

ESTIMATES COMMITTEE C

Mr P. T. Lucas (Chair) Mr V. G. Johnson
 Mrs J. M. Attwood Mr B. E. Laming
 Mr D. B. Dalgleish Mr P. W. Wellington

TRANSPORT AND MAIN ROADS**IN ATTENDANCE**

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

Queensland Transport—

Mr B. Wilson, Director-General
 Mr J. Galton, Deputy Director-General
 Capt. J. Watkinson, Executive Director
 (Maritime)
 Ms J. Oswin, A/Director (Finance)

Queensland Rail—

Mr V. O'Rourke, Chief Executive
 Mr R. Scheuber, Deputy Chief Executive

Department of Main Roads—

Mr J. Varghese, Director-General
 Mr D. Muir, Deputy Director-General
 Mr N. Doyle, General Manager (Strategic
 Policy and Development)
 Mr L. Cunnington, A/General Manager
 (Finance and Business Services)
 Mrs K. Peut, Executive Director (Roads
 Programs)

The Committee commenced at 8.31 a.m.

The CHAIRMAN: I declare this meeting of Estimates Committee C now open. I would like to introduce the members of the Committee: Mrs Julie Attwood, the member for Mount Ommaney; Mr David Dalgleish, the member for Hervey Bay; Mr Vaughan Johnson, the member for Gregory, and also the Deputy Chairman of the Committee; Mr Bruce Laming, the member for Mooloolah; Mr Peter Wellington, the member for Nicklin; and I am Paul Lucas, the member for Lytton and Chairman of the Committee. The Committee will examine the proposed expenditure contained in Appropriation Bill 1999 for the portfolios of Transport and Main Roads and Public Works and Housing in that order. 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 has expired. More time may be given for answers if the questioner consents. The Sessional Orders require that at least half the time at today's hearing is allotted to non-Government members. Government members and non-Government appointed members of the Committee will take turns at asking questions in blocks lasting approximately 20 minutes. In relation to media coverage of today's hearing, the Committee has resolved that video coverage is allowed during the Chairman's and Minister's opening statements. For the benefit of Hansard, I ask advisers to the Ministers to identify themselves before they speak. 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, members of the public may be admitted to or excluded from the hearing at the pleasure of the Committee. If anyone attending today has an audible mobile phone or pager, 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 Transport and Main Roads portfolio. The time allotted is four and a half hours. The first area to be examined is the proposed expenditure for the Department of Transport, beginning with Queensland Rail, and the other Government owned corporations that report to the Minister. We will continue with the Department of Main Roads after morning tea. I declare the proposed expenditure for the Minister for Transport and Main Roads to be open for examination. The question before the Committee is—

"That the proposed expenditure be agreed to."

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

Mr BREDHAUER: I would. First, could I introduce the officers of my department and Queensland Rail who are here with me today: the Director-General of the Department of Transport, Bruce Wilson; my Director of Finance, Judy Oswin; the Deputy Director-General, Department of Transport, John Galton; the Chief Executive Officer of Queensland Rail, Vince O'Rourke; and the Deputy Chief Executive Officer, Bob Scheuber. A variety of other officers from the Department of Transport and from Queensland Rail are here to support me and members of the Committee.

My Government is committed to developing a world-class transport network for

Queensland. In support of that goal, the Beattie Government will spend a record of more than \$2.5 billion this financial year on improving transport networks across Queensland. Queensland Transport has been allocated more than \$1.52 billion to develop, maintain and enhance transport systems controlled and administered by the department. This generous Queensland Transport allocation represents a significant increase on the 1998-99 funding of \$1.21 billion and equates to \$500m more than the Borbidge Government's allocation in 1997-98. Undoubtedly, this funding highlights the importance that the Beattie Government places on providing reliable and efficient services and transport infrastructure. Through this allocation my Government will be able to progress the many exciting transport projects currently being developed and implemented throughout the State while at the same time allowing scrutiny and progression of essential grassroots issues, services and infrastructure.

