on ensuring that development in that area takes account of the various hardware that relates to health, such as ensuring that there are appropriate showers in the dwellings in that area, appropriate toilet systems, appropriate washing facilities, etc. which often have been skimped upon or been inappropriate with previous arrangements. The program also places an emphasis on making sure that there is an integrated approach to development in that region and also coordination across the various Government and community sector agencies that are funded to contribute to those projects. I will call upon Alex Ackfun now to expand.

**Mr ACKFUN:** I guess the description of the Northern Peninsula Area Program as it is has been fairly well covered by the acting director-general. I just want to give you some background to the particular demonstration project in the sense that it came out as a result of Housing Ministers in 1996 realising that the housing outcomes in indigenous communities were fairly poor. They wanted to make sure that indigenous communities right across Australia could benefit from more cooperation and lack of duplication among line agencies.

In 1997 they formed a Commonwealth/State working group of indigenous housing officials to develop some practical strategies for that particular Northern Peninsula Area project. Extensive consultation occurred with those communities—the ACC, ATSIC—and the Joint Ministerial Advisory Committee on Housing and Infrastructure chose that particular area as a demonstration project in Queensland. The outcomes so far have been that a number of community houses have been upgraded, skills transfer has occurred to those building teams in those communities and certainly the planning and coordination between ourselves and other Government agencies in the area has occurred quite well. We chose that particular area because ATSIC had allocated some moneys in relation to the NAHS/HIPP projects for road, sewerage, drainage, community halls and the like.

**Mr REEVES:** Details on page 2-1 of the MPS show that approximately 16,500 households are turned away annually from emergency accommodation services. What steps have been taken to redress this situation?

**Mr SCHWARTEN:** Broadly speaking, one of the issues that we have had is a lack of cooperation, shall I put it, between agencies that deal with this problem. It is a bit like what Alex was talking about before. To address crisis accommodation, we really need an interdepartmental focus. I will ask Linda to elaborate on that, but I have got some very firm ideas on how we might go about doing it.

**Ms APELT:** The major program that we administer that addresses this issue is the Crisis Accommodation Program. This program provides funds to community organisations to purchase, construct, upgrade or lease housing for homeless people and those in crisis. The Crisis Accommodation Program is a national program jointly funded by the Commonwealth and the States, and recently a Queensland evaluation has been completed in relation to this program. If approved, implementation of the recommendations from this review will include the restructuring of the Crisis Accommodation Program and improved cooperation with other Government departments and between the local community-based services providing assistance to homeless people.

To date there has been a clear link between the Crisis Accommodation Program and the Supported Accommodation Assistance Program, which provides funding to community organisations to provide support, information and referral to homeless people and those in crisis. The Supported Accommodation Assistance Program is also a national program funded by the Commonwealth and administered by the Queensland Department of Families, Youth and Community Care. The Supported Accommodation Assistance Program has recently been evaluated in Queensland and a final report has been produced. The turn-away rate of 16,500 households annually from emergency housing is derived from the Supported Accommodation Assistance Program national data collection agency report for Queensland in 1996-97. The Department of Housing also provides priority access to housing for those in urgent housing need who meet the priority housing eligibility criteria. Priority housing has also been recently reviewed, and the Minister is currently considering those recommendations.

The department is considering the development of a strategy to respond to homelessness which will ensure that these recommendations are considered in the context of housing assistance as a whole. This strategy aims to improve the department's response to homeless people by considering improvements or adjustments to a range of programs that assists those in crisis. For example, it may be that a family simply requires financial assistance to access private rental markets rather than a place in emergency housing. By coordinating all assistance programs available to homeless people and those at risk of homelessness, it is hoped that the department will reduce the

numbers of people being turned away from emergency accommodation.

**The CHAIRMAN:** That completes the time for the Government members' questions. We will now move on to non-Government members.

**Mr LAMING:** I would just like to refer to the Minister's opening remarks referring back to the issue that was discussed earlier today. Really, I believe the role of Estimates Committees and members of Parliament is to ask questions—not necessarily to only ask them when we know the answer.

**The CHAIRMAN:** Order! Could we move straight on to the question, thanks?

**Mr LAMING:** I just thought I would make that point. I would like to ask a question now on ATSI housing. I refer to the third last dot point on page 2-17, Planned Performance, and also the answer to question on notice No. 13. I refer the Minister to his announcement regarding the indigenous apprenticeships scheme and the planned intake of five indigenous women per annum for the next three years commencing in the 1998-99 financial year, and I ask: are these five new apprenticeship positions in addition to the normal annual intake?

**Mr SCHWARTEN:** Yes.

**Mr LAMING:** They are additional?

**Mr SCHWARTEN:** Yes.

**Mr LAMING:** I refer then to your response to question 13—and I hope you have that handy—prepared for this Estimates Committee in which you inform the Committee that the 1997-98 intake of apprentices by this scheme under a coalition Government was 14 and that, in fact, your total intake of apprentices including these five deserving indigenous women for 1998-99 is identical to that of the previous year: 14 apprentices. It just seems that that does not—

**Mr SCHWARTEN:** I will hand that over to Linda.

**Ms APELT:** The initiative for the five women apprentices is a new initiative. In addition to the 14 here, we also will have access to additional funds for apprentices through the Government's Jobs Policy Council. Those funds were announced post the development of this MPS; hence there will be additional funding to that program.

**Mr SCHWARTEN:** It is the same as the issue this morning in the Works Department.

**Mr LAMING:** So there will actually be the 14—

**Mr SCHWARTEN:** There is extra money is the answer.

**Mr LAMING:**—plus the five extra? I just cannot pick it up right now.

**Mr SCHWARTEN:** No, you cannot.

**Ms APELT:** Because this is at odds with the time that this was actually produced, so you are correct.

**Mr SCHWARTEN:** That appears in another barrel of money in the Treasury documents, and since then we have worked out where we are going

to spend that money. It is the same as in Q-Build this morning.

**Mr LAMING:** So that is why the documents do not agree?

**Mr SCHWARTEN:** Yes.

**Mr LAMING:** I am happy with that. I refer again to the third last dot point on page 2-17, 1998-99 Planned Performance. We have the extra people, and I ask: the \$400,000 additional funding—I think you might have answered this one—is not a portion of the other money; it is additional money coming from another source?

**Mr SCHWARTEN:** Yes.

**Mr LAMING:** What source is that?

**Mr SCHWARTEN:** That is the jobs program money that we went to the election with—\$230m or whatever it is.

**Mr LAMING:** What department does that come from?

**Mr SCHWARTEN:** The lead agency for that is Employment, Training and Industrial Relations. There are a number of Ministers and their directors-general on that council that has been established in relation to the apportionment of that money. Clearly, when we set that fund up there were a variety of agencies that would be involved in creating employment in the State. We were one of the prime ones, both in Housing and in Works, so we put our hand up for extra dough, basically.

**Mr LAMING:** So this particular program is \$400,000 for the year for the five indigenous female apprentices. That seems to me to equate to \$80,000 per year for each of the apprentices. Am I reading that correctly?

**Mr SCHWARTEN:** That would be the projects they are working on. It would be the houses.

**Mr ACKFUN:** The reason there is a reduction in the funding this year is that the program will not actually start until November. We estimate the full year's funding to be \$700,000 per year for the next two years but only \$420,000 for this financial year.

**Mr LAMING:** Is that just for the five indigenous apprentices?

**Mr ACKFUN:** Yes.

**Mr LAMING:** Does that still not equate to about \$80,000 per employee—if there are five and there is \$400,000?

**Mr ACKFUN:** The number of apprentices we are able to put on really depends on the amount of money we actually have available for capital works programs. The \$420,000, and \$700,000 in the subsequent years relates to the amount of money required for capital works projects to retain them and the subsidy arrangements we will use that exist in places such as DETIR.

**Mr LAMING:** Does some of that funding go towards materials or training components perhaps? It just seems to be a lot per employee, if you understand me. \$80,000 per apprentice would have to perhaps cover—

**Mr ACKFUN:** It is not their wages. They get normal wages.

**Mr LAMING:** Maybe we can have 10.

**Mr ACKFUN:** They get the normal wage for a first year or second year apprentice.

**Mr LAMING:** Could you take that question on notice?

**Mr SCHWARTEN:** We can give you detail. They have to have work to work on. That is a part of the cost of the apprentices. You have to have extra work to put them to.

**Mr LAMING:** If I could have the detail of how that is spent, I would appreciate it.

**Mr SCHWARTEN:** Not a problem.

**Mr LAMING:** I refer to the problem of ATSI Housing repeatedly being unable to fully expend its capital works allocation. This has been an ongoing problem for Governments of both political persuasions. Is the Government confident that ATSI Housing, under your stewardship, will be able to fully expend the 1998-99 capital works budget?

**Mr SCHWARTEN:** I am confident we can do it, I fully expect to do it and I will do my best to do it.

**Mr LAMING:** You are confident of that?

**Mr SCHWARTEN:** I am confident I can do it and I will do my best to do it.

**Mrs LIZ CUNNINGHAM:** I have a couple of questions following on from answers to questions on notice. One is to do with the Group Apprenticeship Scheme. There was an answer regarding the number of houses allocated to the apprenticeship scheme. Are they the ones that are allocated via the tender process or are they allocated in recognition of the training component of apprenticeships?

**Mr SCHWARTEN:** As I advised you, the system that I intend to implement is one where we sign off on a heads of agreement between the peak body, the Government and the training agencies throughout the State. I hope to be in a position very shortly to deliver that right throughout the State.

As you have rightly pointed out to me on previous occasions and as I know from my own experience with group apprenticeship schemes, the problem has always been that they have been out in the tendering process—trying to compete to get tenders and trying to hold kids in jobs with really no certainty. I am trying to get some certainty into this system. We have a four-year plan proposed so that group apprenticeship schemes can then put people into their trades. The extra money we have got back into the budget this year will go a long way towards doing that.

What people involved with the Group Apprenticeship Scheme are telling me is what they are telling you, and that is that they would like to be out there creating jobs and training people but they cannot unless there is some certainty in the system. I hope there will be in the next month or so.

**Mrs LIZ CUNNINGHAM:** Are the 150 allocated houses mentioned in your answer to question 13 the ones that were actually won in the past by tender?

**Ms APELT:** What we have is the identified Capital Works Program for the year. Of those projects, we identify those that are suitable for group training schemes and we allocate those to various group training schemes across the State. We just identify 150 under the existing Capital Works Program.

**Mr SCHWARTEN:** That is what they are there for. They are earmarked for that. I will come up and sign that one with you in Gladstone.

**Mrs LIZ CUNNINGHAM:** I will look forward to it. I raised with the Public Works Committee and your executive there the issue of concern about the year 2000 millennium bug. Are there concerns within this area of the department about negative impacts or lack of preparation for that period of time?

**Ms APELT:** We have certainly been very concerned about the whole year 2000 issue. As a result of that, we have allocated significant resources to make sure that all existing information systems within the department are reviewed accordingly. We have a senior level steering committee that meets regularly with the Department of Public Works to make sure that the recommendations of the audit of all the information systems within the department, which was done in the early pieces, are being followed through. To date I am confident that those recommendations are being addressed.

Nevertheless, because it is such a high priority we monitor that closely. Our whole information system is being overhauled. A new system is being implemented which will be year 2000 compliant. In the home purchase assistance area we have a new information system that is being implemented which is also year 2000 compliant. In the human resources area we have a new information system that is being implemented which will also guarantee compliance. In addition to that, we have a number of local systems throughout the department which we are also working through to make sure that they are compliant.

We certainly have treated it as a high priority. We are very concerned to make sure that we follow through on all the audit recommendations that have been made. I guess our internal audit section has this whole area as a major priority in the audit plan to make sure that any work that is done is checked and meets the requirements of year 2000 compliance.

**Mrs LIZ CUNNINGHAM:** Do you see that there is enough allocated in the budget for you to be able to achieve all the necessary deadlines so that the department is not affected at the turn of the century?

**Ms APELT:** At this stage I believe we have allocated enough. Because of the nature of projects such as this, we have to monitor it as we go along. If it became apparent to me at some point that the risks are greater than we anticipated, we would make sure that we reallocated funds to cover those risks.

**Mr LAMING:** I refer to page 2-39 in relation to public housing headleasing. Is this program intended to be an ongoing program, or is it to be terminated at the end of this financial year? And how will its



operation differ from that of the Community Rent Scheme?

**Mr SCHWARTEN:** It was a pilot scheme, and it stays that way, basically, at this point in time. To be perfectly honest with you, I have not really formed an absolute view on the matter yet. I am still looking at it. Basically, there are some advantages in headleasing, as I see it. The depreciation factor is something that is always with us in public housing. When you have 50,000-odd houses, the depreciation factor is something that you really have to take into account. The other side of that coin is that you then lose, to a degree, the planning elements of what you can do in the future, and you lose some of your asset base. There are a lot of conflicting things to be taken into account. I will pass over to Linda for her comments.

**Ms APELT:** In relation to the headleasing budget of \$2m—I guess that, at this stage, it is really some investigation as to what the cost-benefits are for a Housing portfolio such as our own when putting a greater emphasis on headleasing. We already have some headleasing arrangements through the Community Rent Scheme and youth transfer headleasing, so we have some targeted headleasing at the moment. But in areas such as the Gold Coast, where we are virtually priced out of the market into the well-located areas, it may be that there is merit in our going into a stronger headleasing component in that area. Otherwise, the housing need on the Gold Coast will never be able to meet the needs of those people who need well-located premises or properties on the Gold Coast. Likewise, in some parts of the Sunshine Coast, where we might be priced out of the market with capital investment, it might be better if we actually look at a headleasing arrangement. At this stage we are very cautious about going into that in a large way, as some other States and Territories have done, because we recognise that we have to make sure that we can grow the value of the portfolio over a period, and we can do that best through capital works.

**Mr LAMING:** Would it not be true to say that, if the department is priced out of the market—purchasing or building—similarly, would the headleasing not be also more expensive?

**Mr SCHWARTEN:** That could well follow. That is really going to be a challenge for us in the future. If the building costs are high, no-one is going to underlease it to you. That is the truth of the matter. We really need to have a look at it. I think that you need to look at every option. You have to be a bit creative in trying to find solutions to public housing.

**Mr LAMING:** And flexibility.

**Mr SCHWARTEN:** Yes. And private enterprise should not be kept out of its capacity to provide stock in that regard, as well. They are coming to us with ideas on a regular basis. I do not rule anything out.

**Mr LAMING:** So when it is looked at, it is across the broad spectrum of public housing—the seniors, young people, crisis accommodation, normal three-bedroom homes, etc.?

**Mr SCHWARTEN:** Yes—any form of accommodation, as far as I am concerned.

**Mr LAMING:** I refer to page 2-38 under Program Outlays and fixed capital expenditure, new construction and acquisitions in Brisbane. I refer the Minister to his fixed capital expenditure figure of \$136.6m, contained in the Program Outlays for Public Housing, and the construction and/or acquisition figures for the Brisbane statistical division. In accordance with the election commitment made by the Premier in the Redcliffe and Bayside Herald of 10 December 1997, will your Government be honouring its election commitment of building 40 to 50 public housing units a year in Redcliffe during its first term?

**Mr SCHWARTEN:** I will do my best. That is the only answer I can give you.

**Mr LAMING:** You will do your best?

**Mr SCHWARTEN:** I will do my best. I reckon I can do it.

**Mrs LIZ CUNNINGHAM:** I refer to page 2-6 of the MPS. My first question relates to subpoint two, which states that an increase in the budgetary line item is due to "additional maintenance delivered, costs incurred during Private Housing Assistance program's Bond Loans and Rental Grants". Is it possible to get a break-up of the actual expenditure on those three categories?

**Mr SCHWARTEN:** Yes, it would be. We just do not have it here.

**Mrs LIZ CUNNINGHAM:** Can I put that to you on notice?

**Mr SCHWARTEN:** Yes.

**Mrs LIZ CUNNINGHAM:** Subpoint 10 talks about a "higher demand for Bond Loans". I have a copy of the Auditor-General's report on the department—and I acknowledge that it is for 1996-97—but quite a high level of attention was given to the bond loan issue. I just wondered, with the increase in bond loans, what extra protective mechanisms or supervisory mechanisms you have, given that it is a high-risk area.

**Mr SCHWARTEN:** You are right. It is a matter of concern to me. There are a number of issues associated with bond loans that worry me. The first issue is that often a husband and wife go in, and then there is domestic violence and the wife leaves. If the bloke does not pay the bond loan, she gets saddled with the whole lot on the return. That is just a side issue that I am going to fix up. I will ask Linda to talk about something that we have discussed, namely, putting protocols in place to, as near as possible, guarantee that we will get the money back. It is very difficult, as you would appreciate.

**Ms APELT:** There are a number of controls that we have put in place in relation to the overall administration of bond loans and rental grants. One of those relates to the interface between the department and the Residential Tenancies Authority. Quite a bit of work has been done to make sure that our information system's interface is good—that there is good reconciliation between our records and those of the Residential Tenancies Authority. Likewise, the follow-up in arrears in relation to bond

loans—we now have a system of debt collection in place which we continually monitor to make sure that we are getting good value for money; in other words, that we make sure that the cost of the debt collection is not outweighing the actual returns from the money owing to the department. This also raises a major policy issue for the department as to whether or not bond loans should continue to be loans or, in fact, grants—as a number of other States and Territories treat them—because of the nature of the circumstances of the clients who actually seek a bond loan and the difficulties in being able to chase up debts from those personnel. In addition to that, the internal audit program for the department ensures that the overall control systems with the administration of bond loans and other loan grant systems has all the appropriate controls in place and that the recommendations of previous audit reports are followed through and maintained.

**The CHAIRMAN:** The time allotted for this section of questions from non-Government members has expired. We will move on to Government members' questions. Can you explain why \$23.8m in additional funding results in only 1,475 extra households being assisted, compared with the May MPS—page 2-10—that is, the cost of over \$16,000 per household assisted?

**Mr SCHWARTEN:** A very valid question that is asked by a lot of people is: why is it that these homes cost us so much more? The reason is that there are a lot of other things, other than bricks and mortar, associated with building the houses. We actually take it as part of our CSO to provide training for people, and we have ongoing costs as part of that responsibility. We could go out and get contractors in to build those houses, but we see that we have a role to train people, and that costs more money. We see it as the responsibility of the whole of Government to train apprentices. And when we are building houses, it makes sense to do the same—train young people in cottage work particularly. I will hand over to Linda for the finer details of that particular issue.

**Ms APELT:** As the Minister indicates, our obligation is to ensure that there is a training component and an employment component attached to a number of our programs. The program of community renewal, which has \$7.5m allocated to it this year, addresses a range of issues that are not necessarily directly housing issues. But we recognise that, unless we address the total community issues, the objectives we want to achieve through housing in that area will not be met. So a proportion of those funds goes to addressing crime within the area, employment programs—as we recently mentioned—and general refurbishment of those areas so that the overall communities are good communities for people to live in, that people want to stay in them, and that those communities continue to grow and to be effective.

**Mrs ATTWOOD:** In the section of Social Welfare and Housing, 1997-98 Performance, page 2-8 of the MPS refers to the review of the recurrently funded housing programs. What changes will occur

as a result of that review? What is the cost of that review?

**Mr SCHWARTEN:** The cost was \$421,000. I will hand it over to Linda to answer the question in detail.

**Ms APELT:** This cost mainly relates to a project that was called Future Ways and Future Means. It was initiated by the Community Housing Grants Board and was recurrently funded through the Housing Programs. The Future Ways and Future Means report was presented to the former Minister for Public Works and Housing, Dr David Watson, in November 1997. The Community Housing Grants Board has recently released the report to the community sector for comment and is due to present the report, together with the comments received, to the Minister for Housing in October 1998. The department is currently re-examining its position on the recommendations made in the Future Ways and Future Means report in the context of the current Government's policies and is also due to present its position to the Minister in October 1998. As the Minister has just indicated, the total cost of that project was in the order of \$421,000. That figure included staff costs and accommodation costs. The Future Ways and Future Means Project did not include peak housing bodies and the Tenant Participation Program. Subsequently, the department conducted reviews to evaluate the function of and funding to peak housing bodies and the objectives, desired outcomes and alternative service delivery models for tenant participation. Both of those reviews were conducted internally by departmental staff with all associated costs being met by the department. The final report of the review of peak bodies recommends the development of a specific program to fund peak bodies in the housing sector. An implementation plan was developed and, if endorsed, it is anticipated that the funding to successful organisations will be submitted for the Minister's approval early in 1999. The review of the Tenant Participation Program was completed in late 1997. A short paper is being developed currently for the Minister's consideration as to how tenant participation should be progressed within the department.

**Mr REEVES:** I note that the salary, wages and related payments dropped from \$42.1m in 1997-98 to an estimated \$40.6m in 1998-99, yet page 2-7 of the MPS shows that the staff numbers increased from 933 in 1997-98 to 934 in 1998-99. Does this mean that you will be paying your public servants less?

**Mr SCHWARTEN:** How dare you make that suggestion!

**Mr REEVES:** I knew it could not be right.

**Mr SCHWARTEN:** I will get Linda to clarify it, but I think the answer to that is that, in implementing the SAP system, a lot of contractors were put on. I would not mind swapping them wages for a day. They are a very specialised group of people. They can name their price. Now that that system is as close as it is to being implemented, we do not need that number of people any more. I will ask Linda. I think that is the answer.

**Ms APELT:** I will ask Ian Fulton, the general manager for finance to give fuller details.

**Mr FULTON:** The 1997-98 salaries, wages and related payments actual of \$42.1m includes the cost of contractors of around \$1.6m, which had been budgeted for in the non-labour operating costs line. That was due to the SAP financial system being introduced in the previous Department of Public Works and Housing in 1997-98. When the 1997-98 budget was cast in February/March of 1997, the changed accounting treatment for contractor costs was not known and the budget was included in non-labour operating costs. For 1998-99, the contractor cost budget and actual expenditure will be recorded in non-labour operating costs. When the contractor costs are allowed for, there is an overall correlation between the two years. Housing's 1998-99 budget for salaries, wages and related payments has not changed from the MPS previously published in May. The variance was not obvious in the previous MPS where Public Works and Housing programs in a corporate area were combined.

**The CHAIRMAN:** The Housing Policy Program is shown on page 2-13. Would you please explain how the program estimates for 1998-99 can reduce from \$16.437m published in May to \$15.010m in September?

**Mr SCHWARTEN:** I will hand that over to Ian.

**Mr FULTON:** The activities of the five Housing business units are accounted for and reported through the Housing Commercial Services Program. The accounting treatment adopted in respect of the allocation of Corporate Services across the business unit has been revised in the light of the establishment of the new department to more accurately reflect Corporate Services usage. A Corporate Services component of \$0.862m, which was originally shown in the Housing Policy Program of the May MPS, has been reallocated across the five Housing business units and reflected accordingly in the Housing Commercialised Services Program. In addition, costs associated with the introduction of the SAP Information Systems Support Group, \$0.565m, have now been fully identified and have also been allocated across the five business units. Those costs were originally included in the Housing Policy Program under plant and equipment. The net effect of the adjustment is zero.

**Mrs ATTWOOD:** I note from the MPS page 2-17, Aboriginal and Torres Strait Islander Housing, 1998-99 Planned Performance, that reference is made to a major housing redevelopment project on Thursday Island. Can the Minister outline the aim of that project?

**Mr SCHWARTEN:** Alex can elaborate on that a little. I was on TI recently and had the privilege of opening six units of accommodation there, which are of a very high standard. I will give full credit to the previous Government in this regard. Since the 1996 Ministers conference, there has been a willingness to address those sorts of issues. A good example of where we are trying to do that is on TI. From memory, I think their waiting list on TI was 10 years. That is not acceptable under any standard. We will set about trying to fix that up. Somebody said to me

the other day that the best housing on TI is public housing and that that should be a matter of some criticism. I hope we get to a stage at which public housing is identified solely by its quality. I will ask Alex to elaborate on that. I think the gold quarantine site is the next site that is to be redeveloped.

**Mr ACKFUN:** The redevelopment of Thursday Island and Horn Island came out of a review of the stock in 1995. A master plan was developed in December 1996. Including the 1996-97 year until the present, approximately \$17m has been allocated to upgrade or replace housing on reserves on the island and make sure that the inappropriate and substandard housing was rectified. At the moment, there are approximately 77 detached and attached units of accommodation that have gone in in the last couple of years, with about 300-upwards residents benefiting from that development.

**Mr REEVES:** My question is also about Aboriginal and Torres Strait Islander housing. I refer to page 2-19 of the MPS. The department has allocated substantial funding to capital grants and subsidies. What consultation mechanism has the department established to enable Aboriginal and Torres Strait Islander people input as to how that funding is best allocated?

**Mr SCHWARTEN:** A Joint Ministerial Advisory Council has been established, which advises the Minister for Aboriginal Policy, who has responsibility for infrastructure, and me as Minister for Aboriginal Housing. That is expected to meet on the 27th and 28th of next month. That has direct responsibility to advise me and the other Minister on those issues. I have not had a meeting with those people yet. I am looking forward to doing so in the next month.

The other area that may be of some interest to honourable members is the bilateral agreement that we are proposing to enter into if Canberra ever gets its act together and gives us any form of a CSHA. The bilateral agreement will basically draw together the sorts of issues Alex was talking about before—to make sure that a coordinated approach is taken with ATSIC and my department and Judy Spence's department. Anyway, I will let Alex elaborate on that a bit as well.

**Mr ACKFUN:** The Joint Ministerial Advisory Committee is an advisory body under the Commonwealth/State Housing Agreement. That particular committee had its terms of reference reviewed and its role expanded in 1997. Significant appointments were made to that particular Joint Ministerial Advisory Committee in March of this year—1998. The composition of that particular committee is the Aboriginal and Torres Strait Islander Commission, the Aboriginal Coordinating Council, the Islander Coordinating Council, and urban indigenous representatives who have expertise in the area of infrastructure and housing matters to indigenous communities. There are ex-officio members from departmental agencies, mainly the Department of Housing, certainly the Department of Aboriginal and Torres Strait Islander Policy and Development, ATSIC and the Department of Social Security where the funding from the Aboriginal housing program comes down from.

**The CHAIRMAN:** I note the planned expansion of the Home Assist/Secure Program on page 2-31. What benefits do you expect to get from this?

**Mr SCHWARTEN:** An extra \$1.9m has been made available to that program. That will basically allow it to cover the entire State. It is a good program. It was started off by us when we were last in Government in 1992 and the previous Government kept it rolling. It is about helping people. As I said earlier today in this section, I think that we have to be a bit creative about how we are going to solve people's housing problems. If by providing some meaningful assistance to people, whether it is mowing their grass, securing their home or providing them with some follow-up advice, that helps them stay in their homes longer, then in the long term it is going to help us with our housing policy. I think that it is a very good investment to assist people to stay in their own homes. I have a lot of letters from people who have benefited from it and I am sure that, as members of Parliament, you would have got those as well.

Recently, we have extended it out into certain places in Vaughan's area—the Diamantina Shire—and so on. Councils have proved that they are very good at managing it as well. I think that it is a very good project and one that provides real assistance to people in their homes. I am delighted to have been able to increase the amount of money available and generally increase the project across the State.

The truth is that there will never be enough money in any system to provide the sort of quality that we would all like—the 24-hour call-out service, someone who comes around and puts the screen on because somebody is prowling around the house; all of those sorts of things—but I think that we are getting value for money. By and large, the people who I have met who are involved in this program very committed to helping people. They are agencies that work with people. I think that it is a good program and if I can ever afford to increase it, I will. I look forward to any advice the Committee might give me in that regard—as to how we might do the project better. If any member of Parliament has some feedback and they think that we can do it better, please let me know.

**Mrs ATTWOOD:** In the Key Outcomes table of the MPS at page 2-10, it notes that a method of assessment of client satisfaction for community housing is to be developed. When and how will this occur?

**Mr SCHWARTEN:** I will hand that one over to Linda. She is more across those things than I am.

**Ms APELT:** Client satisfaction is actually a national performance indicator which the department is committed to reporting on for both public and community housing. That requirement is part of our agreement with the Commonwealth under the Commonwealth/State Housing Agreement. National performance indicators require consistent reporting by all States and Territories so that there is some benchmarking capacity across the nation. The department has actually delayed finalising a method of assessment of client satisfaction for community

housing until the national requirements have been finalised. A national client satisfaction survey is currently being piloted in two States and it is expected that this pilot will be completed by November. The department will use the outcomes of the pilot survey to finalise the methodology for Queensland.

**The CHAIRMAN:** The time for questioning by Government members has expired. We will move back to the non-Government members, thank you.

**Mr JOHNSON:** Page 2-4 of the Ministerial Portfolio Statements refers to Aboriginal and Torres Strait Islander housing. I know that this is not a contentious issue, but it is one that I think can be very advantageous both to your portfolio and also to the taxpayers of this State. I see in the 1998-99 Estimates an amount of \$79.8m for Aboriginal and Torres Strait Islander housing. Just a week or two back I visited Bedourie and saw there one of the \$80,000 homes that has been transferred to that centre from inside areas. We know how you can transport homes today. Certainly, this type of procedure has to be able to enhance your program of getting more housing for Aboriginal and Torres Strait Islanders. Do you envisage that you will be able to cover more Aboriginal housing this year through that method?

**Mr SCHWARTEN:** You were with me out at Winton the other day when we looked at those old places there. I suppose you are referring to those houses that we are bringing from Blackwater; 300 of those are going to come on line. If we sold them on the open market, every real estate agent in Queensland would go berserk. You have hit the nail right on the head: they are a value-for-money alternative. Damien would probably correct me if I am wrong, but it costs us about \$80,000 to shift them.

**Mr JOHNSON:** I understand that that one at Bedourie cost somewhere about \$80,000—completed and set up.

**Mr SCHWARTEN:** It solves our problem in that regard. I will be out in Birdsville in a couple of weeks. You can come with me and we will open them. It is a good option and it is one that we will continue to explore. I am looking at the possibility of having them in perhaps Woorabinda in the very near future. It is not as far to drag them.

**Mr JOHNSON:** What you have said is fair comment, too, in relation to what the real estate people of Queensland might be saying. But this is about providing quality homes for some of these people in some of these remote and isolated areas. They do live in some fairly difficult situations, as you can appreciate. The point that I make is that, no doubt, you will investigate further ways that we can get better potential out of that program through this type of concept, bearing in mind that we are trying to make that dollar spin out.

**Mr SCHWARTEN:** Yes, it is value for money. There is no question about that. It also solves the problem that we have got with those houses. What are we going to do with them otherwise? One thing that I have learned to hate in my life, coming from a big family, is waste. We certainly will not be wasting

those homes. I am certainly looking at a possibility of moving some of them into Winton to replace those places that I inspected that day as well when I was with you.

**Mr LAMING:** In relation to community housing, of the 232 units of boarding house accommodation mentioned at the first dot point on page 2-21, are they recorded as dwelling units commenced under the Long-Term Community Housing Program in the 1997-98 year?

**Mr SCHWARTEN:** Yes.

**Mr LAMING:** Of the 232 boarding house unit commencements, how many were completed in the 1997-98 financial year and how many will be completed in the 1998-99 year?

**Mr NELSON:** There are 153 presently under construction and the balance is completed.

**Mr LAMING:** I am not sure that I have that answer correctly. How many were completed in 1997-98?

**Ms O'FARRELL:** In 1997-98, we completed nine units at Water Street, Spring Hill, 13 units at Doggett Street, New Farm, 39 units in Martin Street, Fortitude Valley—that was it, I think. There are 153 presently under construction and we estimate another 100 from the allocation this year.

**Mr LAMING:** It might be a little difficult, but how many would you anticipate being completed in this financial year?

**Ms O'FARRELL:** Two hundred and fifty-three.

**Mr LAMING:** Of the 100 units of boarding house accommodation listed to be commenced in 1998-99, how many units will be completed this financial year and how many will be completed in 1999-2000?

**Ms O'FARRELL:** It is estimated that the 100 that we estimate will be fully completed this year.

**Mr LAMING:** I refer to the residual 486 long-term community housing unit commencements for 1997-98. Are all those scheduled for completion this financial year?

**Mr SCHWARTEN:** I am told that the answer is yes, but I will let them elaborate on that.

**Mr NELSON:** Yes, they are planned for completion.

**Mr LAMING:** Were those 486 units of accommodation funded under the Rural and Regional Community Housing Program?

**Mr NELSON:** Yes, they were.

**Mr LAMING:** What is the breakdown of the 63 commencements scheduled for this financial year, by program?

**Ms O'FARRELL:** Of the 63, presently 37 acquisition projects were carried over from round 4 of the rural and regional program from last year. In addition to that, there are 27 acquisitions that we are expecting to approve from surplus funds written back from completed projects during 1998-99.

**Mrs LIZ CUNNINGHAM:** This question is similar to a question that was asked during the

Estimates of the previous area of your portfolio. In relation to question on notice 13 regarding the number of apprentices taken on under the ATSI Housing Program, what is the number of qualified tradesmen within that program? I have also put that question on notice for the Department of Public Works.

**Mr ACKFUN:** I have the information from my office, fresh off the press, stating that there are 55 tradespersons in the Aboriginal and Torres Strait Islander Housing Program.

**Mrs LIZ CUNNINGHAM:** Turning to page 2-6 of the Portfolio Statements, under Trust Funds, footnote 7 states that there is an increase largely due to additional maintenance and rates expenditure, \$13.4m, and changed accounting treatment of management fees, 11.52m, following the restructure of Housing in 1998-99. This morning I heard that restructure was a cost-neutral exercise. Could you clarify for me where that \$11m comes from?

**Mr FULTON:** Addressing the issue particularly in relation to the accounting treatment, this financial year the administration costs of the Community Housing Program and the ATSI Housing Program are being paid for out of the Commercialised Services Trust Fund and a fee is being paid from those particular programs into that trust fund, whereas last year the administration came directly out of the program.

**Mrs LIZ CUNNINGHAM:** Referring particularly to mortgage relief loans, I notice that page 2-34 states that whilst there is a reduction in the amount budgeted in the actual expenditure on mortgage relief and bond loans, there is still significant expenditure in that area. The audit report of 1996-97 details some concerns about that. Whilst the report acknowledges initially that there has been an improvement, it says that there remains an inherent risk relating to the mortgage relief funds and the audit noted that approximately 30% of the mortgage relief loan clients have another larger value loan with the department. Is that trend continuing and, if so, how are you managing the risk?

**Mr SCHWARTEN:** We hope it is not increasing. If so, we are going to have to do something about it.

**Mrs LIZ CUNNINGHAM:** It is a difficult area, because people in need are people in need.

**Mr SCHWARTEN:** I thank you for appreciating that.

**Mr G. SMITH:** I cannot comment on the increase or decrease of the ratio of mortgage relief loans to departmental loans. I will take that on notice, if that is okay. In relation to the audit issues, a large amount of money was spent in the last financial year to address those issues. An audit of that program has been done since then and there were found to be very few minor issues left after a large audit problem. In relation to the new IT system that is being put in, a new program is being written for the ongoing controls to help the bond loans and make sure that they are done correctly. Training has been provided and many procedures written to make sure that the

problems that happened previously do not happen again.

**Mrs LIZ CUNNINGHAM:** On page 2-11 of the MPS, footnote 6, right at the bottom, talks about the legal fees attached to the Home Purchase Assistance Program. It says that in this current report, the legal fees have been omitted from the calculation. I would like to know where those costs have been absorbed.

**Mr SCHWARTEN:** I would too, now that you have raised it. Tell us, Ian.

**Mr FULTON:** The home purchase assistance area provides conveyancing services to the rest of the Department of Housing. That relates to the fact that when the administration margin has been calculated, the cost to administer the program, that is, the actual cost of providing that other service, has not been included in the calculation of the ratio because it is not directly related to the administration of the mortgages. In relation to the costs of running the Home Purchase Assistance Program, those costs sit within those program costs.

**Mrs LIZ CUNNINGHAM:** I am sorry, I missed the answer. The legal fees are absorbed where?

**Mr FULTON:** The cost of running that particular area, the conveyancing area, is contained within the program outlays of the Home Purchase Assistance Program. However, in relation to the calculation of the cost to administer the program, which is on page 2-10, which sets out a percentage cost to administer the portfolio, the cost relating to the conveyancing—the legal side of it—has been omitted because it is not a cost relating to the administration of the mortgage portfolio. It is an additional service that that area provides to the rest of Housing.

**Mr SCHWARTEN:** So where does it appear now?

**Mr FULTON:** The actual costs sit within the program outlays. It is just that in calculating the ratio they are not relevant.

**Mr SCHWARTEN:** It used to be there, but it was not appropriate for it to be identified in that position. I understand.

**Mr FULTON:** That is right.

**Mrs LIZ CUNNINGHAM:** Page 2-23 refers to the refurbishment costs for community housing. Refurbishments have gone from an estimated 165 to an actual figure of 12. There is a significant reduction in the number of units that were refurbished. Footnote 3 states that the reduction is the result of increased demand for new dwellings. Can it be interpreted that existing dwellings are all up to an acceptable standard?

**Mr NELSON:** Not necessarily. We are responding in this case to bids from the sector. That demonstrates where the need really lies. In this case you will see that we purchased 38 dwelling units compared with the estimate of 20. That is where a substantial amount of the funding went in that year.

**Mrs LIZ CUNNINGHAM:** Finally, page 2-25 mentions community housing. Under the line items for outlays under the Long-term Community Housing Program and also under the Community Housing

Program there is a difference of between \$35m and \$44m in the actual amount spent. The footnote indicates that the funds that were unable to be spent were transferred to other areas of higher housing need. Given that that is a significant amount, to what areas were the transfers made?

**Mr NELSON:** The substantial amount of that was transferred to the Public Housing Program. It still stayed within the overall housing allocations.

**Mrs LIZ CUNNINGHAM:** How much is "substantial"?

**Mr NELSON:** Approximately \$30m plus of that.

**Mr LAMING:** I refer to page 2-38 and footnote 10 to the Program Outlays table. Are you any closer to determining the cost of the administration component of the \$7.5m Community Renewal Program?

**Ms APELT:** We are currently going through the process of putting together a Cabinet submission. Given that community renewal is a whole-of-Government approach we need to get the agreement of other Government departments as to what their contribution will be to the overall program. At the moment we have a funding framework in draft format that we are consulting with other Government departments on before we put that to Cabinet. That funding framework will identify the administrative component of the program as well as what the funding priorities will be in a program sense under the \$7.5m. We anticipate that that submission will go to Cabinet by the end of October.

**Mr LAMING:** I refer to page 2-39 and footnote 6 to the Public Housing Subprogram. Will the Government continue the policy of the previous coalition Government and pass on excess water charges to individual public housing tenants where applicable?

**Mr MANZIE:** We are currently looking at the area of extra water charges. It has not been finalised. It really is quite a problem area. A number of papers are being worked on at the moment, and a submission will be going to the director-general in the near future.

**Mr LAMING:** Has there been no indication of a policy direction?

**Mr SCHWARTEN:** I am waiting to have a look at what they put forward. Broadly speaking, the councils take it out on us in respect of every single issue they can. I can understand that. Whether it be in respect of rates that have not been paid or whatever, I get letters from the councils all the time about those things. I can understand why they are doing that. It is a matter of whether we pay it and then pursue the tenants. But as I said earlier on, I am inclined to think that everybody must pay their way. It is part of an overall budgetary process that they must go through. However, some councils are fairer than others in terms of their water allocations, too. You also have to consider whether people have large families and so on. A lot of issues are involved. I do not think it is as simple as just saying, "This is what we are going to do." When the report comes to me I will brief you on it, and I would like to hear your thoughts on it as well.

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

**Mr REEVES:** I refer to page 2-31 of the MPS, which refers to retirement village subsidies. In relation to Compton Village, what has been the take-up from the public housing waiting lists for seniors housing? How does the size of the housing being offered at Compton Village compare with the department's own seniors housing? Why does the Department of Housing no longer construct estates for public rental housing larger than a dozen or 20 units of accommodation of any type, and yet it funds seniors housing in a development of 180 units?

**Mr SCHWARTEN:** The success of otherwise of any project like this is the number of people who put up their hand for it. I understand 770 clients were notified about it through the department. That was the arrangement at the time. We offered to move these people into there, and only 44 took it up. When people vote with their feet like that, that tells me that there is something wrong with what is being offered. It was a pilot that the previous Government entered into, when it was exploring various options. I do not knock it for that. But the reality is that what was constructed there is half the standard in most cases of what we would expect and build for those people ourselves. We have to be very careful that we do not go down the path of encouraging private enterprise to build to a lower standard than what we would expect if we were providing the accommodation ourselves. What was the last part of the question?

**Mr REEVES:** Why does the Department of Housing no longer construct—

**Mr SCHWARTEN:** This is the density question. Anybody who has had a large density development in their electorate will be able to tell you why you do not do that. I have given this a lot of thought in recent times. In respect of urban renewal, the previous thinking was that if you could get it down to 20% all of your problems would be solved. I am not sure that is true. My view is that if you house people appropriately to their needs, it does not matter whether you have an 85% density in an area. I think this relates to a development that was in my electorate. Thankfully, the previous Minister got rid of it. If he had not done so, I would have. It was built back in the old Joh days. They put 67 units together. It was an experiment that failed, given the sorts of problems that resulted.

The problems had more to do with the type and mix of people that you had there rather than the fact that they were all living together. Someone should have realised that screaming kids would cause blues. I often wonder whether we do not bring on problems ourselves when we build a two-foot high fence, because kids just jump over the fence next door and pinch oranges, for example, which kids are prone to do. Those sorts of problems then get out of hand and you end up with bad neighbourhood blues and so on. The density question is something that we will have to have a long look at in future. All of the studies tend to say that you should not have that density of people living together. I am not so sure that is the case, and I will be asking the department to have another look at that.

**The CHAIRMAN:** With reference to your press release of 9 August regarding the expansion of the Home Assist/Home Secure Program, which is on page 2-31 of the MPS, and the \$7.7m in funds now available throughout the State, how much of this money is being spent on the payment of salaries and associated administration costs?

**Mr SCHWARTEN:** I will flick that one to Linda; I might say "\$3.8m" when it was really \$3.2m. I was close; it was "\$3.85m."

**Ms APELT:** Of the \$7.5m that has gone to Home Assist/Home Secure, approximately 50%, or \$3.85m, of the funds approved for expenditure in 1998-99 are funds that will be spent on salaries and on costs for workers in the funded organisations which actually deliver the locally based services to older people and people with a disability. There are currently 36 funded projects across Queensland, and the number of local community based projects will obviously increase with the expansion of the Home Assist/Home Secure Program.

While the service delivery models vary, a significant proportion of the salary funds expended by funded organisations are for the employment of local workers who are mainly engaged in providing direct help with home maintenance, repair, security and minor modifications in homes of older people and, of course, people with disability. About an additional \$2.044m, or roughly 27% of program funds, is also spent by local Home Assist/Secure projects on the purchase of services from local qualified tradespeople for specialist jobs.

**Mrs ATTWOOD:** What is the purpose of the additional \$7.5m earmarked for community renewal referred to on page 2-36 of the MPS? What benefits are expected to flow from this new program?

**Mr SCHWARTEN:** This is a program that I have had a bit to do with. It includes \$7.5m since we came in and \$15m thereafter for the next three years, I think. The Community Renewal Program is not a new thing; it started back when we were last in Government. I guess I will get to the bottom of the question first—the sorts of things that it aims to do. The theory is that, if you improve the standard of accommodation, the mix of accommodation and the basic amenity of the area, the behaviour and all the rest of it will improve. There is no getting away from the fact that some of our developments undertaken in days gone by have resulted in attracting a group of people that we would otherwise rather not have. The Riverview experiment, for example, proved that crime will decrease by as much as 60% and attendant social problems such as drug and alcohol abuse will go with it.

Again, this is something that I am giving a lot of thought to—whether or not we are coming from the right perspective in this regard. The perspective was that the problem was density. We had to get rid of these houses and get other people in them, and so on. What brought it to my mind was when I was up in Garbutt recently. There was an old fellow there who is about 82 years of age. The department was very kindly offering to paint the house and put in a ramp. He told them to go to buggery, basically. He said that he had lived there for years, had raised seven

kids in this house and he did not want to be bothered with painters coming around. I did not blame him. I told them to get out of there and leave him alone. His wife was there and he said some uncharitable things about her age, too. It got me thinking, "Why do we want to go and decide what is best for him or her?" They have lived there and never created any problems.

I think it is more about looking at what we expect, where there is a problem and looking at what causes that problem. Money will help fix that problem, but I think good policy will also help. There is sort of a patronising assumption in a lot of all of this: we build them a better house and they are better people and all that sort of stuff. That does not necessarily follow. I am certainly very committed to this program. I think the extra money that we will put into it will help it go a lot further. In terms of what happened the other day where somebody sent out a letter to these people telling them "We have picked out your house to sell"—we will not be doing that any more, I can give you the tip on that. It is a very interesting sort of proposal that we have embarked on. I think you learn along the way with them. I do not think that anything that the previous Government did was necessarily wrong—or what we did before that. You learn with the experience.

**Mr REEVES:** The table on page 2-37 refers to the substantial increase in vacant turnaround time for public housing as a result of the public housing reforms. What has been the impact of the public housing reforms introduced by the last Government on the efficiency of public housing and what are your Government's intentions in relation to these reforms in 1998-99?

**Mr SCHWARTEN:** They were called reforms—David Watson referred to them as reforms—although I am not sure that they were. I think they were his attempt to grapple with what every Housing Minister grapples with, and that is the waiting list problem. I think if you become completely obsessed with the number of people who are on the waiting list, then you are probably driven to do fairly desperate things.

I think you have to take a deep breath and look at why people are on those waiting lists. I have asked Linda to do a bit of work in that regard and talk to people who are on waiting lists and determine the reasons they are on waiting lists. The presumption that David Watson made was that those people on the waiting list were homeless, did not have anywhere to live and were so desperately unhappy with where they were living that they would live anywhere. I do not offer this as a criticism of him; I just say that this was the perception that he took to it—that he was actually doing them a favour by widening the zones. The blow-out in vacancy times proves that that was not the case.

I had a letter just the other day from a woman at Zillmere who was told that in order to be housed she had to go over to the north side of Brisbane. She had lived at Zillmere all her life. She was a woman in her seventies, had been on a waiting list for a number of years and was content to stay on a waiting list until she got something in Zillmere. Who am I to tell

her that she cannot do that? Really, you have to think about it. Because she knocked it back on three occasions, she went to the bottom of the list. I think that is unfair.

I think the stats now back that up, that we are not catering for people's housing needs. Truthfully, we would solve a lot of our problems if we just said to people, "You go and live at Riverview because we have a lot of vacant houses there." The reality is that if we are going to address people's housing needs, we have to look at the context of it. I do not think that it is in anybody's interest to be spooked by the waiting list issue. In some ways, the waiting list is an indication that you are doing the right thing. I opened two units at Laura the other day and Stonehenge with you. We now have a waiting list in Stonehenge because we are providing accommodation there. We fixed the waiting list problem at—

**Mr JOHNSON:** Good local member.

**Mr SCHWARTEN:** A good local member, yes. We solved the waiting list problem in Winton because nine of them died. That is what they greeted us with when we went out there. I am saying that you can get carried away with looking at waiting lists. I say that the so-called reforms, especially that one, and the referencing system are really coming at it from the wrong end, and I am going to change that.

**The CHAIRMAN:** In relation to the Housing Commercial Services Program at page 2-44, why did actual expenditure in 1997-98 increase by \$3.88m over the original budget?

**Mr SCHWARTEN:** I think I had better hand that one over to Ian. There are a lot of figures associated with that.

**Mr FULTON:** The Housing Program initiated various projects in the 1997-98 financial year which were not originally budgeted for in whole or in part. In addition, some projects were accelerated during the year, resulting in higher than anticipated costs for that particular year. Details of some of these projects are: in the IT area costs associated with the standard operating environment implementation of approximately \$3.1m were not included in the original budget estimate; the Housing Services Business Unit incurred additional costs of approximately \$1.4m as result of staff transfers from Q-Build to undertake increased property management functions in regional offices; there were additional costs of approximately \$1.07m for the bond loans and rental grants project and \$1.405m for the outsourcing tenancy and property management pilot; additional costs of approximately \$0.610m were incurred by the Property Assets Group Business Unit in respect of the asset evaluation project; and the property asset group made a contribution of approximately \$1.04m towards the set-up and administration costs in relation to the outsourcing tenancy and property management pilot. Offsetting these amounts was approximately \$4.9m for the SAP IT system implementation which was originally budgeted for in the Housing Commercial Services Program but which was reallocated to the Housing Policy Program.

**The CHAIRMAN:** We will move back to the non-Government members' questions.



**Mr LAMING:** I refer to the second last dot under Program Performance Assessment on page 2-41. I refer the Minister to the absence of the professional debt collection services from the 1998-99 performance plan and ask: is this Government committed to recovering debts owed to the Government and the taxpayers of Queensland by recipients of assistance from Housing Queensland and, if the Government is so committed, will you therefore be continuing the use of external debt collection services?

**Mr SCHWARTEN:** As I said earlier on, I do not want people in our houses who do not pay their way. If that means pursuing people who owe us money, then I will. However, I am realistic enough to know that you cannot get blood out of a stone and I am not going to sit by and allow us to spend huge amounts of money to try to recover the unrecoverable.

The thing I do know is that things will change when those people who have a debt try to get back in. We have a natural ability to catch them somewhere down the path. They know, because I have written to them all and said it to them, that if they err in this regard then I will get them one way or the other. I do not think I need somebody to go out there and put the arm on them to do that.

People get themselves into strife not deliberately but just through an incapacity to manage their own affairs. We do provide some assistance with financial counselling services and so on to help those people. I am aware of one that we have in Rockhampton that works very well. It is the same sorts of people. I am not sure that sending somebody around there to stand over them and get the dough out of them is any way of doing it. Consequently, I am reviewing that approach. I am not sure, from a strict economic sense, that it is cost-effective anyway.