Importantly, regional Queensland has been strongly recognised in this year's Budget, with significant funding to be spent enhancing transport networks and operations in areas away from the south-east corner. Headlining the Beattie Government's focus and commitment to regional Queensland is a \$126m allocation to upgrade and expand Queensland Rail's coal wagon fleet. This funding underpins my commitment to economic development and jobs growth throughout regional Queensland. To support our job creation goal, a number of contracts have been awarded to regional businesses. At Maryborough, for example, the Government will spend \$87m on the manufacture of 38 diesel locomotives. This project alone will create 80 jobs.

The Government has also recognised the vital economic role that ports throughout Queensland play in terms of business opportunities, economic development and job creation. To that end, more than \$190m will be spent this financial year on capital works at ports throughout Queensland. To encourage and develop economic opportunities in regional and remote centres of the State the Government has committed \$3.6m for rural and remote aviation infrastructure. A \$1.5m project to reconstruct the airstrip at Saibai Island heads this year's rural and remote aviation infrastructure projects, with \$2.5m of the program allocation to be spent in north Queensland.

The Beattie Government is also committed to providing holistic and integrated transport solutions to regional centres, and to

that end integrated transport plans in centres including Townsville/Thuringowa, southern Cairns, Mackay, Gladstone, the eastern Darling Downs and the Wide Bay region, among others, will continue this financial year. Regional rail services will be enhanced through a \$41m expenditure this year as part of a \$240m project by QR for a rail track upgrade between Rockhampton and Townsville. A total of \$30m has been budgeted for the ongoing development of the tilt train service to Cairns.

The Government's commitment to improve and expand the transport network in the south-east corner of the State will be strongly advanced this financial year. The \$520m South East Transit Project has been allocated ongoing funding of \$183m, and \$32m has been set aside for the Inner Northern Busway project to the Royal Brisbane Hospital. Planning for the Inner Northern Busway is now in the final stages. The construction of the south-east busway and transit lanes around Woolloongabba is now well advanced and will ultimately provide an efficient bus priority service to the Brisbane Cricket Ground at Woolloongabba in time for the opening round of the Olympic soccer at the grounds on 13 September next year.

The \$235m Brisbane Light Rail Project is now almost at the stage of being handed to a private consortium to build, own and operate. The project will receive \$12m in funding this year. Apart from the large-scale urban and regional projects, transport funding this year has been specifically geared to addressing grassroots needs identified and raised as part of the Beattie Government's extensive community consultation program. The Government will also spend \$3m extra on service delivery improvements to customer service centres and call centres and provide strategic public transport and maritime allocations at regional centres across the State. The funding allocations outlined today are but a small snapshot of the exciting initiatives the Beattie Government is undertaking through Queensland Transport. I am confident that the funding and initiatives outlined today along with myriad other Queensland Transport and Main Roads programs not mentioned will significantly nurture and underpin development in this State into the new millennium.

The CHAIRMAN: The first round of questions will be from non-Government members.

Mr JOHNSON: I refer to the construction of the Cairns-Brisbane tilt train, which is mentioned on page 66 of Budget Paper No. 4,

Departmental Services. As Queensland Rail is a Government owned corporation, can the Minister advise whether there have been any directives from the shareholding Minister regarding this project? If so, have these directives been gazetted as required? If not, can the Chief Executive advise whether the Queensland Rail board initiated this project? In either case, has a financial viability study based on current circumstances been undertaken to substantiate this project?

Mr BREDHAUER: In response to the honourable member's question, no. No direction has been issued by the shareholding Ministers in Queensland Rail to the Queensland Rail board in respect of this project. Clearly the Cairns tilt train project was a commitment of the Labor Party in Opposition. I, as the responsible Minister for Queensland Rail, have for the last 15 months been overseeing the implementation of that election commitment. I have to say that we have had the full cooperation of the Queensland Rail board and Queensland Rail employees from the chief executive down in the implementation of our progress towards the construction of the two diesel tilt trains which will operate between Brisbane and Cairns.