I said earlier in relation to the whole way we do business in the public versus private sectors that to some extent I think we have a responsibility to act with our heart in our hands in this regard. I think that is what Governments do. There are people out there who need help. I will not cop people bludging on us, but people who genuinely do need help I think have every reason to expect a Government to provide them with that sort of help and support. I do not see that as a green light for people to go and do as they please, because they will find out that that is not the case.

One of the criticisms made of societies and Governments today is that we do not care enough about people and that bureaucrats have hearts of gold—in other words cold, hard and yellow. Simply, we have to change that face of Government. I think one of the ways to do it is to act with a bit more compassion in people's affairs and show them that Governments are capable of caring. At this stage, in the absence of any confirming data otherwise, I will not be proceeding with financial debt collection outside of our own sector.

**Mr LAMING:** I refer you to your answer to question on notice No. 11. Do you intend to

establish any task forces, reviews, boards and so on within the 1998-99 financial year? If so, what are their anticipated costs?

**Mr SCHWARTEN:** I am not sure of the costs, but I am not keen on task forces and so on. One board I intend to establish is the one I referred to earlier. One of the great problems we have in housing people is the interagency relationships that exist between Health, those involved in the domestic violence issue, which is now over with the Minister for Women's Policy, the Department of Families and us. I believe we need a board that will oversee that. We need some community input into that from quality people. There is a fair way to travel before we develop that cohesion. It will not be easy. It has never been done anywhere else.

We as an agency get a phone call from another agency that says, "We have somebody for you", and we house that person. In a lot of cases it is inappropriate because there is simply an absence of policy in that area. We do that person a disservice, we do their neighbours a disservice and overall we do public housing a grave disservice.

In my view, we have to get some community input. The best way to do that is to establish a communities board. We have a couple of boards kicking around at the moment that have provided quality advice up until now. Especially in the priority housing area, they have really done their job as much as it needs to be done. I do not anticipate any extra expense being associated with folding down these other boards into this single board, because ostensibly they will do a lot of the same work that should have been done before, but on an interagency basis.

We have to get this right. It is as simple as that. It is imperative that we look at where we are going with public housing in this State, what proportion of it is going to go into disabled housing and so on. A lot of questions have to be answered. Unless we get those four agencies together and unless we have an overlay of some community board with some community representatives and some ideas of what is happening out there, then it will not succeed. I certainly will be creating that board.

The other initiative I am reminded of is one of mine. I have asked Linda to put together a two-day policy retreat with departmental people, my staff and me so that we can sit down and develop policy and look at where we are heading. As I understand it, that has not been done in the department for a number of years. I think it is important that we do that and that we get some policy direction for the department. I intend to do that within the next month or so.

**Mr LAMING:** Do you have any idea about costing on that last one?

**Mr SCHWARTEN:** No. I do not have it for either of them, but I will advise you of it. We are not trying to hide anything.

**Mr LAMING:** I refer to your response to question on notice No. 12, regarding consultancy undertaken by Cullen Egan Dell on behalf of the Property Assets Group. You state that the purpose of this consultancy was job evaluation of manager.

Was this an evaluation of the general manager's position or another divisional manager's position?

**Mr SCHWARTEN:** We will have to take that question on notice. It was not for the general manager. I am advised that it was one of the portfolio managers.

**Mr LAMING:** You are taking that on notice?

**Mr SCHWARTEN:** Yes.

**Mr LAMING:** If I may, I ask a supplementary question. Which divisional manager was it and why was there an external evaluation undertaken as opposed to a review or evaluation by the Office of the Public Service?

**Ms APELT:** The department has had a practice of sometimes using in-house expertise for evaluating positions. In instances where it is suspected the position might be either a senior officer or senior executive service position, the services of Cullen Egan Dell are often purchased. That was the case in this instance. The position in question was actually sized as a senior officer position through that process.

**Mr LAMING:** That answers the second part. The questions on notice relate to which position and which person.

**Mr SCHWARTEN:** I am quite happy to have a good look at it for you.

**Mr LAMING:** What is your target for customer satisfaction levels in those classifications of "very satisfied" and "satisfied", given that the coalition's record, and Queensland's record in fact, was very good throughout Australia of 25% of clients very satisfied and 47% satisfied. Do you have a target for the division in the coming year?

**Mr SCHWARTEN:** The target would be 100% of people happy 100% of the time. We should be

aiming at improving what we do at every opportunity. I am not one of those people who sets myself 48% or 52% next year. I want to continue to improve it over a period of time. We will do that by continuing to offer people quality accommodation in locations in which they want to live, retreating from the authoritarian style that used to operate many years ago, and accepting the fact that Housing Department tenants are no different from anybody else out there in the community. Those are the sorts of issues that I believe will result in it. I believe that the tenants action groups and other tenants groups have a large role to play in that. I certainly meet with them regularly. Other peak agencies, such as shelter and so on, also have a role to play. I again meet with them and talk to them about their concerns. But I certainly do not intend to tie myself down to 3%, 8%, 9% or whatever. Of course, I want to keep people, on an ongoing basis, happier and happier with what we are providing.

**The CHAIRMAN:** Thank you. That completes the Estimates for this Minister.

**Mr SCHWARTEN:** Thank you very much for this opportunity to bring both my departments before you. I would like to thank all the people in my departments, who work very hard. I am sure you would appreciate just how hard these people have worked. They were there until late last night, the night before, and so on. My two Acting DGs have performed a sterling role. I thank my personal staff, and I thank you for the courtesy that you have extended to me today.

**The CHAIRMAN:** On behalf of the Committee, thank you for informing us. Indeed, we convey our thanks to the staff of the Department of Housing for informing us today.

Sitting suspended from 1.01 p.m. to 2.03 p.m.

**T TRANSPORT AND MAIN ROADS****IN ATTENDANCE**

Hon. S. D. Bredhauer, Minister for Transport  
and Minister for Main Roads

Department of Main Roads—

Mr J. Varghese, Acting Director-General

Mr D. Muir, Deputy Director-General

Mr N. Doyle, General Manager (Corporate  
Services)

Mr B. Turner, Executive Director (Finance)

Mrs K. Peut, Executive Director (Roads  
Programs)

Mr A. McLennan, General Manager (Corporate  
Services)

Queensland Transport—

Mr B. Wilson, Director-General

Mr J. Gralton, Deputy Director-General

Mr B. Kersnovske, Director, Finance

Queensland Rail—

Mr V. O'Rourke, Chief Executive

**The CHAIRMAN:** The next portfolio to be examined relates to the Minister for Transport and Minister for Main Roads. I would like to introduce the members of the Committee: Julie Attwood, the member for Mount Ommaney; Phil Reeves, the member for Mansfield; Liz Cunningham, the member for Gladstone; Vaughan Johnson, the member for Gregory; and Bruce Laming, the member for Mooloolah. I am Gary Fenlon, Chairman of the Committee and member for Greenslopes.

I remind members of the Committee and the Minister that the time limit for questions is one minute, and answers are to be no longer than three minutes. A bell will ring once 15 seconds before the end of each 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. Standing Orders require that at least half the time is allotted to non-Government members. Government members and non-Government members of the Committee will take turns at asking questions in blocs lasting approximately 20 minutes. Copies of the Committee's questions on notice and the Minister's responses are available from our staff here today. Also in accordance with the Sessional Orders, the Minister may make an opening statement lasting up to five minutes. I ask the Minister to use this statement to advise the Committee of any changes to his portfolio's Budget papers.

In relation to media coverage of today's hearing, the Committee has resolved that the video coverage is allowed only during the Chairman's opening address and Ministers' opening comments, and audio coverage will be allowed at all times. For the benefit of Hansard, I ask advisers to the Minister to identify themselves before they answer a question.

The proceedings today are similar to Parliament to the extent that the public cannot participate in the proceedings. In that regard, I remind members of the public that, in accordance with Standing Order 195, strangers, that is, the public, may be admitted or excluded from the hearing at the pleasure of the Committee. If anyone attending today has a mobile phone, please switch it off while in the Chamber so as not to disrupt the proceedings.

The time allotted to the portfolio of Transport and Main Roads is four and a half hours. The examination will begin with the Department of Main Roads followed by Queensland Transport. I declare the proposed expenditure for the Minister for Transport and Minister for 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 BREDHAUER:** I would. Could I start by introducing my departmental officers who are at the table with me?

**The CHAIRMAN:** Thankyou.

**Mr BREDHAUER:** They are: my Director-General, Jim Varghese; Don Muir; Karen Peut; Bill Turner; and Neil Doyle. There are other members of the Main Roads Department who are available to assist the Committee, should that be desirable. Subsequently, I can introduce the Transport Department representatives. We also have some people here from Queensland Rail who may be able to assist the Committee.

I am pleased to be here today to detail the Beattie Government's priorities for the provision of essential transport infrastructure and services for Queensland communities. My Government has recognised the substantial role that the Transport and Main Roads portfolios play in this State. They are vital contributors to our objectives of stimulating employment growth and economic activity and supporting rural and regional areas as well as south-east Queensland. This recognition is reflected in the funding levels allocated to Transport and Main Roads for this financial year.

In the area of Main Roads, the State Government has allocated record funding to Main Roads in 1998-99, with more than \$1 billion to be spent on road infrastructure as outlined in Budget Paper No. 3. This record billion-dollar roads budget reflects the Government's strong commitment to job creation and regional development. In fact, the program will provide more than 17,000 direct and indirect jobs in the road industry. We have recognised that the roads program is an economic engine driving jobs and economic development, and that is why it is a key part of the Government's Capital Works Program. The State Government's commitment to roads in this Budget is even more impressive when the Federal Government road funding cutbacks are considered.

I would now like to outline some of the highlights of the 1998-99 roads budget. I am pleased

to report that my Government is committed to funding all current road project commitments in 1998-99 as well as funding new works or accelerating funding for projects right across the State. This includes the Pacific Motorway—\$225m this year and an extra \$120m from 1999-2000 to complete the project. These funds were promised by the coalition but never included in the Forward Estimates. We have also fulfilled our commitment to support rural and regional communities through the new Rural and Regional Roads Improvement Program as well as the continuation of the popular Transport Infrastructure Development Scheme.

The new Rural and Regional Roads Improvement Program involves an ongoing \$30m allocation that will assist with key road infrastructure needs. The program will help support rural and regional development, population growth and industry development throughout Queensland. Regional and rural Queensland will also benefit from the continuation of projects to accelerate bitumen sealing on links such as Cairns-Cooktown, Winton-Hughenden and Boulia-Birdsville. More than \$61m including carry-overs has been allocated to local governments under the TIDS Program for roadworks on the local government-controlled network.

Extra funding of \$14.5m has also been provided over four years for bikeways, targeted road safety improvements and minor road upgrades. Other major allocations in the 1998-99 Roadworks Program include \$534.1m for other State-controlled roads, an estimated \$149.4m from the Federal Government for the National Highway system, \$10.1m for the Federal black spot-funded works and \$110.3m for other roads programs including TIDS, natural disaster relief and motorway land acquisition.

I will now move on to funding for Queensland Transport, which will spend \$1.218 billion this financial year, a \$173m increase over the Borbidge Government's 1997-98 budget for Transport. This budget will allow funding for essential areas such as public transport, rail infrastructure, school transport, maritime infrastructure, better client service delivery, rural and remote aviation infrastructure and a host of new initiatives. In fact, my Government has allocated \$29.7m for new transport initiatives in 1998-99. As part of this, \$35m in new funding has been committed over four years for an enhanced railway station safety project to be called the Safe Station Program. With past expenditure of \$4m, the \$39m enhanced program will significantly boost public safety at rail stations.

While on rail, my Government has also pledged a total of \$122.3m towards the Tilt Train Project, including the purchase of two 10-car diesel tilt trains to operate between Brisbane and Cairns. This service is due to commence in 2001. A further \$125m will be spent in 1998-99 to acquire high-capacity coal wagons and to upgrade existing coal wagons. An additional \$75m will be spent on 90 new electric cars for Citytrain. Queensland Transport is also pursuing courses to ensure that we do not turn our cities into car-congested concrete jungles and has identified a number of important projects.

Mr Chairman, I have a couple of other notes. I seek leave to have the remainder of my statement incorporated in Hansard.

Leave granted.

In the southeast, this includes an allocation of \$167 million for continuation of work on the \$520 million South East Transit Project, and \$4.8 million to complete the impact assessment study, design work and property acquisition for the Inner Northern Busway.

Planning will also commence for other busways and the improved Brisbane light rail study to replace the former Briztram project.

Additional transport and land use planning projects are under way throughout the State.

It is our aim, that wherever possible, an integrated approach to addressing transport and land use issues will be adopted through a commitment to Integrated Regional Transport plans.

In the maritime sector, \$23 million has been budgeted for infrastructure during 1998-99—a 90 per cent increase over last year's funding.

This funding includes a \$5.7 million allocation for dredging of the Maritime Stadium and widening of the South Channel on the Gold Coast.

My Government will make significant inroads into improving rural and remote school access through a \$1.8 million allocation over the next three years under the School Transport Assistance Program.

Additional funding of \$13.3 million over four years has also been provided to improve the level of bus services particularly in contract areas outside of the Brisbane CBD.

Further as part of that program, 50 per cent concessions for pensioners travelling on commuter ferry services at Moreton Bay and Magnetic Island will be introduced.

And in a major boost for Aboriginal and Torres Strait Islander communities, funding for aviation infrastructure has been substantially increased, as part of a total \$3.5 million to be spent on rural and remote aviation infrastructure this financial year.

It is Queensland Transport's goal to significantly improve the efficiency and effectiveness of service network delivery, and to that end funding has been committed in 1998-99 for new initiatives to realise this objective.

Conclusion

Queensland's transport network and vast road system are both vital components in the future economic and social growth of this State.

My Government is strongly committed to encouraging and enhancing the development of this State's transport portfolio to meet these growth objectives.

I am confident that the funding and initiatives outlined today, along with the myriad of other programs, projects and funding allocations in the Budget will significantly nurture and underpin development in this State.

Importantly, as we rapidly move towards the 21st Century, I believe Queenslanders will enjoy a transport system and network second to none in Australia.

**The CHAIRMAN:** Thank you for your opening statement. We will move first to questions from non-Government members.

**Mr JOHNSON:** It is great to see so many familiar faces. My first question relates to Main Roads. I refer to the Departmental Overview on page 2-1 of the Ministerial Portfolio Statements and ask the Minister to identify the differences between the strategic issues identified in the document and those identified in the coalition document issued in May. Has any policy direction document been issued to departmental heads?

**Mr BREDHAUER:** I am not sure what the intention of the question is. The strategic issues essentially remain unchanged from what they were previously, except that currently the document reflects our commitment to the Government's employment objectives, particularly the second paragraph—

"Main roads will continue to be involved in the implementation of the broader objectives of the Government including breaking the unemployment cycle, regional development and output budgeting initiatives during 1988-99."

With our strategic issues, in conjunction with my departmental officers and in accordance with the broader framework of the State Government's policy objectives, we have determined that our Roads Program in 1998-99 through this budget will be focused very heavily on the issue of employment and employment generation. I regard the Main Roads Department as being one of the critical engine rooms for enabling us to deliver roads infrastructure in particular, not just in south-east Queensland but throughout regional and rural parts of Queensland. By using the Roads Program, the Main Roads Department in conjunction with Queensland Transport and also through our close cooperation with local government and the private sector in particular will be seeking to generate jobs and economy throughout the State of Queensland. The real difference in focus for this Government has been our determination to use our capital works program in Main Roads as well as in Transport to drive those issues of employment security and particularly to look at economic development in the regions.

Of course, the other thing that you will find throughout the Ministerial Portfolio Statements is that we have begun delivering on the election commitments that we made prior to the 13 June election. The key differences between this Budget—these Ministerial Portfolio Statement—and the one in May is the focus of the current Government on the issues of employment, employment generation and job security throughout regional and rural parts of Queensland, plus delivering on those commitments that we made prior to the 13 June State election.

**Mr JOHNSON:** You would have to agree that the two Budgets are virtually identical. If they are not, on what basis are program changes being made or proposed? Do you propose to change any of those programs?

**Mr BREDHAUER:** Firstly, I do not agree that the two Budgets are identical. As I said in my opening statement, we have made a very clear stamp of the first Beattie Labor Government on this Budget. We have increased funding for roads in Queensland.

The Rural and Regional Roads Improvement Program of \$30m a year on a continuing basis is a good example of how we are determined to use our Main Roads budget to progress the agenda of the Beattie Government. There are differences. There are significant differences between this Budget and the previous Budget that was brought into the Parliament in May this year by the former Government, but which was never formally approved by Parliament. Essentially, we have agreed to maintain those capital works projects that we were committed to, including in the second year of the 1997-98 RIP. Of course, one of the other critical areas was the need for us to find the \$120m that your previous Government did not put in the Forward Estimates—

**Mr JOHNSON:** Come on Minister, get a hold of yourself.

**The CHAIRMAN:** Order!

**Mr BREDHAUER:**—in respect of the Pacific Motorway. The real focus of our Budget will be in the area of creating employment and employment security. You will notice in the strategic issues that you alluded to in your first question the reference to the Government's breaking the unemployment cycle. Main Roads will play its role in relation to that through assisting to place additional trainees throughout regional and rural parts of Queensland in particular. One of the key differences is that we are delivering on the election commitments that we made prior to the election. Although there are many similarities between this Budget and the previous Budget, I believe we have clearly stamped this Budget as a jobs Budget, which has been the focus of the Beattie Labor Government.

**Mr JOHNSON:** No-one disagrees with anyone trying to create jobs. That is something we tried to do in Government. I think we achieved it fairly well in the portfolio of Transport and Main Roads. I take you back to your opening statement. In relation to the Rural and Regional Roads Improvement Program you mentioned \$30m. Where do you envisage the expenditure of that program going?

**Mr BREDHAUER:** As it says, it is a Rural and Regional Roads Improvement Program. We will allocate the resources that are made available through the Rural and Regional Roads Improvement Program through the RIP, the Roads Implementation Program. You would be familiar with it. You had a copy of an RIP ready to go just before the election was announced. We are still working on the Roads Implementation Program, which I intend to publish in the not-too-distant future. Essentially, the additional \$30m will be incorporated through our Roads Implementation Program.

**Mr JOHNSON:** I refer you to page 2-6 of the MPS, which deals with the anticipated income relating to the sale of the South Coast Motorway land and in particular to the notation that sales of land were lower than anticipated due to a depressed land sales market. I ask: can you advise what arrangements are in hand for the sale of the corridor south of the Logan River as no increase in revenue has been anticipated above that projected by the coalition?

**Mr BREDHAUER:** The reality is that we have, in fact, already proceeded to sell a couple of blocks of land in that former corridor. You have to understand that revenue items like this are projections, particularly in relation to land sales. They are projections about what you think you might be able to get in the open market for the disposal of assets. Those issues are always subject to the vagaries of the market. I do not know from first-hand experience the property values in the particular area, but I have a note here that says that sales activity in the corridor area, particularly in Rochedale, for properties over \$150,000 has been generally non-existent and even more so for the prestige acreage properties.

The department tendered three properties for sale on 22 April 1998. One was sold for \$230,000 and settlement occurred on 12 June. The two other properties that we made available did not sell. We are attempting to dispose of land in that corridor that is no longer required. Essentially, we do not want to give away land at fire sale prices. So it would be important for us to maintain some of those assets until more favourable conditions prevail for their sale.

**Mr JOHNSON:** So you will be selling land in the Logan River corridor south?

**Mr BREDHAUER:** No, this is in the northern section of the South Coast Motorway.

**Mr JOHNSON:** I turn to page 2-10 of the MPS. The Minister did touch on this, which I was pleased to hear. I refer to the answer provided to the question on notice regarding the deletion of the reference to the sealing of the link between Boulia and Birdsville as being part of an overall \$15m project. In your answer, you advised that departmental officers were responsible for the deletion as a precaution. I ask: do you agree with that deletion? You did explain in your opening statement that you certainly have that road, along with the Cooktown road and also the Winton-Hughenden road, on the agenda. So I envisage that the program will progress as per the current agenda.

**Mr BREDHAUER:** Yes. Essentially, the amount that has been budgeted for that project in this year has not changed from your earlier Budget that was brought down in May. At that time, \$4m was allocated and \$4m is in the current Budget. All that has changed there is the reference in the statement to a \$15m project. It is still a \$15m project and the budget that we have allocated for this year to commence that project remains the same as it was under your Budget.

I anticipate that the final details of that will be available when we release the Roads Implementation Program, which will demonstrate our commitment to continuing that work. As you know, the RIP gives an indication over a five-year time frame. So I am sure you will read with interest the information that is contained in the RIP when it is published soon after this Budget is formalised. The actual amount that has been allocated for the sealing this year to commence the 42 kilometres to be completed is the same as it was in your Budget in May.

**Mr JOHNSON:** Thank you. My next question relates to page 2-11 of the MPS and the proposal to develop an intelligent traffic control system in association with the Brisbane City Council. Can you advise what funding has been allocated to this project?

**Mr BREDHAUER:** Can you just bear with me a second while I find it?

**Mr JOHNSON:** Yes, not a problem.

**Mr BREDHAUER:** Both the Brisbane City Council and Main Roads have developed intelligent traffic signal systems—Brisbane's is called BLISS and ours is TRAC—for improving traffic flow and bus priority at intersections and along their respective road networks. There will be many traffic operational cost benefits in adopting a common system approach, which will appear seamless to the road user across the road network.

A memorandum of understanding is being developed between the council and the Department of Main Roads which sets out the framework for cooperation in the development of and support for the intelligent traffic signal system and other related applications. The intention is that each party would retain its current system's intellectual property rights and own intellectual property rights for the future component products that each party develops. However, for use in Brisbane, all intellectual property would be shared freely between Main Roads and the Brisbane City Council.

Because we have not developed the memorandum of understanding yet, the project is at such an early stage that we do not actually have a budget allocation in the current Budget to advance this project. I have had discussions with both the Lord Mayor, Jim Soorley, and Maureen Hayes, the transport chairperson for the Brisbane City Council. We actually think that it is part of our wider integrated transport responsibilities to try to make sure that there is a greater sharing of information between the BCC and the State Government. We are also determined to make sure that if we can bring this common system in, it makes it a more user-friendly process for road users in the Brisbane City Council area. So we will determine project funding as we move to the development of the memorandum of understanding with the Brisbane City Council.

**Mr JOHNSON:** Just touching on that again, relative to your discussions with the Brisbane City Council, do you envisage that that funding would be on a dollar-for-dollar basis?

**Mr BREDHAUER:** To be honest, we have not gone that far in our discussions. We have quite a cooperative working relationship with the Brisbane City Council, but we really have not advanced the project to the point of discussing quantum or the ratio of funding from each level of Government. We will do that as the matter progresses.

**Mr JOHNSON:** What benefits do you see in this joint venture as such?

**Mr BREDHAUER:** I think that—

**Mr JOHNSON:** I am sorry, what benefits do you identify?

**Mr BREDHAUER:** I think that the key issue is that in the one city area we have two traffic signal systems. If we can achieve greater efficiency through sharing our resources, there is the potential for both to make some efficiencies in terms of the administration of the systems. There is the opportunity for us to provide a more user-friendly system. Basically, as I said before, it is part of our process of trying to improve the integration of transport and public transport in the south-east corner, particularly in the Brisbane City area.

The Lord Mayor and I both agree that managing traffic in south-east Queensland, particularly in the Brisbane City area, is probably one of the most critical issues facing all levels of Government now and for the foreseeable future, particularly our capacity to get traffic off the road where we can and on to public transport and other modes of transport rather than using private motor vehicles. So a real determination has emerged between the Brisbane City Council and us during my time as Minister—and that is not to say that it was not there in your time, but I have noticed in my time that there is a real determination between the Brisbane City Council and ourselves—to really get behind and drive this issue of improving efficiency of traffic management, really tackling the issues of solving traffic problems in the inner-city area and in the south-east corner generally. There are a few challenges for us to work through, which no doubt you will have some questions about as the Committee proceeds.

**Mr JOHNSON:** I refer you again to the Portfolio Statements, page 2-14: can you explain the reduction in the funding for the provisions for maintenance by almost \$5.5m, from the \$200m proposed by the coalition to \$195m?

**Mrs PEUT:** In terms of maintenance, I suggest that that was a guesstimate or an estimate made when we were putting the program together. As you know, the RIP is currently being developed. The figures will be explained in great detail in the RIP. I suggest that if there are any differences, we will explain the differences.

**Mr BREDHAUER:** In addition, there should be no doubt about our commitment to both road construction and road maintenance. The fact that the Queensland Roads budget has increased since the Budget that you brought down in May is a clear indication of our commitment. I recognise—as you would have in your time as Minister—the difficult issues that are faced particularly by smaller rural and isolated councils in terms of road maintenance. In the relatively short time that I have been the Minister, I have made it clear that we need to continue to work closely with local government on our road maintenance programs, not simply because we are trying to maintain the quality of our pavement and improve the quality of our road network throughout Queensland but also because it plays a very important role in sustaining employment, particularly in those smaller regional and rural councils. It is really part of our overall focus.

Notwithstanding the fact that the figure is slightly lower, when the Roads Implementation Program is released you will see the demonstrated

increases in road funding. You will see that we maintain our commitment to maintenance programs as well as new road construction. You will see that we also maintain our determination to ensure that local government has the opportunity, through APPC and RMPC, to participate in those roadworks with the specific intention of helping those councils to maintain their roadworks.

**Mr JOHNSON:** Thank you for that, Minister. It is music to my ears to hear that you are going to continue to work closely with local government.

**The CHAIRMAN:** We will move on to Government members' questions.

**Mrs ATTWOOD:** Each year since 1995, Main Roads has published a Roads Implementation Program, which details the road projects it plans to undertake over the following five years. Does the Minister intend to publish a Roads Implementation Program this year and, if so, to what level of detail?

**Mr BREDHAUER:** Under section 11 of the Transport Infrastructure Act 1994, the director-general is required to produce annually, for the Minister's approval, a Roads Implementation Program for one or more years which gives effect to the road network strategy. One of the things that has happened in previous years is that the Roads Implementation Program has, in fact, incorporated a five-year program of works, which was approved on the basis that funding commitments in years one and two were firm and then in the outlying years they were subject to Budget. Therefore, we produce a five-year program for the Budget and we actually renew that annually, so you have a constant five-year program. Funding is committed for the projects in years one and two, and in subsequent years it depends on the Budget.

We have maintained the projects that were in the previous Roads Implementation Program. As I mentioned earlier, the previous Minister had a Roads Implementation Program ready in about May, but it was not published. Given the intervention of the election, the subsequent change of Government and our determination to bring down a new Budget, I decided that it was appropriate to wait until we had the new Budget and to actually rework the Roads Implementation Program in the context of the new Budget. We have been working on the RIP and I anticipate that, once we have been through this Budget process, I will publish and table the five-year program in Parliament and provide it for the information of all members of Parliament as well as local government and a range of others.

Obviously, the key focus for us in relation to the RIP will remain on jobs. It will contain information about the entire road program that will be administered by the Main Roads Department, including National Highway funds, work on State-controlled roads and also, particularly through the TIDS program, work on local government roads.

Yes, the Roads Implementation Program will continue. It was actually an initiative of the former Labor Government. We were the first ones to set it up. I believe that the notion of having a five-year forward program for roads is particularly welcomed

by local government. The member for Gladstone will know from her local government experience that having that extra degree of certainty about the funds and works that are likely to be coming up in future years is welcomed by local government in particular. It is also welcomed by private sector people who are involved in the road construction industry. I will be producing, tabling in Parliament and publishing an RIP in the next couple of weeks.

**Mr REEVES:** I note the significant works that are already under way on the interchange between the Pacific Motorway and the Logan Motorway. Can you inform the Committee when tenders will be called for the eastern duplication of the Logan Motorway and provide the details of the estimated costs?

**Mr BREDHAUER:** I notice that this is an area that is dear to the member's heart. I am happy to advise the Committee today that tenders are to be called immediately for the duplication of the remaining two-lane eastern section of the Logan Motorway. The total estimated cost of the works is \$73.8m, including the Logan Motorway Company's share of the cost of reconstruction of the interchange with the Pacific Motorway, to which the member referred. Work is already under way there. The eastern duplication is considered essential in order to remove the missing two-lane link between two dual carriageway sections. Immediate commencement will minimise construction costs and adverse impacts on road users, which would inevitably increase as traffic growth occurs. It is anticipated that the works will be completed in March 2000 to coincide with the opening of the eight-lane Pacific Motorway.

One of most important things that we need to recognise is that this project was approved by the previous Government and, as part of our determination to get on with the Capital Works Program, we have moved quickly to approve the calling of tenders for the eastern duplication. We anticipate that up to 700 jobs could be created for road workers in that area.

**Mr JOHNSON:** Responsible forward management.

**Mr BREDHAUER:** Thank you, I will take that compliment. About 700 jobs will potentially be created. As I say, I have already recognised that the previous Government approved the duplication of the eastern section. That demonstrates that, unlike some occasions in the past, we are determined not to have a slow down in the capital works. We believe that delivering the Capital Works Program is the most important way that we can encourage employment and job security for people in this area. Of course, the other benefit is the improvement in traffic for people who use both the Logan Motorway and the Pacific Motorway.

**The CHAIRMAN:** I understand that a trial commenced on 1 February this year to test the appropriateness of allowing Type 2 road trains to run unescorted along the Barkly Highway between Cloncurry and Mount Isa. What is the status of this trial?

**Mr BREDHAUER:** What a saga this has been. A trial was set up for as-of-right access for Type 2 road trains on the Barkly Highway. Basically, a section of that highway is not in a safe condition for unrestricted access by Type 2 road trains. An initial trial was extended by the previous Minister. It came to me early in my days as the Minister and I agreed to a further extension of three months until the end of October. I did so only on the condition that the Federal Government—and members should remember that this is a National Highway—would live up to its responsibilities to provide for urgent safety and maintenance works that were required on that road. One and a half million dollars was required immediately for urgent maintenance and safety works. We also wanted a commitment from the Federal Government to the \$32m that must be spent over the next three or four years to upgrade the road, so that as-of-right access for Type 2 road trains can be undertaken safely.

The deficiencies with the existing section between Cloncurry and Mount Isa include: the inadequate width for road trains—over 11.5 kilometres in sections; surface roughness is high, especially through floodways; several narrow low-level floodways are subject to frequent inundation; and a range of other issues are of concern. Members of the Committee and others in the room would know that there was a very serious accident there yesterday involving two road trains and another heavy vehicle—copper concentrate, livestock and scrap metal. Fortunately, although one person was hospitalised, there were no fatalities related to the accident. But it demonstrates just how unsafe that road can be for Type 2 road trains.

Coincidentally, yesterday was D-day for the Federal Government. It had until yesterday to advise me that it was prepared to spend extra money. I note that the Federal Labor spokesperson on Transport has given a commitment that if Labor wins the Federal election on Saturday it will make the \$1.5m available immediately so that we can undertake that urgent safety and maintenance work. But the Federal Minister, Mark Vaile, said that he was not going to be shoe-horned in the election process. I can tell him that industry and the people in the north-west are sick of his neglect of National Highways, particularly that important highway in the north-west. I recognise how critical it is for industry in that area. It is also an important highway for traffic travelling between the Northern Territory and the southern States as well as throughout Queensland. I recognise the impact that it will have, but the safety of the motorists using the road must be my paramount concern, which is why I announced yesterday that the trial will finish on 31 October. The responsibility for that lies with the Federal Government and its failure to adequately fund our National Highways.

**Mrs ATTWOOD:** I know in particular in my area that Main Roads contributes significantly to supporting the viability of industry and employment through the development of the State's road network. What progress has the department made in progressing the Government's jobs policy within the organisation?



**Mr BREDHAUER:** The Beattie Labor Government is committed to ensuring the economic and social viability of the State of Queensland. Fulfilling these objectives means that we must reduce unemployment by securing sustainable jobs for our current and future work forces. The work of the department significantly supports the viability of industry and subsequently the viability of sustainable jobs in Queensland. I have already referred to the fact that we anticipate the roads budget will help us to sustain 17,000 jobs around Queensland. I have previously referred to this department as the engine room in delivering the Government's commitment in this area, and my department is fully committed to implementing Government policy. The commitment to fully fund the extra \$120m for the Pacific Motorway and to call tenders for the eastern part of the Logan Motorway is a clear demonstration of our commitment to real jobs.

There will be something like 2,000 workers on the Pacific Motorway project by Christmas this year as well as the 700 I have just alluded to for the eastern duplication of the Logan Motorway. I guess this compares with the coalition's record of imposing a capital works freeze aimed at stopping projects and jobs when they came to power.

**Mr JOHNSON:** Not in Main Roads.

**Mr BREDHAUER:** I think Queensland is still suffering the ill-effects of former Treasurer Joan Sheldon's capital works freeze that occurred following the previous change of Government. To provide continuing jobs, the department has a number of other initiatives in place. These range from the development of a system which will assist managers to predict further work force requirements, through to programs which enable Main Roads employees to develop and retain competitive levels of skill and knowledge.

As the former Minister and other members would know, one of the key issues for us is managing our RTCS work force and making sure that we have sufficient work for them. As they become more efficient as our road building and management systems become more efficient, that becomes a greater challenge for us. But we are determined that we will meet that challenge. Through the enterprise development agreement the department is committed to maintaining its contribution to the viability of rural and remote communities in the Cloncurry, Barcaldine, Roma and Emerald districts, in which the department operates. To this end, where practicable Main Roads will use local business or recruit employees from the local area.

The department has substantially increased its commitment to equal employment opportunity and in particular we have initiated just this year an indigenous scholarship scheme to try to create employment for Aboriginal and Torres Strait Islander people in the roads industry. The department has signalled its commitment to the Government's jobs policy through the highest level of representation, with the director-general representing Transport and Main Roads on the Jobs Policy Council. The department has already begun to prepare for implementation of the Government's traineeship

scheme and has identified its desire to accept trainees in our road construction activities and newly emerging areas, such as environmental science.

**Mr REEVES:** I wish to ask a question about the Burdekin bypass, not the bridge. On 30 April 1998, the Federal Minister for Transport, Mark Vaile, and the local member for Dawson, Ms De-Anne Kelly, announced that independent traffic consultants Beard and Holland had been commissioned to undertake a study of the need, impact and feasibility of the proposed Burdekin bypass. They also indicated that, when completed, this independent traffic study would be made available for public comment. Can the Minister explain why the completed Beard and Holland report still has not been publicly released? When does he anticipate that it will be released and when does he expect the overall Burdekin National Highway Corridor Planning Study to be finalised to remove the uncertainty which currently exists within the Burdekin community?

**Mr BREDHAUER:** Firstly, let me reassure the member for Mansfield that there is no budget allocation for painting the Burdekin River Bridge pink. The genesis of the Burdekin National Highway Planning Study was in 1996 when, in a blaze of publicity, the member for Dawson, De-Anne Kelly, and the Federal Parliamentary Secretary to the Minister for Transport, Senator Grant Tambling from the Northern Territory, announced that they were going to have a planning study to determine whether there was a need for a new corridor for the Bruce Highway to bypass towns such as Ayr, Home Hill and Brandon, and also to set up a new bridge.

Despite basically being the person who started the whole process, as we got closer to the Federal election Mrs Kelly, the member for Dawson, had a serious change of heart. I think it had something to do with the number of land-holders who would be impacted upon if a bypass were built. She started to challenge the need for a bypass route for the townships of Home Hill, Ayr and Brandon.

At the recent LGAQ conference in September on Hamilton Island, the Mayor of Burdekin, Councillor John Woods, expressed his concerns that the community was feeling pained at being in the Burdekin area as a result of the Federal Minister's current embargo on continuing the Burdekin National Highway corridor study. There is a lot of uncertainty in the Burdekin community, as it has invested a lot in the process so far and it is going nowhere. He indicated that earlier this year there had been strong rumours circulating within the community at alleged moves by the member for Dawson to have the study shut down until after the Federal election. Mark Vaile and De-Anne Kelly then turned up at a local community meeting on 30 April and announced that an independent study by Beard and Holland would be carried out to determine the need, impact and feasibility of the proposed bypass.

That independent assessment was their idea. The mayor made it clear to me that he had faith in the study process and the role being played by the Burdekin Bypass Study Reference Group. Following his request for my assistance to get this study up

and running, I wrote to Mark Vaile on 17 September seeking his support to release the Beard and Holland report to allay community concerns.

I supported an approach that the Federal Department of Transport and senior executives of Main Roads be briefed by Beard and Holland; that a meeting with the community reference group be convened; that the independent consultants present their findings to the community reference group; and that the community reference group be authorised to communicate these findings to the Burdekin community. The Federal Government has refused to release the report. The member for Dawson then has engaged in a scurrilous attack on Main Roads.

I am announcing today that I will forward a copy of the report to the community reference group. I will ask Main Roads to convene a meeting of the reference group as soon as possible to be briefed by the consultants, Beard and Holland. We will remove the cloud hanging over the future of this issue and allow the reference group to do its job in evaluating the report.

**The CHAIRMAN:** On page 2-11 of the Ministerial Portfolio Statements for Main Roads there is a reference to a review of the Road Network Strategy in accordance with emerging transport requirements. Could the Minister please outline the Government's response to a recent request by private developers and the Sunshine Coast University to relocate powerlines to within the Sunshine Motorway corridor?

**Mr BREDHAUER:** I can assure you that this Government places a very high priority on integrated transport planning, as the previous Minister did. A fundamental element of that planning must be the appropriate identification and protection of transport corridors and ongoing review of our Road Network Strategy. The Government also accepts its responsibilities to protect existing corridors so that we can maximise the use of available corridor width for transport infrastructure and services without the need to engage in compulsory resumptions of private land.

One part of the State where this is absolutely critical is the Sunshine Coast where population growth is going to increase demands for public transport. The problem with the relocation of the powerlines into the Sunshine Coast motorway transport corridor is that in two 400 metre sections of the corridor powerlines cannot be located without significantly compromising future planning requirements and transport safety. Members of the Committee need to be aware that the Sunshine Coast motorway corridor is not just a road reserve but a transport corridor which will be needed for future public transport use such as busways, light rail and bikeways. In the two 400 metre sections to which I earlier referred corridor width has already been compromised. Further encroachment would render a range of options unsafe.

The Government is sympathetic to the desire of the university to have the powerlines relocated, and I give an indication today that I understand the problem with the powerlines running through the area

where they want to build their athletics track and sports stadium and we are keen to help facilitate the relocation of this line, but the view of this Government, as was the view of the previous Government, was that relocation within the transport corridor in the two 400 metre motorway sections cannot be accommodated. I note that the development control plan for Sippy Downs provides for the powerlines to be located adjacent to the existing motor corridor but not in it. In these circumstances, I have instructed my departments of Queensland Transport and Main Roads to cooperate with the Departments of State Development and Natural Resources to facilitate voluntary acquisition of easements over private land to accommodate the powerline relocation if possible.

I note that the member for Gregory in his role as former Minister wrote to the member for Mooloolah on 28 May 1998 stating—and I have a copy of the letter here—that there would be a requirement for some easement acquisition from private property adjacent to the Sunshine Motorway. So essentially we are saying that we are prepared to progress this problem; we are prepared to get in there and try to find a solution. We will talk to the landowners adjacent to the Sunshine Coast motorway in those two 400 metre corridor sections. We will try to get them to—we do not want to resume land—voluntarily allow the land to be purchased. Obviously, the proponents would have to be responsible for the costs of acquiring the land and relocating, but we are determined to work with the Sunshine Coast University in particular to try to progress a solution to this problem.

**The CHAIRMAN:** We will return to non-Government members' questions.

**Mr JOHNSON:** I refer the Minister back to an earlier question on notice asked by the Government members in relation to the \$120m shortfall you made mention of in the Pacific Motorway funding. You also made mention some time ago—or somebody has made mention—that maybe the rural and regional roads policies would have to suffer as a result of this shortfall. I notice that you have said that we never had the chaff and now you have come up with the \$120m, so I ask: where did you find it?

**Mr BREDHAUER:** The answer to this is simple, and I am glad the former Minister has asked me the question. I have to say that I was having sleepless nights trying to find the \$120m that your former Treasurer did not provide for the scope expansion of the Pacific Motorway project. I know that the Opposition has been standing up in Parliament saying that it was in the Budget. There was a figure of \$120m which appeared in Budget Paper No. 3, from memory, when you brought it down. Unfortunately as you, the former Minister, would know full well, it was not included in the Forward Estimates of your department. So essentially we were left with a \$120m black hole as a result of your decision. I am not criticising the rescoping because I think that was warranted. What I am criticising is the fact that your Government failed in its responsibilities to provide appropriate levels of funding so that we could cover that.

Essentially we have had to negotiate a new funding arrangement with Treasury. There will be a Treasury contribution towards the \$120m. It is \$113m in the next financial year and \$7m in the subsequent financial year. The only alternative to that would have been for us to find \$120m out of the Statewide roads program. That could have cost us up to 2,000 jobs in your heartland of Gregory and in my heartland of Cook. I was not prepared to stand by and see the Regional and Rural Roads Program robbed of \$120m so that we could finish the job on the Pacific Motorway. You know all about this because you wrote to the Treasurer about two weeks before the Budget was brought down. Your director-general, Dick Wharton, also wrote to the Under Treasurer—

**Mr JOHNSON:** I just wanted to know, so you can keep going.

**Mr BREDHAUER:**—a couple of months prior to the Budget coming down looking for the money, and there was no reply either from the Treasurer or from the Under Treasurer to the money that was sought for the Forward Estimates of the department. In fact, you quite rightly identified that, if the Budget Forward Estimates for your department did not reflect the increase in scope, we who were then the Opposition would have a field day in criticising you.

**Mr JOHNSON:** You would not criticise me, would you?

**Mr BREDHAUER:** I was not the shadow Transport Minister. We have recognised that the Pacific Motorway project needs to be finished. The \$120m has been found, but we have not found it by pinching it from the road program, which could have affected jobs in other parts of Queensland.

**Mr JOHNSON:** So you are saying that there was a hollow log in Treasury that we could not find. Because we have a former Transport Minister who is now the Treasurer, he has found that hollow log. I will know that when I take over your seat pretty shortly.

**Mr BREDHAUER:** Is that your next question? Okay, I have three minutes to answer that.

**Mr JOHNSON:** No, you have not.

**Mr BREDHAUER:** No, there are no hollow logs in Treasury, but through prudent financial management and a recognition of the need to actually fund the rescope which was approved by your Cabinet in March of this year, I think it was, we recognised that we needed to get on with the job of finishing off the Pacific Motorway. It is 43 kilometres of eight lanes that is being undertaken there. It is a massive job. We have actually managed to let the final tenders—the tenders for the final stages—because, as I said before, we were committed to not having any interruptions to the Capital Works Program.

In the process, I had to negotiate with the Treasurer, my departmental people and Treasury officials. We did find a contribution which was able to be made to the additional funds that were required by Treasury. We have had to find some of the money ourselves, but we have been able to put together a funding package which has enabled us to protect the interests of the roads program generally and to make

sure that that project was continued to its completion as well as allowing us the opportunity to look after the Rural and Regional Roads Program. I know that your commitment to regional and rural roads and my commitment to regional and rural roads is stronger than some other people's and that some people have made decisions in the past that could have impacted on us, but I was determined that we were going to look after those regional and rural road programs, and I got the assistance of my Treasurer.

**Mr JOHNSON:** The next question is in relation to roads infrastructure in the Ministerial Portfolio Statements on page 2-6. Can you advise what the present situation is regarding the Main Roads properties at Kalinga that were put up for sale by the coalition to reassure local residents about the potential airport freeway? Is this land still for sale and, if so, what action has been taken to dispose of it?

**Mr BREDHAUER:** Are you talking about Leckie Road?

**Mr JOHNSON:** Yes.

**Mr BREDHAUER:** These are the four properties which you conveniently announced at the request of one of your—

**Mr JOHNSON:** Not quite.

**Mr BREDHAUER:**—stronger coalition colleagues? I know how close you are to the member for Clayfield. The Leckie Road corridor is an important issue. We have no intention to proceed. A number of properties were indicated for sale.

**Mr JOHNSON:** So you are not going to sell the properties?

**Mr BREDHAUER:** If you just let me finish—a number of properties were indicated for sale and bids were made on those properties. I was subsequently approached by the Minister for Public Works and Housing, who indicated to me that he had a need for some public housing, emergency housing, etc. in that area—I am not exactly sure what the needs were. He asked us if we were able to identify three or four properties in that area that we might be able to make available for public housing purposes.

In the process, essentially we have got the best of both worlds, in my view. Those properties will continue to be used for residential purposes, which is an indication that we do not intend to proceed with the east-west corridor, the airport motorway corridor. At the same time we have been able to fulfil a need for public housing. Whilst the houses were not sold to the bidders, we have been able to make sure that those houses continue to be used for residential purposes.

**Mr JOHNSON:** I will revisit a question I asked previously in relation to the eastern corridor and the sale of land in relation to it. You did mention north of the Logan River. Can you verify your Government's position in relation to south of the Logan River? Are you going to sell that corridor in question or are you going to negotiate with the Gold Coast City Council as to its future? What is your policy on that?

**Mr BREDHAUER:** Essentially it is the same as yours. There is an area of land from Jacobs Well

north which we are intending to sell, but we will maintain that corridor south of the Logan River. That position is unchanged from the one you adopted when you were the Minister.

**Mr JOHNSON:** So you are going to retain that corridor south of the Logan River?

**Mr BREDHAUER:** Yes, except for the bit around Jacobs Well. As I say, the position is essentially unchanged from the one you took. We are selling properties in that corridor, which effectively puts paid to any other use.

**Mr JOHNSON:** But only north of the Logan River?

**Mr TURNER:** North of the Logan River and up towards the Beenleigh-Redland Bay Road is being sold. South of the river is being retained.

**Mr JOHNSON:** I note at page 2-17 in relation to technology and environment that the total current outlays are reduced from the \$10.4m proposed by the coalition to \$9.74m. What accounts for this reduction?

**Mr BREDHAUER:** The advice to me is that some of those activities are actually undertaken as part of the Roads Program rather than as part of the Technology Program. Essentially there is just a shift from the program area that will be funding part of those works.

**Mr JOHNSON:** I also note on page 2-17 that the estimate of Corporate Services has escalated from \$344,000, which was the coalition's amount, to \$569,000. Could you explain this increase?

**Mr TURNER:** The increase in the Corporate Services Program overall is attributable basically to refurbishment costs following the purchase of the Spring Hill Office Complex, which shows up as Corporate Services. Also, the Gateway Project, which is the second stage of implementation of SAP, is recorded as Corporate Services. Under Treasury guidelines we have to allocate all Corporate Services over the other three programs. Because Corporate Services has increased primarily because of those two projects, it will reflect in a higher allocation to each of the other programs.

**Mr JOHNSON:** I refer you to Corporate Services at page 2-19. With regard to the SAP project, when will the inventory management system and the human resource management payroll system be implemented?

**Mr TURNER:** I will take those in reverse order, if I might. The HR payroll system is currently under configuration. We will start a roll-out of that in January/February next year, with implementation planned to be completed by June of next year, in advance of 1 July 1999, to avoid year 2000 problems. The inventory system is under development at the moment. We plan that to also be in the first half of 1999. There is a range of other modules also being implemented, all in the first half of next year.

**Mr JOHNSON:** I take you now to page 2-28. The coalition allocation for Commercial Business Operations has been reduced from \$313,739,000 to \$303,669,000. Can you inform the Committee of the reason for this reduction?

**Mr MUIR:** I cannot answer as to the actual figures, but there has been no essential change in the commercial business units. Our plant hire services, TTD and RTCS are still operating as before, so I cannot explain that slight difference.

**Mr TURNER:** The figure for the RTCS Business Units, which really reflects the revenue they anticipated earning at that time, was \$235m in the Budget brought down in May. September's figure is \$253m. That basically reflects the estimates now in place by the RTCS units for the amount of work they will win this year.

**Mr BREDHAUER:** Some of the figures have changed basically because there has been another five months between the two Budgets, effectively.

**Mr JOHNSON:** I refer you to a question asked by Government members a moment ago. You replied in relation to RTCS units in rural and regional Queensland and the importance of the work commitments, of keeping those units operational. Could you inform the Committee of the current workload of the RTCS south-east region? Is that fully committed at the moment or is there a stand-down?

**Mr BREDHAUER:** There is no stand-down.

**Mr JOHNSON:** Are they fully employed at the moment—RTCS south-east?

**Mr McLENNAN:** The situation with RTCS south-east at the present time is that they are fully committed. They are very busy. There are two good reasons for that. They have had reasonably good success in the tender box in the last few months, which gives them a head of works that is very satisfactory at the time. And due to the weather and things like that, the maintenance activity is also a little higher. Of course, they have to maintain their success as we go through the year to ensure that there is a full workload. There are also the adjustments that we have to give APIC-type contract arrangements if difficulties arise.

**Mr BREDHAUER:** The other thing is that we are committed. As I said in my earlier remarks, it is a challenge—maintaining work flows consistently for our RTCS in the south-east. As Alan says, we are currently fully committed, but we are always looking for ways in which we can, on some occasions, deliver work to RTCS and make work available to them to tender for competitively. On many occasions they are winning work which is enabling them to maintain their commitments.

**The CHAIRMAN:** We will move back to some Government members' questions.

**Mrs ATTWOOD:** The Centenary Highway Bikeway Project is currently under way in my electorate. How serious is the Beattie Government about extending bikeways throughout the State? Where is this commitment outlined in the Budget documents?

**Mr BREDHAUER:** It is important to recognise the commitment that we have to our bikeways network. I am actually performing the opening of the Indooroopilly bikeway tomorrow in conjunction with the Lord Mayor. That is a project that I think was

undertaken through the TIDS program, funded jointly by us and the Brisbane City Council. Our bikeway network currently is somewhat disjointed and unconnected in places. That actually discourages a lot of people who would otherwise use bikes as a form of travel for getting to and from work, for recreational and social activities and those sorts of things.