This was obviously one of the more significant commitments that was made by us. The reason why we made that commitment is that it was the Labor Party in Government in the early 1990s who initiated the Brisbane to Rockhampton tilt train service—the electric tilt train service. Since that was officially launched in, I think, November last year, it has proven to be a resounding success and is proving to be a major regional economic development opportunity and boost for centres.

I can see the member for Hervey Bay here nodding his head. We have put the bus links in place from Maryborough to Hervey Bay, which I know was a concern in that community, so that the people of Hervey Bay, even though they are not directly connected to the rail line, can share in the benefits that this major project has been delivering to regional communities between Brisbane and Rockhampton.

The new Brisbane to Bundaberg service, of course, has also been strongly patronised and enables us to continue to improve the services which are delivered to regional Queensland. In fact, Flight West Airlines announced recently that they were substantially reducing their air fares between Brisbane and Bundaberg. One of the reasons they cited for making that commercial decision

was the success of rail as a competitor to air services.

I would think we would probably be one of the few places in the world who can hold our heads up and say that the quality of the services and the efficiency of the services that we are operating in tilt trains is out there competing with air services. There would be some Asian countries, I guess—Japan and those sorts of places with their bullet trains—who could make that claim. But outside of Japan, there would not be too many. Our commitment is to build two diesel tilt train services between Brisbane and Cairns which will deliver similar economic benefits to regional centres north of Rockhampton as well as enhancing those benefits already enjoyed by those centres between Rockhampton and Brisbane.

Mr JOHNSON: I refer you back to that question. I do not deny what you are saying there and I applaud what has happened in relation to the tilt train to Rockhampton and what is happening in relation to air services. But the last part of that question was: in either case, has a financial viability study based on current circumstances been undertaken to substantiate this project?

Mr BREDHAUER: In relation to the tilt train, as I say, we made a commitment prior to the last election to fund the construction of two diesel tilt trains. In terms of Queensland Rail's commercial operations, it would make decisions on the basis of those kinds of financial assessments, which would include an assessment of the likely return on a capital investment that would be made by Queensland Rail in developing such a service. You, as a former Minister for Transport and former Minister responsible for rail, should understand that the difference in this case is that this is a commitment of a Government to expend money off budget, the first allocation of which is in this year's budget. We have allocated \$30m in this year's budget to begin the construction program for the two diesel tilt trains that will be built at Walkers in Maryborough. This is a decision of Government to spend that funding off budget.

So the requirements that Queensland Rail would normally undertake for commercial investment to ensure that there was a return on an investment, a dividend on that investment, do not apply in this case. As a Government, we have basically said that we believe it is worth us as a Government investing what is now a total of \$138m building the two new tilt trains at Walkers in Maryborough, together with their maintenance

facilities which are associated with that. We are prepared to make that commitment off budget. This year's budget has given the first practical demonstration of that by the allocation of \$30m.

So what we are doing here is separate to, but not new to, Queensland Rail. Queensland Rail has many services which it operates which are funded by Government off budget because of the economic and other service and industry benefits which we believe those services will deliver to the people of Queensland. So essentially what you have here is an election commitment which has been honoured by our Government to build the two new diesel tilt trains and to fund Queensland Rail to run those tilt trains. Of course, the subsequent operation of the tilt trains after they finally enter into operations will be the subject of discussion between Queensland Transport and Queensland Rail as part of their rail service agreement contracts in the future.

I think what the member is angling for here is actually misguided because this is not a decision of Queensland Rail to invest \$130m of its money in a commercial venture; this is a decision of Government to spend \$138m off budget, providing services, regional development and employment opportunities for the people of Queensland.

Mr JOHNSON: I totally support the employment opportunities too, but I say to you I am not being misguided here when we are talking about the viability of the project in question. I cannot see how at this point you can substantiate the viability of the project. I ask you: would you refer this project to the Public Works Committee for further scrutiny?