This Government is very serious about extending the bikeway networks throughout the State to improve the safety of cyclists and encouraging cycling as a practical and beneficial alternative transport mode. It is part of our election commitment, and it is identified in Budget Paper No. 2 on page 129. Additional funding of \$14.5m has been provided by this Government over the next four years for miscellaneous transport infrastructure, including bikeways, road safety initiatives and minor road upgrades. Our focus is on the expansion of the bikeway networks in south-east Queensland and, in line with our election commitments, expanded bikeway networks in provincial cities, such as Cairns and Townsville. As part of the Transport Infrastructure Development Scheme, the 1998-99 to 2002-03 RIP will provide details of bikeway projects totalling some \$10m in 1998-99 and 1999-2000 right across the State. This and future RIPs will reflect a continuing commitment to bikeways by the Beattie Government.

I might conclude by saying that this is a particularly appropriate question at this time because next week is Bike Week. As I said, I am taking the opportunity to open the bike bridge at Indooroopilly tomorrow with the Lord Mayor as a forerunner, I guess, to some pretty exciting activities. We might even get the member for Gregory on his bike next week.

**Mr JOHNSON:** Motorbike!

**Mr REEVES:** Recently, the Federal coalition announced that, if elected—and that is a big if—it would provide \$25m for eight and six laning of the Bruce Highway from Pine Rivers to Caboolture. Can the Minister advise on the overall scope and cost of this project and when the works are expected to be completed?

**Mr BREDHAUER:** This is one of the interesting things that I find about the Federal coalition Government's approach to National Highway funding. Essentially, what they have been running around Queensland saying for the last month—as we have been identifying the deficiencies in National Highway funding in Queensland, we found that we actually get less money for National Highways in Queensland this year than we did in 1996-97. One of the things that both the Federal Transport Minister, Mark Vaile, and someone like the member for Kennedy, Bob Katter, have been saying in respect of the Barkly Highway is that they allocate the money but the wretched State Government reallocates the money to other projects. Your National Party colleague was saying that in respect of the Barkly Highway. I thought that was interesting, because he was actually accusing you—as the former Minister, I suppose—of redirecting money away from the Barkly Highway.

**Mr JOHNSON:** That hurt me greatly.

**Mr BREDHAUER:** I bet it did, because it is just untrue. As you know, it is absolute nonsense. John Howard, the Prime Minister, was here a couple of weeks ago. He announced that \$25m would be allocated for these roadworks between Petrie and Caboolture. That demonstrates that the Federal Government are the ones who actually allocate the money to the National Highway projects, not us. The interesting thing is that the overall scope of this project is to provide eight lanes from the Gateway Motorway to a point one kilometre north of the Dohles Rocks Road interchange to accommodate heavy, weaving movements on this four-kilometre section and merging manoeuvres associated with the Gateway Motorway, and six-laning from Dohles Rocks Road interchange on the 22-kilometre stretch north to the Caboolture northern bypass interchange. The total estimated cost is \$120m—plus \$5m, which we have already put into planning work. We are still waiting to be paid by the Commonwealth. So they have come to town and announced \$25m out of a \$125m project. At this rate, it will be at least another five years before we actually get the funds to complete the project. I think it shows the inadequacy of the Federal coalition's attitude towards funding our National Highways.

We should consider this in the context of an announcement that the Prime Minister made on the same day. They were going to spend \$34m—bear this in mind—\$25m on the Bruce Highway between Petrie and Caboolture. But on the same day they announced that they were going to spend \$34m under the Roads of National Importance Program on a road in the electorate of the former Federal Transport Minister, John Sharp. Do you know how many vehicles that carries a day? It carries 92 vehicles a day. So they are going to spend \$34m under the Roads of National Importance Program on a road that carries 92 vehicles a day. \$34m could fix all our problems on the Barkly Highway. They were going to spend \$25m on the Bruce Highway but \$34m on some road that carries 92 vehicles in the electorate of the former Federal Minister for Transport.

**The CHAIRMAN:** Has the Minister considered the impact on State and local government roads of the proposed mass limit increases for heavy vehicles and, if so, what are these impacts?

**Mr BREDHAUER:** I think this will be another issue that is fairly dear to the heart of the former Minister, too—the issue of mass limits. He would know that the attitude of both the Department of Main Roads and the Department of Transport in Queensland has been that we support increasing mass limits for heavy vehicles on our road network, but we do that with the caveat that we expect the Federal Government will provide appropriate funding to enable us to upgrade our roadwork and particularly to assist local government in either the upgrading or replacement of bridges which would be likely to suffer and possibly even be unsafe under the increased mass limits.

So the proposal basically is for mass increases equivalent to three tonnes on a standard six-axle

semitrailer. This would increase the mass from 42.4 tonnes to 45.5 tonnes. The increase applies only to vehicles fitted with road-friendly air suspensions. Other aspects of the package are the provisions to ensure suspensions remain road friendly, and a suitable enforcement regime to prevent gross overloading. We have calculated that the cost of the necessary bridge upgradings in Queensland is: bridges on National Highways, \$19m; bridges on other State-controlled roads, \$312m; and bridges on local government roads, \$86m, making a total of \$417m. That is less, I might say, than what New South Wales anticipates the impact on them would be.

I was a bit annoyed when Mark Vaile announced his intention to fast-track mass limit increases for heavy vehicles, allowing 45.5-tonne, six-axle semitrailers on National Highways from 1 January 1999, because this is not what was agreed at the Australian Transport Council meeting. I am not sure whether you were at that meeting, but the agreement at that time was that mass limits would not be increased until the States and the Commonwealth had come to some understanding about funding.

I am also very annoyed that the Commonwealth's proposal is inconsistent with both the COAG agreement and the position that the Commonwealth reinforced at the April 1998 meeting of the ATC. That was the commitment that the Commonwealth would repeal its FIRS legislation when all jurisdictions have implemented the National Heavy Vehicle Registration Scheme. That is scheduled to occur by July 1999. To introduce mass limit increases through FIRS at this point in time is a significant renegeing of that commitment.

Generally speaking, the Federal Minister has grandstanded that he will charge off on his trusty steed and increase mass limits and devil take the hindmost. Queensland for one will not put up with the Federal Government causing us potentially massive costs on our State-controlled roads, impacting seriously on local government and not giving consideration to the proper funding arrangements before charging off and increasing the mass limits. We support the increase in mass limits, but it has to be accompanied by the necessary funding commitment from the Commonwealth.

**Mrs ATTWOOD:** As you are well aware, the coalition Government removed the tolls on the Sunshine Motorway from midnight on 8 March 1996. Could the Minister please inform the Committee of the cost of that decision to the 1998-99 budget and also outline the total cost to the people of Queensland of that decision?

**Mr BREDHAUER:** That was another really interesting decision by the previous Government. It ranks even ahead of the failure to fund the rescope of the Pacific Motorway Project. The impact that it has had on our roads budget, as the former Minister will well understand, has been serious. It will continue to impact on our budget for years to come. The Department of Main Roads was forced to borrow \$135.53m in order to fund the compensation package for the Sunshine Motorway Company Limited as a result of the decision by the previous

Treasurer to remove the toll on the Sunshine Motorway. Interest and redemption on those borrowings amounts to \$12.24m per annum over 18 years to 2017 when the loan will be paid out. From next year, for the next 18 years, Main Roads will have to cough up \$12.24m to fund the interest and redemption on the borrowings.

The real cost to the people of Queensland is nearly \$450m in today's dollar terms. It is even more in the dollars that will ultimately be paid out. The \$450m consists of \$52.25m in interest-free loans to the company that the department was forced to write off, a future profit stream of \$109m in 1998 dollars in dividends that would have been available to the department following payout of the debt, plus \$42m—again in 1998 dollars—in maintenance costs over the next 20 years that the company would have been responsible for had the toll remained. That is on top of \$233.64m paid out in real dollars up until 4 August 1998 as shadow tolls and to compensate the company plus other liabilities that the department had to assume. That single decision by the former Treasurer to abolish the tolls on the motorway in her own backyard cost the people of Queensland and our roads budget almost half a billion—\$450m. In financial terms, that is an absolute scandal.

**Mr REEVES:** Can the Minister provide details on the background and current status of the Portsmouth Road duplication? When can the people of Cairns expect to see some action on this project?

**Mr BREDHAUER:** Unlike the previous question about your end of town, this one is about my end of town. The Portsmouth Road duplication is an issue that is particularly dear to me. It is one of two major feeder roads from the Bruce Highway into Cairns from the south. The growth in traffic on the road has been 12% per annum over the last five years. Prior to the last Federal election, former Transport Minister Laurie Brereton agreed to fund the four-laning of Portsmouth Road, the southern access road into Cairns. In May 1997, John Sharp reannounced that the Portsmouth Road would be declared as a National Highway. Federal Government support for the upgrading to four lanes was also announced at that time, but still, up until now, no funding has been approved. The Bruce Highway, which currently runs along Mulgrave Road, was to be de-mained as part of our National Highway in favour of that section of the road being declared part of the National Highway. We are now in a position in which we cannot get the Federal Government even to agree to that changed administrative arrangement so that they can fund the road.

Design work is progressing on the four-laning project at an estimated cost of \$10m. Preliminary pre-laid works over soft areas have been completed. Design issues that are still to be resolved include median break arrangements, which will be subject to consultation with adjacent land-holders, and the arrangements for the Portsmouth Road connection to the Bruce Highway. Funding to allow that project to proceed in 1999 has been sought as part of Queensland's four-year National Highway Forward Strategy Report for 1998-99 to 2001 and 2002. The problem is that there is no money from the

Commonwealth to undertake the works that they promised to undertake.

I saw the member for Leichhardt, Warren Entsch, quoted in the paper as saying that we should not worry about the fact that the Portsmith Road has not been funded, that it is our responsibility for main roads. We are proceeding with the design work. If we had the go-ahead from the Commonwealth Government for the funds, we would be able to get into that work probably after the next wet season. That would be the earliest time that we would be able to get into it. Warren Entsch discussed a couple of million dollars being spent on black spot funding in and around Cairns and far-north Queensland. I have to tell him that I do not think that is good enough. They promised to fund the four-laning of Portsmith Road. It is a road that carries substantial traffic. That road carries 20,000 vehicles a day. Compare that to the 92 vehicles on the road in John Sharp's electorate which was promised \$34m the other day. I am going to continue to pursue the Federal Government, whichever its persuasion after Saturday's election, to make sure that we have that project funded. Lindsay Tanner, as the Labor spokesperson, has committed to fund that project under a Federal Labor Government.

**The CHAIRMAN:** Main Roads received approval for its enterprise agreement negotiation framework in November 1997. It is my understanding that employees of the department have been working hard to realise the benefits to the department and to reach pay point 2. I understand also that pay point 2 is due today. Can you explain the current status of the Main Roads enterprise agreement?

**Mr BREDHAUER:** It is today that pay point 2 falls due. I would like to begin my response by saying that it is my observation that employees of Main Roads have worked hard to meet the various requirements of EDA3. Enterprise bargaining is a process in which certain commitments are made by the employees in order to achieve the requisite pay increases. I appreciate the commitment and the effort they have made to achieve those requirements that are part of EDA3. As part of the process of the enterprise development agreements in Main Roads, the department established a management committee to oversee implementation and ensure that work units had met their various targets. The framework for EDA requires the establishment of a single bargaining unit, which comprises management, staff and union representation. On 21 September the steering group met. On 22 September the single bargaining unit met. As a result of their deliberations, the department wrote to the Department of Employment, Training and Industrial Relations. Subsequently, DETIR, Treasury and Main Roads officials met to discuss the EDA process. As a result of that meeting, I am pleased to advise that I am satisfied that the management, employees and unions in Main Roads have achieved significant progress.

Accordingly, late yesterday afternoon, I approved pay point 2, which constitutes a pay increase of 2% for all employees of Main Roads. That pay increase provides our employees in the lower income bracket with a pay increase of approximately

\$10 per week at a time when the Federal Government is seeking to disadvantage such people with its GST. I would like to congratulate all employees of the department on their efforts in ensuring that the necessary productivity improvements are realised and their contribution to ensuring that taxpayers' dollars are wisely spent. I would like to thank not just the people from my department but also from the other departments who were involved in those negotiations and assisting us to streamline the process so we have been able to deliver that much-needed pay increase for the employees of Main Roads, 2%, on time, the day pay point 2 was scheduled to be delivered, 1 October.

**Mrs ATTWOOD:** Can the Minister advise whether there has been an increase in spending on roads in regional Queensland?

**Mr BREDHAUER:** Yes, the Regional Roads Program is one that the member for Gregory referred to previously. Obviously, as a member who represents a very large regional and rural constituency, it pleases me to say that provision has been made in the State Budget for increased funding for all regional road programs. Excluding Federally funded National Highways, comparative cash allocations for State-funded works on other State-controlled roads in the Transport Infrastructure Development Scheme grants by region are as follows: the south-east region, excluding the Pacific Motorway, has seen an increase of \$7.74m; the southern region, an increase of \$25.88m; the central region, an increase of \$10.04m; and northern, an increase of \$5.13m. That is a total increase of \$48.79m. The significant increase in the southern region can be attributed to the one-off special initiative for the enhanced road condition project in the south Burnett region, totalling \$19m and additional funding of \$2.2m provided to upgrade the road between Bundeena and Eromanga, both of which reflect commitments made by the previous Government, which will be honoured by this Government.

In 1998-99 under accrual budgeting arrangements, the total value of works expected to be completed as part of the regional works program is in the order of \$640m as compared to the cash allocation of \$598m, which I mentioned previously. Regional works program allocations outlined in the 1998-99 to 2002-2003 RIP will reflect regional works programs of this magnitude. The next RIP will clarify for people in regional and rural Queensland what has been provided for in the State Budget and will further reinforce this Government's commitment that it will be not be advancing roadworks programs in the south-east corner at the expense of the bush. We are able to meet this commitment because we fixed the \$120m Pacific Motorway black hole that we inherited from the previous coalition Government.

**The CHAIRMAN:** We will move on to questions by non-Government members.

**Mrs LIZ CUNNINGHAM:** I seek a couple of clarifications to questions on notice. In answer to question on notice No. 2, you talked particularly about the reaffirmation of jobs with Main Roads being permanent. I ask: given the push for

competitiveness and open tendering in the Main Roads process, are there any budgetary implications to the re-emphasis on permanent jobs in Main Roads?

**Mr BREDHAUER:** Clearly, the fact that we have increased the budget for Main Roads is a demonstration of our commitment to use our roads capital works budget as one of our significant tools for achieving employment growth and increased job security. If I understand your question correctly, yes, there is always increasing pressure for roadworks throughout Queensland to be undertaken through a process of competitive tendering, but we do reserve roadworks for our own Main Roads RTCS construction teams. They are also able to compete for other roadworks as part of the open tendering process.

We also have projects that we reserve for local government. The road maintenance performance contract, RMPC, and the agreed price performance contract, APPC, are two important schemes by which we reserve works for local government. We do not make them bid for those programs. Or course, we also try to assist local government through the Transport Infrastructure Development Scheme. I think that I mentioned in my opening ambit that \$61m is included in TIDS this year, including carryovers.

So job security for our own workers is one of our paramount concerns. If there is any downward trend in employment, that is usually caused by people moving out of the work force, people moving into other areas and those sorts of things. We have a determination, which I know that the previous Minister shares with me, to ensure that we continue to provide work for local government. It is not just a matter of providing work for local government, it is the timing of the work. They have their own works and if we can time our works to allow them to have a relatively even stream of work, then it means that we are not into a cycle of boom and bust where you have plenty of work at one stage and not enough at others.

I have just been handed a note that says that in 1996-97, the total expenditure on all roadworks except for the Pacific Motorway was 38% to the private sector, 36% to RTCS and 26% to local government. Figures for 1997-98 are currently being processed and are expected to be available shortly. So that shows that we do have projects that we reserve for the RTCS. As Allan said before, they are also successful in bidding for works through open tender and our important relationship with local government through APPC, RMPC and TIDS.

**Mrs LIZ CUNNINGHAM:** Earlier, you referred to TRAILS within the department, which is mentioned in answer to question on notice No. 6. In the body of your answer there is a discussion on the dealers interface system and you talked about a progression towards more computerisation. Could you tell me how the integrity of the information is maintained and whether there has been any work done to ensure that information transferred that way is not corrupted?

**Mr BREDHAUER:** That is actually a question that relates to Transport. Can we keep that for later? Is that all right?

**Mrs LIZ CUNNINGHAM:** Not a problem.

**Mr BREDHAUER:** Thank you.

**Mr LIZ CUNNINGHAM:** On page 2-24 of the MPS, note No. 2 indicates a variation of \$7m for the Financial Information Management System. In the Auditor-General's report for 1996-97, there was a great deal of concern indicated about the installation and the accuracy of the FiMS. Are you confident that sufficient work is being done on the FiMS to ensure its integrity?

**Mr BREDHAUER:** The Auditor-General qualified the department's 1996-97 annual financial statements due to key internal controls, such as bank reconciliations, segregation of duties and data integrity checks not being in place for the duration of the financial year. I am glad that I was not Minister that year. In October 1996, the department introduced a new financial information software system, SAP R/3, as a pilot agency for subsequent whole-of-Government application. The department also adopted full accrual accounting in accordance with the Australian Accounting Standard, Financial Reporting by Government Departments AAS29. That is an official title.

The adoption of full accrual accounting also included the valuation and reporting for the first time of the department's infrastructure assets. The complexity of SAP R/3 was underestimated and also there were problems with the Treasury reporting module, TRFM. As a consequence, the implementation of this system together with accrual accounting led to transitional problems which resulted in certain reconciliations, accounting processes and internal controls not effectively being in place throughout the duration of the 1996-97 financial year. These problems were recognised not long after implementation efforts commenced early in 1997 to tackle these issues. They were quite complex and required some time to resolve.

The department devoted considerable resources to overcoming these problems and discussions were held on a continuing basis with the Queensland Audit Office to keep them apprised of issues and progress being made and to address any concerns requiring further assurance. Work has continued during the current financial year on the correction of problems identified by the Queensland Audit Office. These issues were incorporated in the project plan for the 1997-98 annual financial statements, which have now been completed.

In addition, and in line with Audit Office recommendations, the Department of Main Roads has completed a project that undertook a management review of internal controls and has also implemented a controlled self-assessment program to enhance the operation of internal controls. Moreover, a program of regular reporting of reconciliation and account data integrity has been established and continues to be monitored. I am advised that the Auditor-General has generally acknowledged significant improvements in relation to those issues which were raised in 1996-97.

**Mrs LIZ CUNNINGHAM:** Still on page 2-24, could I get a little more detail on that \$7m



expenditure? There is a subnote 2 under the heading "Variations between 1997-98 Budget and 1997-98 Actual" and then there is a second subnote 2 under the heading "Variations between 1997-98 Actual and 1998-99 Estimate" Could I just get a clarification on what the \$7m was for?

**Mr TURNER:** I will have to take that on notice, Mrs Cunningham. I have not got the exact details of what made up the \$7.1m at that time. I can certainly provide that readily.

**Mr BREDHAUER:** We might try to get that information back to you before the afternoon is out, if we can. Otherwise, we will take it on notice and provide the information to you in the appropriate course.

**Mrs LIZ CUNNINGHAM:** Question on notice 19 refers to preparedness for the year 2000. I have been concerned not only with this portfolio's answer but also that of the previous portfolio. I am concerned at the lack of certainty that remains about the preparedness of departments for the turn of the century. I have a couple of questions on your response in the Main Roads area, which says that no additional funding has been made available to Main Roads for the year 2000, and any remediation and preparation costs would need to be met from within departmental resources. Has an estimate been done of the quantum of cost that the department may have to face?

**Mr BREDHAUER:** The total cost of compliance?

**Mrs LIZ CUNNINGHAM:** Yes.

**Mr DOYLE:** I suppose the overall answer is that we are reasonably well placed to identify any of the systems, including the embedded systems within the department, that need some changes made to meet the year 2000 requirements. The ones where we have significant exposure are particularly to do with the HR and payroll. As I said in relation to an earlier question, we are in the process of replacing those with the SAP systems that were talked about before. Part of the costs of replacing the SAP systems are costs that otherwise we would have incurred to upgrade those systems for the year 2000 requirements. My recollection is that that component is about \$4.7m. If it turns out that that is not correct, I will provide further information.

**Mr BREDHAUER:** As we have upgraded our systems, we have replaced them with compliant systems. That has been part of our process for ensuring year 2000 compliance across both departments.

**Mrs LIZ CUNNINGHAM:** I assure you that my concern does not stem from a singular departmental concern. There appears to have been a whole-of-Government, particularly with Treasury—I am always up Treasury, I am sorry—failure to recognise the impact on the Government and, subsequently, the community. In Housing we have things like hospitals and systems that are life dependent. In Transport a lot of systems have quite a significant impact on people's quality of life or the sustaining of life. Yet it appears that in a lot of instances the departments have been left to their own devices to gain some

sense of security for the year 2000. Under the same answer, section A states that consistent with the decentralised structure of Main Roads, everyone has had to look after their own development. Who is monitoring all of those decentralised structures?

**Mr BREDHAUER:** To answer the general question first, because you raise a really important issue here, I need to put it on record that the Minister for Local Government and Planning and Minister for information technology, Terry Mackenroth, has actually been driving the whole of Government very hard in terms of ensuring year 2000 compliance across all departments. The Main Roads and Transport Departments are well advanced in terms of ensuring that our systems are year 2000 compliant, but that is not to say that we can relax or rest on our laurels. We still have a lot of work to do.

You are right: the impact of not being year 2000 compliant in something like QR, for example, is something that we take incredibly seriously. We are determined to do our level best to make sure that all of our systems are compliant. One of the issues for us is trying to ensure that the people with whom we do business are also compliant. That is something over which we do not have direct control, but through our processes we are trying to ensure that we encourage our business and commercial partners, and other people with whom we have those kinds of relationships across our departments and with our GOCs, to make sure that they are year 2000 compliant.

The Strategic Information Management Branch of Main Roads is coordinating the department's Year 2000 project with a focus on management awareness and coordinating activity across all other units. A full-time project coordinator position has been in place since mid-1997. A second full-time officer has recently been seconded for this project and various others assist from time to time. Essentially, whilst the regions are working on the issues in their own areas, we have people centrally who are coordinating that, as is advised in that answer.

**Mrs LIZ CUNNINGHAM:** You are saying that the Strategic Information Management Branch is also monitoring the substructure to ensure compliance?

**Mr VARGHESE:** Our Audit and Risk Management Committee also oversees it. Very shortly I will be establishing a corporate governance board that will also be looking at it. Also, the director-general is required to take a strong and personal interest in making sure that the risk with the year 2000 problems are addressed. We are doing that as a senior management team as well.

**Mr BREDHAUER:** For example, across Government we have had a briefing for Ministers and directors-general that was organised by the Minister for Local Government and Planning and the Minister for information technology. We supply regular briefs to his department on our progress of implementation. As Jim says, ultimately he is responsible for ensuring the oversight and consistent application of the initiatives that we are taking. As I say, I believe we are well advanced, but we need to maintain vigilance to ensure that we deliver compliance in a timely fashion.

**Mrs LIZ CUNNINGHAM:** Could I suggest that the Director-General, Mr Varghese, ride the train from 11.55 p.m. till 12.05 a.m. in 1999, to give us greater assurance.

**Mr BREDHAUER:** QR is also well advanced in terms of its compliance. I might take you up on that, Liz.

**Mrs LIZ CUNNINGHAM:** On page 2-24, a note referring to the previous graph states that the actual funds include a one-off credit adjustment of \$2.5m to correct employee provision entitlements from previous years. Can you clarify what that means?

**Mr TURNER:** The issue is simply that until the adoption of accrual accounting, we were funding for long service leave, annual leave and that type of provision on a cash basis and on an emerging cash basis. Over a period, the liabilities that were accruing started to exceed the actual cash that comes in from a series of on-costs that we apply to wages and salaries. We needed to catch up with the actual cash outlays at some point. We had to transfer money from one program to another to reflect those charges. The wages and on-costs are charged to Main Roads projects, but we found that the on-costs were set at a rate that was not high enough to cover the emerging liabilities. We needed to adjust to fully fund those emerging liabilities.

**Mrs LIZ CUNNINGHAM:** I understand that we are going into a Budget period where you have used full accrual accounting. Did you find any other liabilities that were underfunded? I know that with accrual one of the vexed questions is how you fund depreciation, whether it is an actual depreciation or a notional depreciation. Were there any other areas where you found the same problem?

**Mr TURNER:** Obviously superannuation is fully funded because we make contributions to the Government Superannuation Office. The issue of depreciation certainly is not funded in a cash appropriation system and will be picked up under the fully costed accrual budgets under Managing for Outcomes from 1999-2000 onwards.

This issue may well continue over time, because significant liabilities were building up over a period of 20 years. It is only as we have had to find the cash to meet the liabilities that were accrued many years ago that we are recognising that. We have adjusted our on-cost rates to pick up all of the liabilities on a continuing basis, but there still remains an amount that will need to be covered over the next five or 10 years.

**Mrs LIZ CUNNINGHAM:** From what you have just said, I gather you are intending to cover all of your depreciation costs irrespective of their type in actual terms?