Mr BREDHAUER: No, I will not. If the Public Works Committee wants to have a look at it, they are quite entitled to do that. I would not have a problem with the Public Works Committee doing that. If you want to refer it to the Public Works Committee, by all means you go ahead and do so. I would suggest to the honourable member for Gregory that he should have a look at the rail services that operate in his own patch and tell me how many of those are financially viable? The Spirit of the Outback which operates between Brisbane and Longreach—I would be interested to hear from the—

Mr JOHNSON: We are trying to make it viable, are we not?

Mr BREDHAUER: I understand that.

Mr JOHNSON: Here we are now putting more in place that are not.

Mr BREDHAUER: I understand that. My Government is working very hard to try to make sure that those communities through central Queensland in the honourable member's electorate have the maximum opportunity to generate the economic and employment benefits from those rail services which are significantly supported by community service obligations, as are the vast majority of our Traveltrain services—in fact, all of our Traveltrain services are supported by community service obligations from the Government, and the Cairns tilt train service will be no different from that.

This is not an issue in relation to the commercial viability of the project and you, as a former Transport Minister, should understand the fundamental difference between the commercial operations which are undertaken by Queensland Rail in respect of, for example, its coal and minerals freight business where it makes decisions to invest in track upgrades, in rolling stock upgrades, building new rolling stock, in maintenance facilities and those sorts of things because of the return that it can generate for the taxpayers of Queensland by a commercial investment to invest money in that infrastructure which will bring a dividend to Queensland Rail and subsequently to us as the shareholders in Queensland Rail and those services which are provided by Queensland Rail which we as a Government believe the people of Queensland deserve and for which we are prepared to pay Queensland Rail off our budget to provide both the opportunity for investment and, in the longer term, to provide the community service obligation that goes with Queensland Rail being able to operate those services in a clear and transparent manner.

Clearly, the member for Gregory does not understand the difference. Given the line of questioning in the last three questions, he does not understand the fundamental difference. I thought that he would have, having been the Transport Minister for two and a half years, understood the difference between those operations which are undertaken by Queensland Rail as a commercial operation for which the board has the responsibility to make the commercial decisions and those which are operated by Queensland Rail as a service which is provided by the Government and supported both in investment terms and in recurrent terms by the Government for the benefit of the people of Queensland.

Mr JOHNSON: Minister, I do understand. Being a former Minister, I understand fully what the community service obligations of

Queensland Rail and Queensland Transport are. Bear in mind that they are burdens on the taxpayers of this State. You are increasing the burden on the taxpayer by increasing the community service obligations of Queensland Rail.

Mr BREDHAUER: Is that a question or a statement? If it is a question, I am happy to answer it.

The CHAIRMAN: I remind the honourable member that it is not a time for statements by members; it is a time for questions.

Mr BREDHAUER: If that is a question, I am happy to take it as a question and give him another answer, but if it is not a question then we will move on.

Mr JOHNSON: I will move on, but I put that on the record. Can the Minister confirm, then, that the Cairns to Brisbane tilt train service, referred to at page 66 of Budget Paper No. 4, will not replace the Sunlander service, as promised by Labor last year? As the current construction contract is for two nine-car sets and not 10-car sets as promised, could the Minister explain why the cost is now \$138m and not the \$112m initially stated? Can the Minister also confirm that the rolling stock on order will not provide any sleeper accommodation?

Mr BREDHAUER: We made a commitment in Opposition to spend a little over \$122m building two new diesel tilt car sets between Brisbane and Cairns. That was a commitment that we made from Opposition and with the best resources we had at our disposal at that point in time. It is important to recognise that since we have been in Government we have had a project team which has been drawn together to do the detailed design work on diesel tilt train technology. This is world groundbreaking technology. We are talking about having a Queensland based company which is developing for us, in conjunction with Queensland Rail, new technology.

What we discovered in the process of doing the detailed design work is that the cost of building the tilt trains would be higher than we had at first anticipated. The Government's response to that has been to meet the additional cost. So \$122m was estimated initially—not \$112m, as the member for Gregory mentioned in his question—and that cost has increased now to \$138m, \$30m of which has been included in this budget.