**Mr TURNER:** In future years?

**Mrs LIZ CUNNINGHAM:** Yes.

**Mr TURNER:** In future years, under Managing for Outcomes, the proposal is that moneys will be appropriated for depreciation. The issue of depreciation of the road network has not yet been resolved by Treasury. But the concept is to fully fund depreciation.

**Mr LAMING:** I refer to the Minister's answer to a Government member's question on the proposed relocation of the powerlines crossing the Sunshine Coast University. The Minister referred to the requirement for a public transport corridor in that section of the highway and the motorway. Is this corridor in addition to the proposed public transport corridor utilising the Kawana multimodal corridor? In other words, is it in addition to that or is it an alternative?

**Mr BREDHAUER:** As you would be aware, the Sunshine Coast Transport Study is currently under way and is due for conclusion early in 1999 or in the middle of 1999. It would be my view that it will be that study which finally determines the necessity for transport corridors. But, yes, my basic understanding is that it may be that both corridors are required for public transport purposes in the Sunshine Coast area.

**Mr LAMING:** You could have both rather than just one? I acknowledge the Minister's involvement in initiating an approach to adjacent landowners to seek a possible resolution to the problem, which you would be aware has gone on for some time. Would the Minister agree that information on planning requirements such as public transport corridors like the one mentioned above should in future be made fully available as soon as possible to all interested people?

**Mr BREDHAUER:** The difficulty that you have with corridors of this nature is that you do not always know what the final purpose for the corridors will be and therefore you cannot say definitively what your requirements are in terms of whether it might be light rail, busways, high-occupancy vehicle lanes, bikeways or whatever. We have a corridor for the Gateway which has the Gateway Motorway in it but which may also be used for public transport purposes at some stage in the future. But I could not specifically identify what modes of public transport might be incorporated. Therefore, it is not possible for me or for departmental officers to identify specifically what the future requirements might be. Because of the population growth in the area, we can anticipate that there will be requirements for public transport in this corridor.

I think what you are alluding to is the fact that there has been some criticism of Main Roads over recent months, in particular by the property developers associated with this issue, that Main Roads has not been able to say whether it will be a busway, rail, light rail or a bikeway. That is because those decisions have not been made. But sensible transport planning tells you—and I see the member for Gregory nodding his head—that you have to preserve these corridors.

In those two 400 metre sections that I referred to before, and in respect of which the member for Gregory wrote to you about two weeks prior to the State election when he was still the Minister, it is our view that encroaching further there limits your transport options to the extent that you could actually be not just limiting your options but infringing safety issues when you try to use that corridor for future public transport issues. It is my

view that people who live on the Sunshine Coast in 10, 15 or 20 years' time would be very critical, and rightly so, if we took the wrong planning option in relation to that transport corridor. I am determined to try to see a solution to the problems there for the Sunshine Coast University, which needs powerlines relocated away from the area where it wants to build the track. But I cannot agree—and the DCP for Sippy Downs does not suggest—that the powerlines should be within the road corridor; it says "adjacent to", which is outside the road corridor but alongside it. We will try to negotiate voluntary relinquishment of land from the adjoining land-holders in those two areas so that we can progress this issue to the satisfaction of the university.

**Mr LAMING:** Finally, in reference to the Minister's response to another question from a Government member, I must say that the Minister and I will always be diametrically opposed on the matter of tolls on the Sunshine Motorway. I believe that, similar to other areas, the Sunshine Coast deserves a good road system for free. But my question is: does his Government have any intention of reintroducing the tolls on the Sunshine Motorway?

**Mr BREDHAUER:** The answer is: no. My earlier answer was not intended to indicate otherwise. I was simply pointing out the cost to Queensland taxpayers, and particularly to the Main Roads budget, of a decision that was taken by the former Treasurer. The total cost to the taxpayer in 1998 dollar terms is \$450m. If we all had our druthers we would not have toll roads anywhere. The road was constructed by the coalition Government prior to the 1989 election on the basis that it would be a toll road. The funding and financing package for that was done on the basis that it would be a toll road. There are a number of toll roads. I think our capacity to build toll roads has diminished somewhat. I think you are right; the public is less accepting of toll roads than they were. But the fact is that you have to pay for the infrastructure. If people want to move, particularly in fast growing areas like the Sunshine Coast, and if people want access to decent roads, you have to find the money from somewhere.

The short answer to your question is: no, we are not intending to reintroduce it. But I think given the circumstances and the now evident cost to the taxpayer of almost half a billion dollars of that decision, we have a right to question financially the wisdom of the decision to abolish the tolls. The bottom line is that it created a financial headache for the former Minister and it is a headache that will continue to haunt me and subsequent Ministers for Transport and Main Roads up until the year 2017, which is when we finally finish paying off the interest and redemption charges.

**The CHAIRMAN:** We will turn to some final questions from Government members.

**Mr REEVES:** Can the Minister outline the background and details of the Noosa de-maining agreement, which was entered into by the Department of Main Roads and the Noosa Shire earlier this year?

**Mr BREDHAUER:** These are always interesting issues. I guess it evidences the relationship that we

have with local government that we can talk about these issues, which are ultimately to the benefit of both Main Roads and its State controlled network and to local government. By agreement with the Noosa Shire Council a set of roads has been de-mained, including all of the David Low Way in Noosa, and the urban parts of the Eumundi to Noosa road in Noosa, the Cooroy to Noosa road and the Tewantin to Boreen Point road. The agreement provides for Main Roads to pay the Noosa Shire Council to acquit its responsibility for maintenance, rehabilitation and minor works on these sections of the road as well as to pay the capital cost of roadworks in Noosa, including the Eenie Creek arterial, Stages 1 and 2, and the Noosaville bypass. The Noosa de-maining package was approved by the former Minister on 19 March 1998, following which negotiations were finalised between Main Roads and the Noosa Shire Council. The financial arrangements associated with this package were approved by Executive Council on 18 May 1998 and the agreement became effective from 1 July.

The agreement was developed at the request of the Noosa Shire Council on the basis that this de-maining would allow Main Roads and the Noosa Shire Council to pursue management objectives of relevance to each agency. As a consequence, Main Roads will be able to direct resources used in the planning and administration of these roads into planning of roads of wider strategic significance. Council will have the opportunity to manage the sections of road to suit the tourism and residential style that characterises Noosa. Council is also able to establish a developer contribution scheme under the Integrated Planning Act to further capital improvements to the urban network under council control. The financial agreement is considered equitable for both parties and totals \$30.3m payable over a number of years. Detailed funding arrangements will be outlined in the next Roads Implementation Program.

**The CHAIRMAN:** Page 2-10 of the Main Roads Ministerial Portfolio Statements states that provision has been made to address improved roads infrastructure to meet the needs of Aboriginal and Torres Strait Islander communities. What is it that you are planning to do?

**Mr BREDHAUER:** This is a really important issue for me, as you can appreciate. As the member for Cook, I have a significant number of the Aboriginal and Torres Strait Islander Councils in my electorate.

**Mr JOHNSON:** I hope there is no pork-barrelling.

**Mr BREDHAUER:** I would not do it. It is all done on the basis of need.

**Mr JOHNSON:** I like that.

**Mr BREDHAUER:** It is a really important issue; it is an important social justice issue in terms of providing access to some of the most remote communities in Queensland. Funding for improved road access to Aboriginal and Torres Strait Islander communities is provided by way of a 100% subsidy, generally through the TIDS scheme. Furthermore, in

1997-98 Main Roads agreed to consider submissions for funding of town street improvements in Aboriginal and Torres Strait Islander communities on a 50/50 basis with other State and Federal agencies. These funds are provided, as I say, through the Transport Infrastructure Development Scheme.

Previous funding for improved road access to Aboriginal and Torres Strait Islander communities averaged about \$6m per annum as part of TIDS. Total road funding for roads infrastructure assistance to Aboriginal and Torres Strait Islander communities now stands at approximately \$10m per annum as part of the other State controlled roads and TIDS programs. This reflects an increase of approximately \$4m per annum, \$2m of which is being provided by other Federal and State Government agencies as part of the matching grant arrangement.

Project priorities have been determined in conjunction with local indigenous communities and their representative bodies as well as related State and Federal Government agencies. Details of specific projects which improve road infrastructure for Aboriginal and Torres Strait Islander communities will be outlined in the 1998-2003 Roads Implementation Program which we finalise shortly. In addition, the total management planning process which was developed in conjunction with the Department of Communication and Information, 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 will be refined over time in consultation with the Aboriginal and Torres Strait Islander community groups and other related Government agencies. The development of a whole-of-Government indigenous infrastructure strategy will further assist the funding prioritisation for roads and other critical infrastructure for these communities.

I just reiterate what a basic social justice issue it is for many of these remote communities. If you experience the road access—which I must say has improved dramatically over the almost nine years that I have been the member for Cook—it is still pretty poor by comparison to roads in other parts of the State. It is also affected on a seasonal basis almost every year because of high rainfall and the propensity for damage to roads to occur, but it is a really important initiative that I am absolutely committed to both as the Minister and as the local member for many of those communities.

**The CHAIRMAN:** The Committee has no further questions in relation to the Main Roads element of your portfolio. On behalf of the Committee, I would like to thank the officers of your department for assisting the Committee in its inquiries today. I believe that the Committee will not require those members of staff any further in the next section of this hearing.

**Mr BREDHAUER:** Some of them will hang around just in case there is some overlap as there is from time to time.

**The CHAIRMAN:** We appreciate that.

Sitting suspended from 4.05 to 4.37 p.m.

**The CHAIRMAN:** I declare the Committee reconvened. We are now dealing with the Transport area of your portfolio. I understand that you wish to make a short statement before we proceed.

**Mr BREDHAUER:** I do. First I will just do some introductions since there has been a change of portfolio: my Director-General, Bruce Wilson; Brian Kersnovske, John Galton and Vince O'Rourke, the Chief Executive of Queensland Rail, and there are a number of others around to help.

I have just a couple of issues. The first is in relation to an answer which we did not have previously to a question raised by the member for Gladstone in relation to a note on page 2-24 of the MPS relating to \$7.1 for the FiMS. I understand that FiMS Stage 1 which involved the general ledger, budgets, purchasing, accounts payable, etc. has a total cost of \$16.9m of which \$3.5m was recoverable in 1997-98, and funding for FiMS Stage 2 in 1997-98, which was the HR payroll—which the member referred to—logistics, inventory and a number of other things was an amount of \$3.6m. At the time of the first Budget, those recoverable amounts had not been approved by Treasury, so in this budget we have incorporated that \$7.1m.

I will just correct some information I gave which may have inadvertently misled the Committee. In my answer to the question in relation to the \$25m for the Petrie to Caboolture bypass, I think I indicated that the \$5m for planning had not been provided by the Federal Government. In fact, it has been provided by the Federal Government. The reason for that is that it was approved by the previous Labor Government and was subsequently honoured by the current coalition Government.

**The CHAIRMAN:** We will start off with Government members' questions. Firstly, in relation to the tilt train, the Labor Government has honoured its commitment to introduce high speed tilt train services between Brisbane and Cairns in 2001. What benefit does the Government see the State receiving from the introduction of these trains?

**Mr BREDHAUER:** The decision to proceed with the provision of a tilt train service between Rockhampton and Cairns will be a significant enhancement to the services provided by Queensland Rail. As people would know, it was one of our major pre-election commitments and I am very pleased at the progress we have made so far in terms of getting on with the job of honouring that commitment. The Labor Government basically is funding \$122.3m to provide over four years the acquisition of two 10-car diesel tilt trains. The timetable established for the project will see the first tilt train set delivered for operation in 2001. The construction phase of the project will deliver a significant boost to employment, especially providing security of employment for hundreds of workers at Walkers in Maryborough, where the electric tilt train is currently being built.

Queensland Rail and Walkers Ltd signed an agreement on 2 September 1998 for the design development of the train. Detailed design work is expected to start in April 1999, with the first train to be accepted for service in late 2001. A number of

options will be investigated as part of the design development.

The introduction of services in 2001 will provide Queenslanders with a fast and efficient service between Brisbane and Cairns. The benefits to Queensland commuters will be a reduced travel time on current rail services. The increased range of rail services is expected to increase annual passenger numbers well above the 800,000 carried by Traveltrain Statewide in 1997-98. This project will stimulate employment and economic development throughout the State and will continue the momentum of economic activity generated in Queensland under this Government.

I am looking forward to the opportunity to launch the initial tilt train service between Brisbane and Rockhampton in the not-too-distant future. Because of the commitment shown by the former Minister, I will make sure that he is issued an invitation to be a part of those celebrations. I think it is a great celebration for Queensland Rail and I would like the former Minister to be part of it.

There will be a significant boost for regional parts of northern and far-north Queensland when we extend the tilt train service between Rockhampton and Cairns. Particularly, I expect cities and towns such as Townsville and Cairns to benefit. The increase in rail passengers will generate increased opportunities, particularly in the tourism industry, and has the potential to be a significant contributor to the generation of additional jobs in associated service industries. I think it is a great project. The signing of the memorandum with Evans Deakin Industries and Queensland Rail was a great day for the Labor Government and a great day for Queensland Rail. I am sure the workers in Maryborough will appreciate it.

**Mrs ATTWOOD:** What is happening with light rail and what is the Government doing to secure the \$65m of Federal funds?

**Mr BREDHAUER:** People would know that prior to the last election we expressed significant concerns about the previous Government's Briztram proposal. One of the main concerns expressed by the community was the lack of consultation. It was in fact rushed and in my view was ill-considered in a number of contexts. Firstly, it anticipated using older style tram technology—1960s style tram technology. The other issue that was of major concern to me was the lack of consultation with the Brisbane City Council. There was a lack of consultation with the community over a range of issues, and particularly in South Brisbane there was considerable concern about the possibility of a bridge from West End over the river to service the needs of the university.

We were also concerned that it was not fully integrated with our other modes of public transport. Based on old technology as it was, it would have been standard gauge. Our heavy rail network is narrow gauge, so the two would not have been compatible. We believe that a modern light rail service which is fully integrated with other modes of transport is the way to go, and we are currently pursuing that.

In relation to the \$65m specifically, I have to say that I am a bit disappointed that we have not had an undertaking from the Federal Government to honour that commitment of \$65m. The Premier, Peter Beattie, wrote to the Prime Minister saying that we were still committed to a light rail project and asking for the money to be continued.

There have been discussions between my department and people in Canberra at an officer-to-officer level. We were encouraged by the support we received there. The recognition of our commitment to continue with a light rail project makes us believe that we have a good prospect of retaining the \$65m, but we were not able to get that commitment out of the Federal Government prior to the election. Interestingly enough, the Labor Party has made a commitment that it will honour the \$65m should it be successful on Saturday.

We are determined that Queensland, and Brisbane particularly, will have the opportunity for a first-class, modern, fully integrated light rail service. We have begun the planning process and we are working on route selection. We have indicated that we do not intend to proceed with the bridge across the river that was included in the previous Government proposal. We will fully consult with the Brisbane City Council and the community to make sure we get those issues right. I am confident that around the turn of the century we have the capacity to be well advanced in a first-rate, modern light rail service for the inner city area.

**Mr REEVES:** The Government is facilitating the setting up of airfreight and seafreight export councils, including providing matching funding with the Commonwealth of \$100,000 per annum for each of the first two years of operation. Can you explain what these councils will do and how they will benefit Queensland?

**Mr BREDHAUER:** The establishment of the airfreight and seafreight councils is part of a national initiative called the Supermarket to Asia Council. It is a project that has the support of all State Governments. Essentially, the State Government has committed to contribute \$100,000 in funding towards the operation of both the airfreight council and the seafreight council in each of their first two years of operation. That would be matching funds from the Commonwealth. Essentially, our funds are to be used to help with set-up and administration costs and the Commonwealth funds are designed to be used for the engagement of the chief executive of the airfreight and seafreight councils.

Whilst they are supported by Government, it is our clear intention that both of these councils would be industry forums, and they will actually operate at arm's length from Government. The airfreight council is well advanced. There will be further discussions on the seafreight council at a logistics forum on 29 October. We need to make sure that we have industry support before we actually proceed, given that it will be an industry body. I am confident, given the progress we have made with the establishment of the airfreight council, that we will be successful in establishing a seafreight council, providing we get that support from industry.

Essentially, these councils are designed to seek out new markets, to assist to streamline and facilitate freight both by air and by sea, to help us to access markets and, importantly, to provide access for regional and rural producers to markets both nationally and internationally so that we can encourage diversification of economy and economic growth in rural and regional parts of Queensland.

The airfreight council, for example, is particularly attuned to the needs of time-sensitive and perishable freights. We believe we have a lot of potential in regional and rural parts of Queensland to develop products which we can market particularly into Asia, and the airfreight and seafreight councils are designed not to duplicate work that is done by existing industry bodies and those sorts of things but really to be out there identifying new markets, identifying markets for new products and also assisting us by ensuring that we have efficient and effective freight by air and by sea.

**The CHAIRMAN:** The previous Government established the Gold Coast Harbours Authority to address issues in the waterways of the Gold Coast. What is the Beattie Government's commitment to finding solutions to the waterways management issues identified in that area?

**Mr BREDHAUER:** As to the establishment of the Gold Coast Harbours Authority by the previous Government—of course, they do not have legislative backing at this time. It was an attempt to address a specific need on the Gold Coast. I recognise that there are important needs in that community. It is one of the busiest waterways anywhere in Queensland. There are many issues to do with commercial, recreational and social use of those waterways. The environmental concerns there are significant. Of course, issues related to dredging of those waterways to maintain access for commercial and recreational vessels have been important. I have to say that the members of the Gold Coast Harbours Authority generally have contributed positively to assisting us to liaise with the local community and to assisting us to progress issues like the dredging of the waterways around the Gold Coast.

I guess that my concern is that the Department of Transport does not have a head of power generally to deal with these issues on a Statewide basis. My only reservation about the Gold Coast Harbours Authority is that it has been done on a kind of one-off basis. I have had representations—as probably the former Minister had—from boating interests and waterways interests on the Sunshine Coast, in the Whitsundays, in Cairns in my own electorate and in various other places—all people who want to have similar opportunities for input into the management of our waterways.

I guess that the view that I am discussing with and trying to progress with my department, particularly the Maritime Division, is to try to give us a Statewide approach to those waterways management issues. There are other Government departments involved, notably the Department of Natural Resources, Environment and Heritage, and Local Government and Planning—just to name three of the other significant departments that are

involved, as well as Transport. So we need to look at those issues on a whole-of-Government basis. Then we need to work out what the appropriate relationship is between those Statewide management issues and the continuation of the Gold Coast Harbours Authority. I guess that I have made no decision finally, and I have actually said this to the Gold Coast Harbours Authority. I want them to continue to do the work that they have been doing to facilitate the ongoing program of dredging on the Gold Coast and a range of other issues. But I would like to see how that particular body fits into a Statewide context of management of our waterways, and we are working towards that end now.

**Mrs ATTWOOD:** I understand that the Government is supporting the upgrade of the Citytrain system. Could you outline what is involved with this project and the expected benefits for south-east Queensland?

**Mr BREDHAUER:** Citytrain is really one of the most fundamental parts of our public transport network. Our capacity to deliver reliable, secure and regular Citytrain services for people wanting access will be critical to our capacity to encourage more people into public transport and out of private motor vehicles, which have the potential to cause us all manner of congestion problems in the city in the not-too-distant future, as well as the associated problems with air quality and a whole range of other things.

The Government is committed to supporting public transport, and upgrading of the Citytrain system will continue with a number of programs aimed at rolling stock additions and track expansions. These projects are aimed at improving the reliability and operation of existing Citytrain services and providing sufficient capacity for implementing an effective maintenance strategy. The Government has supported the continued expansion of the Citytrain network capacity to cater for increases in public transport patronage as forecast in the Integrated Regional Transport Plan.

Current programs involve the acquisition of 30 new electric trains, configured as three-car suburban multiple units, at an estimated value of \$251m. The first units are expected to be delivered in April 1999, with the last targeted for delivery in April 2001. In addition to this new rolling stock, there is a program for the continued upgrade of the existing electric multiple units fleet to improve the reliability of the cars. The network is also undergoing continual upgrade, including additional track to provide for increased services at an estimated value of \$170m. Just as an example, the third track from Northgate to Petrie and track improvements to the Cleveland to Beenleigh lines are included in that. The major benefits expected are increased numbers of express services, improved on-time running of trains, reduced consumer complaints and, very importantly, increased patronage on the rail network. If we can achieve that in conjunction with Queensland Rail, I think we will be making a significant contribution to the IRTP's projected public transport usage, which has those many positive benefits.

**Mr REEVES:** You spoke earlier, when we were talking about Main Roads, about the cycle program.

As it is Bike Week next week, I was wondering about funding for the State Cycle Unit within Queensland Transport. What role will this unit play in the delivery of the Government's cycling program?

**Mr BREDHAUER:** It is important not just that we get out there through the money that is available through Main Roads and the TIDS program to build cycle ways, but we actually have to have effective coordination and linking of our cycle initiatives. That is achieved through our State Cycle Unit. I think it would be fair to say that, until now, the Cycle Unit has been a modest group. We think that it is important that we indicate the significance that we place on cycling as part of our Integrated Regional Transport Plan and that we promote the work of this unit.

The Government has committed funding in the 1998-99 Budget to the operation of the State Cycle Unit to coordinate and manage the Queensland Transport Cycling Program. The State Cycle Unit will focus on the development, implementation and monitoring of cycling policy and programs Statewide through its work on the State Cycle Strategy and the Integrated Cycle Strategy for south-east Queensland. The unit will also contribute to the national development of cycling through its involvement in the National Bicycle Council.

In working on these two major strategies, the unit will tackle a variety of actions, including the better integration of cycling with public transport services and the Statewide provision of bicycle education and training. One of the things that we try to do, for example, is have the capacity to link our bikeways with our Citytrain and our bus services so that people can actually cycle to railway stations and find secure storage for their cycles. We also have the capacity for some trains to carry cycles, so that people can take them to work with them and those sorts of things. The Government has allocated the State Cycle Unit \$500,000 per year over a four-year period from 1998-99. An additional \$1m has been allocated in 1999-2000 to deliver Government commitments on driver education and the provision of bicycle storage facilities at schools. So this is quite a significant commitment which the Labor Government has made to improving the management of our cycle strategies.

In addition to the duties outlined, the unit will support work being undertaken by other Government agencies, including the design and delivery of bicycle infrastructure by the Department of Main Roads and Queensland Health and the Department of Tourism, Sport and Racing initiatives to increase physical activity and thereby reduce health costs associated with inactive lifestyles. The Government also recognises the importance of community involvement in bicycle programs. Therefore, the funding provided to the State Cycle Unit will also support the activities of the State Cycle Committee. This committee advises the Government on the development and implementation of cycling initiatives.

**The CHAIRMAN:** Could the Minister please outline the status of busway planning and construction in south-east Queensland and advise what funds are allocated to busways for 1998-99?

**Mr BREDHAUER:** This is another area where we have made a significant improvement on the coalition's May Budget in the area of funding for busways. Obviously, planning is well advanced on the two highest priority busways in south-east Queensland—the South East Transit Project. That was initiated under the previous Labor Government, and work on the SET Project continued through the term of the previous coalition Government. In fact, there are currently some works which are under way. The route location for the South East Transit Project has been approved, although the final solution at the Melbourne and Grey Streets intersection is still being reviewed in close consultation with the local community. There are some particular issues in relation to how we get the buses across the Victoria Bridge and through the Melbourne and Grey Streets intersection. We are working closely with the local communities and a range of organisations over there to solve that.

The other major one is the inner northern busway. A draft impact assessment study report for the inner northern busway is currently being reviewed by Queensland Transport and the Brisbane City Council. Approximately \$200,000 has been allocated to complete the planning aspects of that work on the inner northern busway. Depending on community feedback and subsequent State Government and local government approval, the first phases of construction of the inner northern busway could commence later this financial year. It is estimated that the project would take three years to complete at a cost of \$135m. Construction of the busway portion of the South East Transit Project is under way, as I mentioned, at Upper Mount Gravatt and Garden City. Contracts will be awarded for the construction of the busway from Mater Hill to Eight Mile Plains over the next few months. Work on the section from Melbourne Street to Mater Hill will be mobilised during 1999.

**Mr JOHNSON:** That's one contract, is it?

**Mr BREDHAUER:** Yes. The budget allocation for the SET Project in 1998-99 is \$167m. A planning study for a northern busway from the Royal Brisbane Hospital to Carseldine is also planned to begin in 1998-99. \$100,000 has been allocated for that planning work. In addition to the \$167m for the SET Project, \$4.8m has been provided in 1998-99 for the Brisbane busway programs to fund planning and design of the inner northern busway and planning for the northern busway.

**The CHAIRMAN:** We will move on to non-Government members' questions.

**Mr JOHNSON:** In relation to Queensland Rail, Transport Coordination and Logistics, page 1-8, the Public Works Committee has recommended that no major infrastructure project be undertaken without an appropriate feasibility study. Has such an analysis been undertaken in relation to the Diesel Tilt Train Project from Rockhampton to Cairns?

**Mr BREDHAUER:** Sorry—where are you referring to?

**Mr JOHNSON:** I am referring to Transport Coordination and Logistics, page 1-8.

**Mr BREDHAUER:** Can you run the question by me again? I cannot find that on 1-8.

**Mr JOHNSON:** In one of its findings, the Public Works Committee recommended that an appropriate feasibility study should be undertaken before major capital programs like the tilt train program are put in place. Has such an analysis been undertaken in relation to the Diesel Tilt Train Project from Rockhampton to Cairns?

**Mr BREDHAUER:** You would be aware that the Tilt Train Project between Rockhampton and Cairns was the subject of an earlier study, about two years ago. In 1992-93 there was a study done on the feasibility of a tilt train service extending as far as Cairns. Let me make it quite clear that the decision to run a tilt train service between Rockhampton and Cairns was an election commitment of the Labor Government. I take my responsibilities in terms of delivering on our election commitments quite seriously. I am not going to be one of those people who is criticised for not delivering on election promises. On becoming Minister, I had discussions with Queensland Rail and with the transport logistics division of Queensland Transport so that we could advance that. We are proceeding with the construction of the two 10-car diesel tilt train units. I expect that we will take delivery of the first one in 2001.

**Mr JOHNSON:** I still refer you to page 8 of the Public Works Committee report. One time you might like to read it. Recommendation 3 encompasses four recommendations. The Public Works Committee recommends—

"... that the Minister for Transport ensure that no major transport infrastructure project proceed without the responsible government agency carrying out economic and financial evaluations."

**Mr BREDHAUER:** Obviously you are not referring to the Budget papers.

**Mr JOHNSON:** I am bringing that up for your own record. It is your Government committee that has made that recommendation. I think you should be well aware of it.

**Mr BREDHAUER:** Yes. The reason I was a bit confused is that I thought you were referring to the Ministerial Portfolio Statements, page 1-8, which details transport coordination and logistics. We could not find what you were referring to. Now I know you were referring to a report that was done by the Parliamentary Public Works Committee in 1997. I thank you for bringing it to my attention.

**Mr JOHNSON:** When will the tilt train between Brisbane and Cairns be running at the 20-hour timetable as promised?

**Mr BREDHAUER:** We will be taking delivery of the diesel tilt train. By the way, it was not 20 hours that we promised to deliver the train in. We will be taking delivery of the first of the two 10-car diesel tilt train units in 2001. I would expect to begin those services at that time once the appropriate trials have been concluded. We have made it quite clear that we believe the introduction of the tilt train service will provide a much faster service. We are working

towards achieving the goal that was stated in our election commitments. To perhaps pre-empt your next question, separate to the Government delivering on its commitment to construct the diesel tilt train units and bring them into service, Queensland Rail and the board of Queensland Rail are looking at issues that are related to track upgrades and improvements, not just between Rockhampton and Cairns but also throughout Queensland. I would anticipate that, as the board finds funds to upgrade the track in that area, the running time for the tilt train service between Rockhampton and Cairns will be significantly improved.

The answer to your question is: we will deliver the tilt train service between Cairns and Rockhampton in accordance with our election promise. It will provide significantly faster travel times for people travelling between Brisbane and Cairns. As the board of QR continues its program of upgrading the track, particularly the track north of Rockhampton, I anticipate that the running times of the tilt train service will continue to improve.

You need to bear in mind that the core function of the main line between Brisbane and Cairns is freight, which is part of QR's core business. We are working closely with QR to deliver the service and the on-time savings that we have indicated.

**Mr JOHNSON:** Your budget papers state that \$1m is in the budget this year for the Tilt Train Project and \$11m for the following budget for that same project. Can you explain what the recent contract with Walkers for diesel tilt trains covered?

**Mr BREDHAUER:** The agreement provides for the establishment of a joint development team comprising specialists from both Queensland Rail and Walkers Limited with input from other specialist consultants and suppliers to allow the train concept to be adequately scoped and costed. As Walkers has the experience with the tilt train technology, having built the electric tilt train units that are due to come into service in the not-too-distant future, we believe that, in order to deliver on our commitment to have the tilt trains operational within four years, it was necessary for us to go to them. They have a workshop that is geared and they have experienced workers. So we signed the agreement with them to undertake the planning.

The agreement executed on 2 September between QR and Walkers covers the joint initial train concept design stage only. Deliverables from this stage include development of a performance specification for the two trains; selection of train layout, including train consist; on-board arrangements for sleepers, sitting cars, galley, dining and public areas, disabled access provision, entertainment systems, baggage, etc.; determination of train technology, particularly with regard to the traction option; a target price for detailed design, construction, commissioning and warranty; proposed contractual arrangements applicable to future procurement stages of the project. The targeted completion of this first stage is March 1999.

**Mr JOHNSON:** So in essence, what you are saying is that the tender process was totally eliminated. You bypassed the tender process and



awarded the contract to Walkers of Maryborough without calling tenders.

**Mr BREDHAUER:** Let me just say that the commitment to future stages will be dependent upon the outcome of Stage 1. These stages include detailed design materials and subsistence procurement, fabrication testing, commissioning and warranty. Procurement options for this project were reviewed critically by Queensland Rail given the development nature of the train design and construction, the known availability of tilt train technology in Australia, the strong desire to maximise employment in regional Queensland as soon as possible and overall risk issues to Queensland Rail and the potential train supplier or suppliers. So QR has prepared a negotiated contract with Walkers Limited and a possible joint venture to cover future stages of the project. This is targeted to be completed in April 1999, pending the successful outcome of Stage 1.

**Mr JOHNSON:** So in reality, tenders were not called for this project in question.

**Mr BREDHAUER:** No, what you have to understand—

**Mr JOHNSON:** I understand what you are saying. I am just asking you the straight-out question: there were no tenders called at any time for this project?

**Mr BREDHAUER:** I will not interrupt you, but what you have to understand is that QR made a decision on the basis, as I have mentioned, of the availability particularly of tilt train technology in Australia. I do not think that it is available anywhere else in Australia other than at Walkers. The only workshop in Australia that is capable of delivering tilt train technology is at Walkers in Maryborough. So the decision was made, given the availability of the technology there and given the fact that we are determined to provide work—I guess we could have sent it offshore—for Queenslanders, particularly the workers at Walkers in Maryborough. Let me tell you that if you are suggesting otherwise, I will be in Maryborough on Sunday week and I will let them know what your views are. There is continuity of employment and job security for hundreds of workers at Walkers as a result of the decision that we have made and also our desire to deliver the project on time in accordance with our election commitments.

**Mr JOHNSON:** I have to say to you, Minister, that at no time have I ever stood in the way of Queensland Rail trying to promote the cause or grow the business. I do not think that you would ever have heard that come from my lips. But I will say this to you—

**The CHAIRMAN:** Can we just get to the question.

**Mr JOHNSON:** I will. I think that this is an opportunity for me to put this on the record. This is about accountability. That is why we have these hearings. I want to put that on the record here today. I know that I was criticised as Minister in relation to a contract that QR had supposedly given to Goninans in Townsville. However, I will progress.

**Mr BREDHAUER:** Well—

**Mr JOHNSON:** The next question.

**The CHAIRMAN:** I think the Minister has the right to respond to that.

**Mr JOHNSON:** He can respond if he likes but it is about accountability.

**Mr BREDHAUER:** Just briefly, we would view it as an extension of the current tilt train project, which is under way at Walkers for the host of reasons that I have outlined. I know that we have made the right decision. The shadow Minister has had the opportunity to get that off his chest and I am happy for him.

**Mr JOHNSON:** You are saying that the cost of the project is \$122m. Your pre-election commitment was to do that train for \$122m. You know full well that you cannot put that train in service for \$122m and that the cost of the exercise will be closer to \$1 billion. I have the associated information from Mr O'Rourke, the chief executive of QR. Queensland Rail and Mr O'Rourke were always very honest with me. Why were you not honest with the Queensland people and tell them that before the election?

**Mr BREDHAUER:** We were scrupulously honest. We promised to deliver two 10-car diesel tilt trains that could operate between Brisbane and Cairns and to do it within four years. As the responsible Minister, I am in the process of delivering on that election commitment. The comment that I have made already, which I presume is what you are referring to, is that track upgrades throughout Queensland, but particularly between Rockhampton and Cairns, are part of the core business of Queensland Rail. I would anticipate that there would be additional investment by Queensland Rail over the coming years in improving the quality of the track.

The diesel tilt trains themselves will enable us to deliver a considerably faster running time for the rail service between Brisbane and Cairns, which is what I am about delivering as part of our election commitment. As I have said previously, as the Queensland Rail board invests in track upgrades I anticipate that the running time of the train will continue to improve. Let me just make it abundantly clear, though, that we will make sure that the operation of the diesel tilt train between Brisbane and Cairns is undertaken in accordance with Queensland Rail's normal safety policies. We will act responsibly at all times in relation to the safety of rail patrons and other people who may be near the railway services. As I have mentioned, we are delivering on our election commitment to fund a \$122m project to provide two 10-car diesel tilt train service sets to service Brisbane to Cairns. I make it quite clear that I regard it as my job as the Minister to deliver on those pre-election commitments that we gave, which we are doing.

**Mr JOHNSON:** I refer to Queensland Rail transport coordination and logistics on page 1-8 of the MPS. How will it be possible to replace the Sunlander with only two sets of rolling stock running 20-hour schedules to Cairns? Will the capacity of

two 10-car sets be less than the present Sunlander capacity?

**Mr BREDHAUER:** We anticipate that we will actually generate additional capacity for our Traveltrain services.

**Mr O'ROURKE:** We have done quite an amount of work on that and we believe that the high utilisation of those trains would cater for the current capacity of the Sunlander trains into the future. Obviously, they will be running much quicker and we will be able to turn the trains around. Of course, I am sure that you realise that the Sunlander cars are now 50 years of age and are incurring significant maintenance costs. These trains would replace them. As the Minister said, we are still not sure of the design of them. We are in the early stages of design but I expect that the seating capacity would be quite large and able to cover the current capacity of the Sunlanders.

**Mr JOHNSON:** I refer to the 200 unguarded level crossings between Rockhampton and Cairns, which will have to be upgraded with costs involved. I refer also to the proposed fencing of some 1,000 kilometres of track north of Rockhampton. Do you have any idea of the costings of this work? Is it in this year's Budget or in next year's Budget? What is the time frame for this expenditure?

**Mr BREDHAUER:** The point that I have made, and which I will make again, is that I am aware of the level crossing issues that you refer to, primarily because you have asked a question on notice in the Parliament about this in recent weeks. I reiterate that our strong commitment is to operating the new diesel tilt train service within the very high standards of safety that are normally applied by Queensland Rail. I would also like to point out, as I said, that Queensland Rail will itself be investing in track upgrading and improving level crossings and fencing as part of the process. We will make sure that the safety of the patrons of Queensland Rail and the public is paramount in the operations of the service. I will say again that we will deliver on our \$122m election commitment to deliver a diesel tilt train service between Cairns and Brisbane.

**Mr JOHNSON:** I refer further to the transport coordination logistics on page 1-8.

**Mr BREDHAUER:** Are you referring to the MPS now?

**Mr JOHNSON:** Yes. What will be the cost to run the Citytrain network for the next 12 months? What is the expected revenue collection?

**Mr BREDHAUER:** Vince, what will it cost to run the Citytrain network for the next 12 months and what do you expect the revenue to be?

**Mr O'ROURKE:** Without referring to detailed numbers, the approximate cost of running the Citytrain network is in the order of \$200m. That is just the operating costs. Revenue is around about the \$65m mark. There is a community service obligation from Transport to the railways. Also, additional sums are transferred to QR because of depreciation and return-on-asset components for the assets within the Citytrain network.

**Mr JOHNSON:** Do you see considerable growth on last year's figures, Mr O'Rourke?

**Mr O'ROURKE:** For the last two years the Citytrain network has had growth of some 6% each year. In the year just finished, we had growth of just over 1%. There was a levelling out there. I think that was related more to a reduction in fares a couple of years ago. Our projection for the future would show that growth continuing. The Gold Coast railway has been a significant factor on growth in recent years. When we introduced the Gold Coast railway in February 1996, we thought we would carry one million passengers and we carried 1.3 million in the first year. We are levelling out now at about two million passengers on the Gold Coast railway and we see ourselves carrying about three million passengers per annum in about three years.

**Mr BREDHAUER:** To give an indication of the passenger journeys on the total Citytrain system and the growth there, it was a little over 39 million in 1995-96; just under 41.5 million in 1996-97; roughly the same in 1997-98; and it is anticipated to continue to grow in 1998-99 to 43 million, and in 1999-2000 to 44,886,000. So there is continued growth there.

**Mr JOHNSON:** That is a good news story, thank you.

**The CHAIRMAN:** We will go back to non-Government member's questions.

**Mrs ATTWOOD:** Can you outline what progress is being made across the State to develop and implement integrated regional transport plans and what funding is being allocated to those initiatives in 1998-99?

**Mr BREDHAUER:** Integrated regional transport planning processes are really critical to us. Of course, the first one was the south-east Queensland integrated regional transport planning process which, once again, was an initiative of the previous Labor Government and which enjoyed the support of the previous coalition Government. Planning for transport, particularly in south-east Queensland, is going to be a critical issue over the 25-year life of the Integrated Regional Transport Plan because of the significant population growth that is expected in the south-east corner. We obviously have a range of strategies that are designed to coordinate and integrate public transport.

It is important that people recognise that it is not just in south-east Queensland that we are undertaking these integrated regional transport planning processes. In the southern region, the Wide Bay 2020 ITS project commenced in July 1988 and the regional transport framework for the Eastern Downs Integrated Regional Transport Scheme is being considered for adoption. In the central region, the Mackay Area Integrated Transport Study—all of these things have acronyms, as you can imagine—will commence in late 1998, while the Gladstone IRTP study is being scoped for commencement in 1999. In the Townsville region, the Townsville/Thuringowa IRTP is expected to commence in late 1998, while other studies such as the Townsville Economic Gateway Strategy are currently being progressed. The North Western Gulf

Savanna IRTS is under development. The Far-north Queensland 2010 IRTS is expected to be adopted by the end of 1998. Implementation projects such as the Southern Cairns Integrated Land Use and Transport Study and the integrated transport study for the Kuranda Range are under way.

To give an indication of the significant commitment that we are making to those studies, funding for those projects is as follows: the Wide Bay 2020 Integrated Transport Plan, \$114,000; the Eastern Downs Integrated Transport Strategy, \$114,000; the Mackay Area Integrated Transport Strategy, \$109,000; the Gladstone Integrated Regional Transport Plan, \$64,000; the Townsville Economic Gateway Strategy, \$15,000; the Townsville/Thuringowa Integrated Regional Transport Plan, \$45,000; the North Western Gulf Savanna Transport Study, \$10,000; the Southern Cairns Integrated Land Use and Transport Study, \$128,000; and the integrated transport study for the Kuranda Range, \$121,000. That is all budget allocations in the 1998-99 Budget. That gives an indication of just how significantly we regard the need for integrated regional transport planning, not just for south-east Queensland but throughout the State.

**Mr REEVES:** The year 2000 problem, which has been pointed to by the member for Gladstone a couple of times today, is a concern for us all, particularly organisations in the public and private sectors. What are the potential problems associated with the issue in the transport industry and what are Queensland Transport's strategies to address those potential problems?

**Mr BREDHAUER:** This is an important question and I appreciated the interest that was shown earlier by the member for Gladstone. Many key commentators continually stress that the surest path to failure is to regard the year 2000 problem as a technology issue rather than as a critical business problem. Comprehensive planning for the year 2000 issue needs to focus on business continuity and take into account not only the possible failure of Queensland Transport systems but also the impact of possible failures in supply systems. That is the issue that I was referring to earlier. We can work on our own networks to make sure that we are compliant, but our relationship with others could be critical for us when the year 2000 comes.

Queensland Transport's corporate objectives relating to the efficient operation of the transport system also need to take into account the impact on the transport system of failures in systems used by transport infrastructure and service providers. Therefore, Queensland Transport's year 2000 strategy has four elements: ensuring the integrity of Queensland Transport's internal systems, business continuity planning, assessing the impact of the year 2000 problem on the transport system and building into the department's overall planning for 1999-2000 sufficient scope to accommodate both planned and unplanned year 2000 activities.

In terms of our internal systems, the department initiated a joint year 2000 project with Main Roads in 1997. This project is being conducted in the

following phases: the audit phase is complete but with ongoing monitoring, the risk assessment phase is also complete and remedial action is well in progress. The next element is business continuity planning, which is soon to commence and will include mitigation planning that addresses how we can change our business conditions and rules to reduce the impact of any failure, and contingency planning, which addresses what we will actually do to continue operating following a failure in our supply chain.

In terms of the transport system, a group is being set up to identify any critical gaps, given that transport operators are already subject to various year 2000 strategies. Planning for 1999-2000 will take into account both planned and unplanned year 2000 activities, including testing contingency plans, implementing mitigation plans, implementing contingency plans and fixing unexpected system failures. We are working very hard on our internal systems to ensure year 2000 compliance. We are also trying to make sure that where our suppliers and so on are not complaint and there are problems, we have contingency plans that will enable us to respond to those problems and continue to provide transport services efficiently and effectively.

**The CHAIRMAN:** Could you describe some of the recent developments in the operation of public transport in Queensland?

**Mr BREDHAUER:** One of the hallmarks of this Government will be our commitment to improving public transport in a variety of ways. Queensland Transport is currently negotiating contracts with public transport operators to ensure that minimum service levels will be met. The roll-out of urban bus contracts is continuing and currently 33 are signed and 10 are being considered. Contract negotiations are continuing with Brisbane Transport and operators in the fringe areas of Brisbane. Invitations are expected to be offered in the third quarter of 1998.

Of the 26 companies that will be required to enter into taxi service contracts, 25 companies have signed. The remaining company has submitted an offer which has been evaluated. Negotiations are continuing on contract conditions and those should be completed in the near future. Queensland Transport is committed to ensuring that public transport is as accessible as possible. It is also proposed that 30 additional wheelchair accessible taxi service licences will be issued in Brisbane to become operational on 1 December 1998 to meet increasing demand. With the release of these licences, there will be 98 wheelchair accessible taxis operating in the Brisbane area. Queensland Transport will continue to issue these licences until the target of 160 is reached. In most other areas of the State the number of wheelchair accessible taxi licences is close to 10% of all licences.

For buses, Queensland Transport is committed to assisting operators to provide transport systems that are accessible to people with disabilities through the Accessible Bus Pilot Program. The Accessible Bus Pilot Program began in 1996-97. It is a three-year \$7.5m initiative whereby financial assistance is available for eligible bus operators who are willing to

purchase accessible buses and collect information on their operation over a 12-month period. To date, over 30 operators have participated in the program, which has resulted in over 100 accessible buses now being in operation throughout the State.

The Taxi Subsidy Scheme has been enhanced, with the eligibility criteria for the scheme extended to include other groups of people who cannot use other forms of public transport. A major issue has been identified by the public in relation to their use of public transport, and that is the availability of information. The Local Operator Marketing Assistance Plan is a program developed by Queensland Transport to assist operators to better market their services to their local community. This covers every aspect of information, from the production and distribution of timetables to print or electronic advertising and/or signage. To date, more than 18 operators across the State have received assistance in the 1997-98 financial year. That program assistance amounted to \$150,000 in the current financial year. \$300,000 has been allocated. We have doubled the budget. There are a number of other initiatives which I could go into, but time prevents me from doing so.

**Mrs ATTWOOD:** What enhancements to the public transport system is the Labor Government proposing?

**Mr BREDHAUER:** Once again, in the area of public transport—and these are important issues—as well as the coordination and the information that is provided and the accessibility issues, we have to make sure that we make public transport more attractive to users and potential users. Generally, that is done through addressing the frequency and reliability of services. We have recognised the need for further Government subsidies to enable transport operators to achieve these higher service levels, and the Labor Budget has increased the subsidy pool for operators by \$3.8m per annum under the Better Bus Program, with \$1.9m being available for the balance of 1998-99. These subsidies will target regional and provincial cities. That is a substantial increase in our commitment to subsidising bus services, especially in regional and provincial cities.

The increase in funding will be used to support services which have increased patronage but which are still not viable in their own right. A portion of the increased moneys will also be used to seed fund new services in developing areas. An amount of \$800,000 per annum has also been provided under the Better Bus Program to fund half-fare concessions for pensioners travelling on commuter ferry services. The 50% concession on the normal adult fare will be particularly welcomed by island residents of the southern Moreton islands group—North Stradbroke, Russell, Macleay, Lamb and Karragarra Islands, and Magnetic Island in north Queensland off Townsville.

Service contracts will allow Queensland Transport to ensure that ferry services are fully integrated in the public transport system by ensuring better coordination with land-based public transport services such as buses and trains. There is strong industry support for this initiative by the ferry industry, and that is another example of the

Government's commitment to improved services to island residents and to encourage and promote public transport usage.

Another important aspect in making public transport more attractive is the integration of the various modes. A key plank in integration is the system of integrated ticketing. Queensland Transport will introduce an initial form of integrated ticketing later this year called the South East Explorer. This will enable a user to travel from Noosa in the north to Coolangatta in the south on one ticket using bus, rail and ferry modes. Operators involved in this scheme include Queensland Rail, Brisbane Transport, Surfside Bus Lines, Sunshine Coast Sunbus and Hornibrook Bus Lines. This basic form of ticketing will be built on to provide a completely integrated ticketing system across all modes in south-east Queensland.

**Mr REEVES:** The major legislation governing road use management in Queensland—the Traffic Regulation 1962—is due to expire on 1 July 1999. What plans are there to replace this important legislation and will this be an opportunity to improve traffic laws in Queensland?

**Mr BREDHAUER:** This is an important issue. It is one of which the former Minister will be well aware. I refer to the move towards nationally uniform road rules, which will be known as the Australian Road Rules. As part of this Government's commitment to reviewing and updating obsolete or unwieldy legislation, the first major reform of the traffic laws governing road use in Queensland since 1947 will be implemented in the first half of 1999. This will result in the repeal of the Traffic Regulation 1962 on 1 July 1999, if everything else goes according to plan.

It has been clear for some time that many of the laws contained in the Traffic Regulation are obsolete, hard to understand or duplicated in other laws, causing confusion and unnecessary imposts on the people they affect. It is also clear that national road rules are long overdue. Currently, the rules of the road differ from State to State and Australians travelling outside their home State are subject to different rules each time they cross a border. These differences are not always easy to remember and can lead to confusion and inconvenience and contribute to accidents and road trauma.

The introduction of the Australian Road Rules will ensure that as far as practicable these rules will be the same across Australia. I am very pleased to note that many of Queensland's rules look set to become the national standard. Essentially, we are regarded as being in the vanguard in terms of our road rules. The adoption of national uniform road rules will mean in many instances that other States will be copying road rules that we currently subscribe to here in Queensland. While in practical terms there will only be a small number of changes to the way people will actually drive on the road, it is important that drivers and the community are educated on the changes that will occur.

The introduction of the rules will involve a substantial reform of road signage, as signs will become standardised across the nation and States will replace superseded signs. As part of the

implementation of the Australian Road Rules, funding of \$4.6m has been approved for 1998-99 to ensure that the public and driver training industries are well prepared for the changes and that training is provided to all relevant enforcement officers. We will be working closely with local government to undertake changes to signs, road markings and other road infrastructure. Financial and technical assistance will also be provided to local government, which will be responsible for physically implementing the infrastructure changes. Hopefully, we will see progress towards the national road rules. The legislation will be changed and, obviously, we will continue to discuss these matters with other States at the Australian Transport Commission, when it meets later this year.

**The CHAIRMAN:** The competition for providing services to the community, including industry, requires the State Government to continually improve the range of diverse services that it provides for all stakeholders. Could you please explain to this Committee what Queensland Transport has put in place to improve the delivery of quality services to Queenslanders?

**Mr BREDHAUER:** We think probably one of the best ways of working at improvements to our customer service delivery is to ask the customers what they want and what they think of the services that we are providing. We regularly talk to and survey our clients and customers to try to identify the best ways of delivering those services. With this information, the department has moved to develop what is called a service charter and standards to target better service to clients and customers. In a bid to improve responsiveness to customer needs, Queensland Transport introduced a BPay payment option for registration renewals this year. A total of 13% of customers have used this facility since it was introduced in May 1998. Queensland Transport is implementing EFTPOS as a payment option for customers visiting its customer service centres. Following the completion late last month of a three-month trial at Dalby, Chermiside in Brisbane and Kenny Street in Cairns, it was confirmed that this more convenient option would be made available.

Customers at Queensland Transport's 54 customer service centres, eight Government agency offices and an agency in Charters Towers will now be able to make payments by EFTPOS for debit transactions only. Queensland Transport is also looking to introduce six monthly registrations to allow customers to make two payments rather than one registration payment each year. I might have a bit more to say about that later. By spreading the payments during the year, Queensland Transport customers will be better able to manage their finances.

**The CHAIRMAN:** We will move back to non-Government members' questions.

**Mrs LIZ CUNNINGHAM:** I just have a follow-up question on the question from the non-Government member. Vaughan Johnson raised a question about 200 unguarded crossings between Rockhampton and Cairns. My experience in the past is that the first response from QR to deal with

unguarded crossings is to attempt to close them. Could you give me an assurance that there will not be closures of those unguarded crossings?