The tilt train will not replace the Sunlander Service. The member knows this full well, because I wrote him a letter after last year's

Estimates indicating that the two new tilt trains would not fully replace the Sunlander services, so I am uncertain as to why the member asked that question today when I actually wrote to him last year indicating the fact that the tilt train—

Mr JOHNSON: After you gave the wrong answer.

Mr BREDHAUER: I gave an answer here. When I discovered that the answer that I gave was not correct, I was honest enough to write you a letter and to correct the record.

Mr JOHNSON: I recognise that.

Mr BREDHAUER: If I am to be held responsible for the fact that from time to time I say things which are wrong but I take the first opportunity to correct the record, then so be it. But I would prefer to do that and admit that from time to time I do make errors but also be big enough to go out and admit them publicly and to correct the record.

The point is that we did indicate that the Sunlander services would not be able to be fully replaced, so we will maintain some Sunlander services. That being so, what we intend to do is work towards maintaining the existing levels of sleeper accommodation on the Sunlander service and to offer through the diesel tilt trains, the nine-car sets, premium business class sitter service between Cairns and Brisbane which will be second to none anywhere in the world.

Mr JOHNSON: I refer to the present contract being undertaken by Walkers of Maryborough. Can the Minister confirm that the contract includes the provision of dining cars and that there has been no slowdown in the provision of these cars? When will this rolling stock be delivered?

Mr BREDHAUER: The program for the delivery of the rolling stock on the tilt train will contain dining facilities. It does contain dining car and club car facilities. The project is still in its quite early stages. Most of the work that has been done up to the present has been in the design and planning work. We settled about three or four months ago—give or take; I am not precisely sure—on the exact consist of the two trains that were going to be constructed, so work has begun. It is physically not possible to say that work on any particular car has slowed down, but we do anticipate that we will have delivery of the rolling stock in 2001 and that the two trains will be into full service in 2002. So the answer is no, there has not been any delay, but we have been working through a variety of issues in relation to the detailed

design of the consist. Sorry, it is a club car which includes dining facilities.

Mr JOHNSON: I am pleased about that club car.

Mr BREDHAUER: I am sure you would be.

The CHAIRMAN: The time for the first period of non-Government questions has expired. We will now take Government appointed members' questions. Minister, what heavy vehicle management advancements has the Government achieved in relation to mass driving hours and enforcement?

Mr BREDHAUER: This is a very interesting question. I know that the member for Gregory is a person who is vitally interested in the management of heavy vehicles, as are all members of the Committee. It is something that has created a lot of media attention in recent times. There have been a number of very unfortunate accidents and other incidents involving heavy vehicles. I have to say that, generally speaking, my experience as Minister has been that the majority of transport operators, drivers and other people in the heavy vehicle industry are responsible operators. There are some, however, who are not prepared to play by the rules, and they are the people we are determined to ferret out.

Recent figures show a big increase in infringement notices, operational reports and warnings for overloading, safety breaches and driving hours. I might just mention that, in the answer to question on notice No. 8 to this Committee, unfortunately the words "offence reports and official warnings" were inadvertently left out after the word "notices" in the last paragraph. So I just correct that for the benefit of members.

The increase in reporting in relation to overloading offences was more than 48% in the six months from March to the end of August this year, compared with the same period last year. At the same time, penalty notices issued for fatigue breaches increased by 29% and compliance activity across the gamut for safety defects was up by more than 38%. Penalty notices for heavy vehicles exceeding legal dimensions were up by nearly 300%. There are some historical reasons why that has gone from a low base up to a high base, but there is still a significant increase in that area, with the corresponding figure for defects in load security up by more than 56%.

The increased figures resulted from targeting resources within our compliance division on high road safety risk areas. We have introduced new heavier penalties for

overloading infringements. Penalties will differ according to the degree of overloading, but in severe cases truck drivers can face fines of up to \$6,000 and companies can face fines of up to \$30,000. If the truck is found to be carrying double its legal load limit, a magistrate can order forfeiture of the vehicle. We are also looking at the fatigue management program as a front-end approach to dealing with these issues, but those figures indicate how serious our department is in the compliance area with specifically targeting those areas which we regard as significant road safety breaches.