**Mr BREDHAUER:** No, I cannot say that there will be no closures of unguarded crossings. I will probably get a contribution from Vince on this in a minute. We make an assessment of the safety issues at various crossings and the best way to deal with improving safety at those crossings. It is not a policy to close them down. We try to make some assessment of the level of usage of the crossings. I will just read a note here briefly. A significant risk to railway operation is the interface with vehicles at level crossings. A level crossing safety steering group has been established to monitor the safety of road and rail users at railway level crossings, to prioritise and recommend cost effective improvements to level crossing safety in Queensland to implementing agencies, and to monitor and report to stakeholders on the implementation of and effectiveness of improvements. That process involves community consultation. Vince, do you want to say some more?

**Mr O'ROURKE:** I think you have covered it pretty well. With the new tilt train between Brisbane and Rockhampton, there are about 100 level crossings. Half of the major ones have been upgraded and we do not work on all of them. Only a very small number have been closed, and where they have been closed, there have been following discussions with the local community. But as a general principle, most of them have been upgraded and protected. A significant amount of fencing has also been built at locations right along the corridor.

**Mr BREDHAUER:** I have to say that it is hard to please everybody in that project.

**Mrs LIZ CUNNINGHAM:** I acknowledge that.

**Mr BREDHAUER:** Notwithstanding the fact that we do consult with the local community before making those kinds of decisions, I think almost invariably some people would not be happy about level crossing closures. It is something that we do try to do with the interests of safety, rail patrons and the public in mind.

**Mrs LIZ CUNNINGHAM:** With respect, my experience is that the losers are the people—the patrons—albeit a small number, who use those crossings, and electorates like yours and mine—the bigger electorates, the country electorates—are the ones at risk. There is a sort of diminishing target group. With the greatest respect, QR goes through the numbers game and then they try to slog the local authority. The local authority throws their hands up and says, "This is QR's", and QR says, "Only four people use it and farmer Joe only uses it when his back paddocks are flooded"—and it is a lifeline when it is flooded—so they close the jolly thing. Maybe you are not a voice in the wilderness now, but the rest of us are. That is something that perhaps you will have to monitor.

**Mr BREDHAUER:** The comment I would make is that I do not have too many level crossing problems in the Cook electorate. We only have a couple of trains: the Gulflander and the

Savannahlander in my electorate. The Savannahlander rarely gets above a speed where it would be of risk to anyone else, although it is a fine service and provides a great tourist attraction to the people who visit north-western Queensland. The idea of the crossing safety steering group has been to give us a mechanism whereby we can incorporate those issues that people are raising. I do agree with you. I guess some people will always be adversely affected by those decisions, but ultimately I think our focus has to be on the safety issues. We need to make sure that the decisions we make are ones that are taken in accordance with our need to guarantee safety for the patrons of Queensland Rail and the public generally. But I do acknowledge that there are almost invariably people who are affected and who are not happy with the process.

**Mrs LIZ CUNNINGHAM:** I will go back to a question I raised in the wrong portfolio earlier. Question on notice No. 6 talks about the TRAILS process and then the dealers interface system, and I asked: how is the integrity of the dealer interface system being assured and maintained?

**Mr BREDHAUER:** I have had the opportunity to get some notes on this since you asked the question out of place before. The dealers interface system does not directly access the TRAILS or the current registration system database. So full security is maintained through payment information only being held on a separate database which is uploaded to the registration database as a separate transaction. In addition, systems integrity is maintained through the inclusion of systems edits in the dealers interface system which are consistent with those that are applied when the transaction is processed to the department's central database.

These edits include verification of vehicle identification data against manufacturer's information which is accessed at the national level and stolen vehicle information which is flagged from the Queensland police system. These edits, together with the application of a policy regarding the release of information, are designed to ensure that information is not released for unauthorised purposes. The TRAILS system operates in a highly secure environment and has leading edge security access controls which are subject to regular audit. Since its implementation of release 1 in April 1996, there have been no incidents of unauthorised entry.

**Mrs LIZ CUNNINGHAM:** I have a follow-up question on question on notice No. 11. You talked about a measure of recurrent funding being necessary for the integrated ticketing system that is being introduced. You have said in that that the level of ongoing funding will become clearer in early 1999. I am just wondering, given the difficulty to squeeze funding out of—I dare not say Treasury again, but perhaps the system—

**Mr JOHNSON:** Treasury is the word.

**Mrs LIZ CUNNINGHAM:** Yes, that is right—what are you going to do as a backup or what services may be disadvantaged if that recurrent funding is not made available?

**Mr BREDHAUER:** I think our commitment to the integrated ticketing and real time information

systems is such that we will find the money that is required. I think the important thing is that so much of our capacity to deliver better public transport services in the next 10 years in particular will hang on our capacity to better integrate our public transport services and also to make sure that our integrated ticketing process makes it convenient for people. One of the key issues about getting people onto public transport is that it has to be convenient for them. The integrated ticketing process is one of the most important initiatives we will take in the next few years to improve that convenience. The recent funding is for consistent business rules such as concessions and all that sort of stuff. We will basically make sure that there is money available, even if we have to find it internally, to progress the integrated ticketing system. Bruce, did you want to add anything to that?

**Mr WILSON:** I was just going to mention, as the Minister just said in fact, the sorts of things that will require funding are to achieve consistent business rules between the various operators—different bus operators and rail. Those business rules include things such as concession arrangements—the age at which different concessions apply. Perhaps the key thing is that the quantum of money that may be needed is relatively small in the overall scheme of things but, as the Minister mentioned, the pay off in terms of increased public transport use is potentially very high. So it is effectively a very high return investment.

**Mrs LIZ CUNNINGHAM:** I refer to the hoary chestnut I have raised with everybody twice today, that is, the year 2000 bug. I appreciate your forestalling my question by that Dorothy Dixier, but I have a couple of questions anyway. You said in the beginning of the reply to a question on notice on the transport section that remedial work on existing systems is being funded from within the existing allocation.

I have had a problem with four of the portfolios we have dealt with today, given the whole-of-State and whole-of-nation impact of the millennium bug issue, in that there was not more of a pro-active involvement of Treasury in fixing up the programs across all of the 18 portfolios. That has not occurred. It just has me a little transfixed, if you like. Page 1-18 of the MPS states that \$89,000—it is a relatively small amount of money—was not expended because computer equipment was not required. Given the amount of technology upgrade that was being required to deal with the millennium bug, why could that not have been incorporated?

**Mr BREDHAUER:** Transport and Main Roads initiated the investment in our new system, TRAILS, which is about upgrading all of our technology systems effectively. That is an upgrade that we undertook for business purposes—for commercial purposes, if you like. By investing in TRAILS we have invested in a system which is year 2000 compliant. To some extent, in Queensland Transport and in Main Roads we have obviated the need for separate investment in year 2000 compliance—not totally. But to some extent we have obviated the need for year 2000 compliance investment by actually investing in a new system which is year 2000

compliant. I guess they are happening coincidentally. The advice from the director-general is that the note you refer to is not actually year 2000 related.

**Mrs LIZ CUNNINGHAM:** I was not implying that it was, but the year 2000 stuff is predominantly computer based. Given that you had no specifically earmarked funding from Treasury, I wondered why that amount of money, albeit fairly small, would be able to slip through the system and not be incorporated.

**Mr BREDHAUER:** I guess it probably would have been reallocated into other functions. That money which was not spent on those computers would have been reallocated somewhere else in the budget. I am not entirely sure where.

**Mrs LIZ CUNNINGHAM:** I refer to question on notice 20 relating to Queensland Transport CSO funding. You said that Queensland Transport is working towards the implementation of rail service contracts which will supersede the former CSO model. Will the new system you are intending to implement place greater onus on country road or rail infrastructure to be fully user pays? The CSO has been recognised easily as the Government recognising its responsibilities.

**Mr BREDHAUER:** On the contrary, I think we are attempting to actually identify the community service obligation which is carried by Queensland Rail in operating those services and provide a mechanism for the Government to fund the CSO so that Queensland Rail can continue to provide those services. It makes it transparent, I guess, and I actually think that is a benefit. It enables us to specifically identify where we need to provide community service obligations to Queensland Rail so that it can continue to provide services, and the service contracts basically enable us to do that.

The answer to your question is no, it is not designed to put pressure on those services to become more user pays. As Vince has already said, we subsidised our Citytrain network to the tune of something like \$130m a year. So just by identifying those CSOs and making the payments to QR, we are recognising that we have a service obligation to those people and we are quite up front about funding it.

**Mrs LIZ CUNNINGHAM:** The second paragraph talks about a table indicating the CSO funding to QR—1996-97 and 1997-98 at funding indicated. The difference is \$62m. The 1996-97 annual report for QR talks about a reduction of \$48.7m in the Government's payments for this year's CSO obligation to the freight group. Is that \$48.7m part of that \$62.236m?

**Mr BREDHAUER:** Yes, I think it would be.

**Mrs LIZ CUNNINGHAM:** I would hope so, because otherwise you have really reduced the—

**Mr BREDHAUER:** The answer is yes.

**Mrs LIZ CUNNINGHAM:** I again refer to the annual report. I am not sure about your attitude to third-party access to Queensland Rail and I am not sure this is the forum in which to raise it, so I will ask it somewhere else. This report states that

Queensland Rail achieved an operating profit after tax of \$277.1m. It goes on with quite a number of other issues. Personally, I have some concerns about third-party access to QR. It does not appear to be an equitable proposition at all. How do you see pushes for third-party access impacting on QR's operating profit?

**Mr BREDHAUER:** I might ask Vince to make a contribution to this. I think the harsh reality of life is, as the member for Gregory knows, that National Competition Policy is something we all have to deal with, irrespective of how warmly we embrace it. Third-party access to our rail network in many instances, in my view, has the capacity to add additional services to our rail network and not necessarily at additional cost to QR or to QR's profits.

**Mr O'ROURKE:** From Queensland Rail's point of view, third-party access is legislation. It is a fact of life. Part of the reform program that we have been undertaking now for many years is to achieve best practice in all of our businesses so that we can compete quite effectively with third-party operators. We believe that our coal business is now one of the very best in the world, and it has been benchmarked against other railways around the world. We now have our systems in a place where we believe we can compete very effectively with third-party operators.

We have been reorganised so that we have within the organisation an internal network access group that would deal fairly with external operators. Obviously that is why we have set that group up—so that we can deal with them in a fair way, relevant to our internal businesses. At the end of the day, I think competition is a fact of life. We deal with that every day, but we are very confident within the organisation that we can operate on a very fair and equitable basis with external operators.

**Mrs LIZ CUNNINGHAM:** I move to page 1-20 of the MPS, which discusses speed camera management. When the speed cameras were introduced, one of the successfully debated issues was that the money generated from speed cameras would go to road safety programs and not to consolidated revenue. Has there been a recognition of the income generated by speed cameras and a commensurate reduction in your department's budget from Treasury?

**Mr BREDHAUER:** I will just get that information for you. You mentioned the Traffic Act. Under the Traffic Act, excess speed camera revenue is intended to be distributed to road safety education, traffic black spots and road accident rehabilitation programs. For the 1997-98 financial year, revenue derived from speed camera infringement notices amounted to \$14.1m. The revenue figure is well below the original projection of \$38.35m and does not include any anticipated revenue for red-light camera infringement notices. The original projection was \$38.35m, which comprised \$30.6m from Stage 1 of the program, which consisted of 14 operational cameras, and a little over \$7.7m from a proposed expansion of the program, which has not occurred.

Essentially, we have lower than expected revenue from Stage 1 due to the following reasons: all 14 cameras were not fully operational until October 1997 due to delays in receiving equipment from the suppliers; highly visible deterrent-based operations combined with extensive public education campaigns have actively discouraged speeding—which is the object; and motorists were far more compliant with speed limits than originally anticipated, which has resulted in significant reductions in the road toll. Before the introduction of speed cameras, approximately 25% of drivers were exceeding the speed limit, compared to only 2% since their introduction. So generally speaking, the revenue has been down on what we expected.

The additional revenue that we were hoping to have available to allocate into road safety education, traffic black spots and road accident rehabilitation programs has not materialised, so there has not been any money available for those programs. From memory, from a note I saw on this the other day, that is likely to remain the case until at least 2000, 2001. We do not expect that we will exceed our revenue expectations at least until then—and maybe not even then.

**Mr LAMING:** I refer to page 1-11 and the 1998-99 Planned Performance. The third dot point leads me to a question about the CAMCOS study, which I signalled earlier in the day. I would like some information on what budgetary provision has been made for further investigation of feasibility and planning for the dedicated public transport corridor, possibly including rail, between the current northern railway line and the Sunshine Coast—commonly known as CAMCOS.

**Mr BREDHAUER:** There was some confusion about the money that was allocated to CAMCOS. Essentially, what happened was that we had to seek additional funding to complete the impact assessment process. The additional funds that were required took the total to in excess of \$1m, and that required me to take it to Executive Council. So I took a submission to Executive Council for \$1.5m to get Executive Council approval. Some people understood that to be an additional \$1.5m to conclude the study, which was not the case.

The expenditure to 30 June 1998 was \$1.006m, with \$315,000 in contributions received from Federal and local governments. In 1998-99, estimated expenditure by Queensland Transport is \$200,000 to start the impact assessment study, but we still expect the total cost to be of the order of \$1.5m. The extra funds that I sought were to take it up to that level; so it is \$200,000 for the impact assessment study in 1998-99.

**Mr LAMING:** Has the feasibility study been done to ascertain whether we are looking at a heavy rail, a light rail or the possibility of some other form of dedicated transport?

**Mr BREDHAUER:** No, the final decision in respect of the mode or modes which might be incorporated in CAMCOS has not been determined yet. That is essentially part of the next stage of the process. The engineering and financial feasibility of the heavy rail line to the key centre of Maroochydore

is also being considered, as well as continuing the corridor further north to the Maroochydore Airport. Community consultation is an integral part of the strategy.

If I could just give you a little bit of background there—the study's key aim is to identify a public transport corridor to Maroochydore. You know that. It will also develop a strategy which will ensure that the development of the transport corridor will support a range of complementary transport and land use planning initiatives. So we have not actually made the determination about the mode or modes which will be incorporated in the corridor. They are part of the next stage of the study.

**Mr LAMING:** The reason I asked that question is that there seem to be some decisions being made on the corridor, which is dictated by the radius of curves, etc., and which is dictated as though it was going to be heavy rail. There would be considerable flexibilities as to what type or what mode of transport it is going to be. It seems that we are putting the cart before the horse. By having very straight corridors to accommodate heavy rail, that could cause some anxiety in the community when, further down the track, the feasibility might point out that we are not chasing heavy rail at all; we might be after light rail or an alternative.

**Mr BREDHAUER:** I understand the concerns within the community in respect of this issue. They are concerns about the golf club and a variety of other issues that have been raised with me and with officers of my department. I guess that the answer to your question, though, is that until such time as you have completed the study and determined what mode or modes you are going to have in the final analysis, you have to cover all your options. The whole idea of the study is to determine what the modes will be. Until such time as you have made those decisions—which is what the whole CAMCOS process is all about—you have to keep all your options open. What you are suggesting is that, if we ruled out heavy rail, that would change the nature of the corridor we require, and that may be right. But I do not think it would be appropriate for me to rule out heavy rail as an option when the process that we are undertaking through CAMCOS may actually determine support for heavy rail.

**Mr LAMING:** I am not suggesting that anything be ruled out but, rather, that the feasibility study be done, and then work from a position of knowing what is the preferred mode.

**Mr BREDHAUER:** The other comment that has been suggested to me is that, over time, you might start, for example, with a light rail service but subsequently you might want to move to a heavy rail service because of its capacity to move increasing numbers of passengers. I say again that the CAMCOS process basically is about making some decisions about that but keeping our options open for the future. The important thing for us in all of these planning processes is that we keep as many options viable as we possibly can for public transport in significant growth areas like the Sunshine Coast and that we do not lock ourselves into decisions at an early stage which we may



subsequently regret from a transport planning point of view, like the decision to close the railway line to the Gold Coast, rip it up and sell off the land—and the cost that we had to meet to get a corridor back and run a service which is actually proving to be, as Vince has pointed out, very popular and successful. I think that the whole point for us, in terms of our major growth centres like the Sunshine Coast, is that we have to keep those options available to us.

**Mr LAMING:** And the feasibility study will continue?

**Mr BREDHAUER:** Yes.

**Mr JOHNSON:** I was not going to ask another question about rail, but in relation to the tilt train concept to Cairns, what running time do you envisage the tilt train will have between Brisbane and Cairns once it is finally completed?

**Mr BREDHAUER:** It is a little early to say because we are still in the design stage of the project. I think that is something that will emerge as we iron out the design and planning details, the configurations and so on. The commitment that I can give here today is that we will significantly improve the running time between Brisbane and Cairns on the basis of the introduction of the diesel tilt train technology. I expect that the running time will continue to improve as QR invests in track upgrades. Until such time as we have done the planning and design work for the train, I could not predict the figure.

**Mr JOHNSON:** I think everybody in the Parliament and everybody in Queensland Transport and Main Roads applauds the success of the Campaign 300 that we have undertaken this year. I place on record Mr Wilson and Mr Blake's contribution to that and also others within the department, especially those within Land Transport and Road Safety. I refer to your answer to question No. 10 in relation to the Campaign 300 priorities. In the last paragraph you refer to quite a few issues, such as expanding the implementation of the speed management strategy, improving road design and engineering—we agree with all those—and improving random deployment of police traffic resources and increasing and better targeting public education campaigns. Can you emphasise how you plan to increase and better target public education campaigns in relation to road safety?

**Mr BREDHAUER:** Some of our public education campaigns are market driven. We make assessments about what type of road safety education campaigns we think are likely to be effective in terms of advertising. Paul, do you want to buy into that?

**Mr BLAKE:** The other aspect of that is that we recognise that public education in relation to road safety needs to be connected to the enforcement aspects as well. International research has found that the better you are able to link public education to the enforcement practices of police—for example, if you are running RBT programs down the Gold Coast, you can also tighten up the connection to the public education by running a special public education campaign to support that enforcement activity.

**Mr BREDHAUER:** I will echo your sentiments about the work that is done by Paul in that division and the success of Campaign 300. It has been a credit to the department but particularly to that division. It is also a credit to the public who are responding to some of the messages that we are giving. As I said to Mrs Cunningham about speed cameras, people are taking notice. There is nothing like whacking them in the back pocket.

**Mr JOHNSON:** We concur, Minister.

**The CHAIRMAN:** We will now have some final questions from the Government members.

**Mrs ATTWOOD:** Would you tell us what will be the effect of a 10% GST on public transport?

**Mr BREDHAUER:** I would be delighted to. We are really concerned about the impact of a GST, particularly on public transport, for a variety of reasons. The Federal Government has proposed replacing the existing wholesale sales tax with a 10% GST.

**Mr JOHNSON:** Where is the GST in the State Budget?

**Mr BREDHAUER:** It will affect our public transport funding. It will potentially—

**Mr JOHNSON:** So the coalition is going to win Government on Saturday?

**Mr BREDHAUER:** No, I said it will potentially affect the success of projects like our busways project, which I think is a critical issue. The tax is on goods and services, except for those specifically excluded. Additionally the Federal Government proposes to reduce the fuel excise on diesel and petrol so that a 10% GST can be accommodated without changing the pump price, although I notice that there seems to be some conjecture among various members of the National Party federally about whether they can guarantee those pump prices. For heavy road vehicles in excess of 3.5 tonnes, the diesel excise will be reduced from 43c to 18c per litre, which is a 25c per litre reduction in price. The impact on fares will vary according to bus size, vehicle costs and/or kilometres and passengers carried. Overall, it is expected that fares will have to increase by up to 2.8%. Operators of bus services using vehicles under 3.5 tonnes that do not qualify for the reduction in diesel excise are disadvantaged given that they will incur higher operating costs and will need to raise fares substantially to accommodate the 10% GST. That will predominantly affect rural areas, including school bus services.

If car ownership cost increases as a result of a GST, that is expected to have a substantial increase on public transport use, given that up to half of the users of bus transport do not have access to a private motor vehicle. In addition, any reduction in patronage will have a negative impact on profitability and on long-term price and service levels. Taxi fares will have to be increased to accommodate a 10% GST. The increase in fares is expected to be between 3% and 7%. An increase in taxi fares is expected to generate a decrease in demand for taxi services. There is potentially a significant impact of the GST on public transport about which we are seriously concerned.

**Mr REEVES:** The Government has announced an increase in funding for safety and security at suburban railway stations. Can the Minister explain what extra benefits will be delivered to the passengers on the Citytrain network?

**Mr BREDHAUER:** This is another important initiative that I am happy to be working on in conjunction with Queensland Rail. We recently established the Safe Station Program with \$39m over four years, which incorporates and enhances the previous \$17m Trainsafe program. Although rail is one of the safest modes of travel and rail services offer a high degree of personal safety, many people are apprehensive about their safety when catching trains, particularly at night. The Safe Station proposal will upgrade passenger facilities at train stations and address the personal security concerns of railway passengers, particularly the more vulnerable groups, such as women, children and the elderly. Employees of Queensland Rail also need protection from assault and abuse.

The program includes the following safety measures: closed circuit television coverage at stations and on all electric trains; additional closed circuit television coverage at train station car parks; improved lighting at stations, car parks and approach pathways; locked car parks at the stations; increases in security patrols; extension of the station operating hours at core stations so those stations are staffed for longer periods; emergency telephones at all Citytrain platforms; pay phones at some stations and improved communication systems between the Queensland Police Service and Queensland Rail's protective service. A core zone concept is being trialled on the Ferny Grove station during September 1998. The core zone will comprise a designated area on the platform opposite the location of the train guard's compartment and will provide closed circuit TV coverage, enhanced lighting, ticket vending machines and emergency telephones. With those initiatives, I am sure we will restore the confidence of passengers when travelling on trains at night and further enhance the attractiveness of public transport.

I do not think we are going to eliminate safety concerns through this process, but we will continue to seek to improve the delivery of safe, secure rail travel for all of our patrons, particularly on our Citytrain network but also and importantly for the many employees of Queensland Rail.

**The CHAIRMAN:** The maintenance of the waterways of southern Moreton Bay and the Gold Coast are important for commercial and recreational shipping use. What major dredging activities have taken place in those waterways. What is proposed under the current budget?

**Mr BREDHAUER:** That is an interesting question. A little bit of debate was created down on the Gold Coast thanks to one of the member for Gregory's colleagues, who questioned our commitment to the dredging of the Gold Coast waterways, which I must say was never at any risk. The waterways of southern Moreton Bay and the Gold Coast are a network of natural and artificial channels, which in many cases are subject to

siltation. The need for dredging is increasing with higher levels of commercial and recreational usage of the waterways. Local government is responsible for maintenance dredging of artificial canals; however, the State Government is responsible for maintenance dredging to provide navigation access to public infrastructure and, in some cases, commercial infrastructure.

Essentially, what we are undertaking in 1997-98 is the South Wave Break Island channel, which provides a sheltered alternative to the relatively exposed eastern wave break channel as well as access from the newly upgraded boat launching facilities at Harley Park to the Broadwater. The south channel seaway to Sea World is required to maintain a minimum depth of 4.5 metres for deeper draft vessels using the nearby commercial facilities. In 1998-99, the following projects are programmed: widening of the south channel for marine safety purposes; deepening of the marine stadium for special marine events and tourism opportunities; West Crab Island west channel, maintenance dredging to provide improved access for vessels using the nearby marina canal and yacht club facilities at Hollywell; and Canaipa Passage, dredging of a more stable navigational channel by realignment to match the natural tidal flow, thereby minimising the need for further maintenance dredging.

I might say that we have a significantly increased budget allocation this year for dredging on the Gold Coast. As I said earlier, I appreciate the support that we have received from members of the Gold Coast Harbours Authority in advancing these projects.

**The CHAIRMAN:** Thank you, Minister, There being no further questions, that concludes the examination of the Estimates for the portfolio of the Minister.

**Mr BREDHAUER:** Sorry, Mr Chairman, I did not realise that you were concluding at this point. For the record, could I say in conclusion how much I appreciate the support that I have received in the Budget process, and particularly in the Estimates process, from all of my departmental officers in Queensland Transport, Main Roads, Queensland Rail and other Government owned corporations for which I am a shareholding Minister. I will take only a minute of your time. Having to pull together a Budget in such a short time frame and then preparing ourselves for the Estimates process has taken an enormous amount of effort. I would like to commend Bruce, Jim and their respective departmental staff, and Vince and the QR people for the assistance that they have provided. I would also like to thank the Committee for the constructive way in which the Estimates hearings have been conducted this afternoon. Thank you.

**The CHAIRMAN:** Thank you, Minister. On behalf of the Committee, I would like to thank you for your attendance and contributions. I would like to thank your staff from the Department of Transport this afternoon as well as the earlier staff from the Department of Main Roads.

I would like to extend our thanks to the Hansard staff, the attendants and the Committee's research

and support staff for their assistance in bringing this Committee to fruition today. That concludes the Committee's consideration of the matters referred to it by the Parliament on 15 September 1998. I declare this public hearing closed.

The Committee adjourned at 6.23 p.m.