In addition to that, the new chain of command responsibility obligations are being put in place so that trucking companies, operators and owners who place unrealistic demands on drivers can also be prosecuted—not just the driver. So there is significant effort by Queensland Transport, supported by the trucking industry, to ferret out people who persist in breaking the law.

Mrs ATTWOOD: Why has the Government chosen to fully fund Queensland Rail for the community service obligations which it provides on behalf of the State at an additional cost of approximately \$200m per annum?

Mr BREDHAUER: I noted earlier that the member for Gregory commented that he fully understood what community service obligations were. I tell the member for Gregory that I am fully funding the community service obligations for Queensland Rail, unlike the previous Treasurer, the member for Caloundra, who whipped \$100m out of it when she needed it to prop up her Budget a couple of years ago.

As part of our review of the rail corporatisation of QR here by the State Cabinet in the earlier part of this year, a decision was taken by our Government to fully fund Queensland Rail for its community service obligations. Now, this has a number of important benefits which it can deliver to both QR and to the people of Queensland. Firstly, it makes all of QR's operations absolutely transparent from a National Competition Policy point of view, and we are able to identify all of those community service obligations for which we fund Queensland Rail to operate services on behalf of the Government and the people of Queensland.

It will cost us this year, we anticipate—the final figure is not known, because we have not signed all of the rail service agreements; those are still being negotiated—as much as \$750m this year, which is \$200m more than is

currently budgeted—or has previously been budgeted—for community service obligations.

A good example of what we can achieve through this is the \$283m per year for seven years contract we signed for Citytrain services between Queensland Transport and QR about three weeks ago. This is delivering much-needed urban and interurban services. It is delivering improvements to rolling stock, particularly the availability of airconditioned rolling stock for people who use the Citytrain network. It is delivering significant service enhancements. I anticipate that, at some stage, there will be a question from one of the members of the Committee about those service enhancements, which we are providing to places like the Sunshine Coast and the Gold Coast and all of those areas in between.

We have seen patronage on the Gold Coast railway line double in the last 12 months. That is a great achievement by QR and by the Government. It is an example of people voting with their feet, I guess. It demonstrates how, if we provide the kinds of services that are efficient, that are reliable and that are safe and secure, people in south-east Queensland are quite happy to use those services.

The community service obligation gives certainty and security to QR about the funding it will receive from Government. It also gives Government, through Queensland Transport, the capacity to generate certainty about the level of rail services that we will offer and to seek progressive improvements in those rail services over the period of the contracts.

Mr WELLINGTON: Minister, could you outline to the Committee the income that Queensland Rail plans to receive during the current financial year from the transport of livestock? And do you acknowledge that the State Government has a community service obligation in the provision of this service for rural Queensland?

Mr BREDHAUER: The total tonnage of livestock carried in 1998-99 was 355,000 tonnes, and the revenue from that was \$18.1m. Livestock carriage is an important part of our operations. We have invested heavily, for example, in the construction of the 300 K wagons, which is being undertaken by the Townsville South railway workshops, which is providing new rolling stock for the cartage of livestock. It is also providing secure employment, I might say, for QR employees at the Townsville South railway workshops, which is an additional benefit, if you like, in terms of securing that employment.

We recognise that Queensland Rail has a responsibility to providing freight services for industry. It is a critical component of QR's operations that, where our rail network links to regional communities, we continue to seek to upgrade our capacity to carry livestock and other freight and to deliver it in an efficient and cost-effective manner. Queensland Rail is investing in improvements to things like rolling stock and rolling stock capacity so that we can deliver the kinds of services which industry expects.

I might say that livestock haulage over the past financial year—as is true of our freight carriage in general—achieved record levels. Queensland Rail carried 120 million tonnes of freight in the last financial year, which is a record. It also carried about 104 million tonnes of coal as part of that 120 million tonnes of freight, which is a record for a single commodity rail haulier anywhere in Australia and puts us at world's best practice in terms of our freight capacity.

So the contribution which we make and the services which we offer to the livestock industry recognise the importance of those industries in regional and rural parts of Queensland, and where our rail network allows us—associating across the freight logistics chain, where we can work with other operators—we seek to provide the best and most efficient services that we can to people in the livestock-carrying industry, as we do in all other elements of our freight.

Mr WELLINGTON: Minister, you referred to world's best practice. Are you planning to improve watering and spelling facilities provided for the transportation of livestock by Queensland Rail from north Queensland to the south-east corner of Queensland where a number of abattoirs are located?

Mr BREDHAUER: This is about the watering?

Mr WELLINGTON: Watering and spelling facilities for livestock which are being transported from north Queensland in one continual movement to the south-east corner of Queensland.

Mr O'ROURKE: Queensland Rail has a number of spelling locations around the State. A major spelling location is Julago in the north. We have been reviewing those practices over some time. About three years ago, we introduced a new service for livestock, Cattletrain, which had a number of livestock people in various locations—customer care officers—and their duties were to inspect cattle en route. We have those in key locations throughout the State.

In terms of spelling cattle coming from the north—we spell them at Julago and then we review that situation. We believe that it is more effective in terms of providing better services to our customers to bring livestock directly from the north—from Julago—through to the southern abattoirs—through to Dinmore. That process is one that has been supported very much by our customers. The cattle are arriving in much better condition, we believe, than if they had taken another spell at Bajool. Also, those guidelines are very much in line with those of the DPI and the RSPCA, with which we have very close contact. These services are provided in response to customer requirements. The cattle are arriving in good condition. We have been trialling those services for about the last 12 or 18 months, and they have been extremely successful. Our customers are very happy with the services that we are providing in transporting livestock from the north into south-east Queensland.

Mr BREDHAUER: I think the important thing is that it is about striking the right balance between making sure the cattle arrive in good condition and treating the cattle as people would expect us to—with the care and concern that people would expect us to treat the livestock that we carry through Queensland Rail—and ensuring that we do that in the most efficient and cost-effective way possible to the benefit of industry.

Mr WELLINGTON: If I could just follow up with one further question—Minister, you may like to take this on notice. Are you aware of the number of deaths of animals which have been transported by Queensland Rail since this new trial?

Mr BREDHAUER: Not off the top of my head.

Mr O'ROURKE: My advice is that the death rate has been minimal; it has been quite small. Our customers are well aware of the issues, and they believe that the services we are providing for them are good practice. The death rate is very, very small.

Mr BREDHAUER: I think the reality of moving livestock is that, from time to time, you do have livestock casualties, and that can occur for a variety of reasons. But we are intent on offering services which provide the best possible capacity for us to shift livestock. That is part of the reason why we are undertaking this significant investment. We are spending \$15m on the new 300 K wagons that are being constructed in Townsville. And part of the reason for investing in the new rolling stock is that it helps to improve the condition of the cattle when they arrive at their

destination if they have been transported in the new wagons. We take those responsibilities very seriously. As Vince has indicated, the casualty rate is minimal. There is always the expectation of the potential of some stock losses in transit, but we do our best to make sure that we do not contribute to those losses in any way.

Some additional information has come to hand. In addition to the watering points and spelling points which Vince has mentioned, cattle are also inspected at Mackay, Rockhampton and Gympie. If we find that stock appear to be suffering stress, we take them off the trains and we provide water and spelling for them as may be required. So, in addition to the formal watering and spelling places, condition inspections of the stock are undertaken in those other three places. We inspect stock on a regular basis and if we find evidence that stock are in bad condition or are travelling poorly we try to do something about it.

The CHAIRMAN: Minister, what is the extent of the Government's commitment to improve rail passenger services to north Queensland? You mentioned the Cairns tilt train. Can you give us some more detail about this matter? Can you also give us the budget implications for this new infrastructure?

Mr BREDHAUER: Thank you for the question. I live in Cairns in tropical north Queensland and my electorate stands to benefit from the economic benefits which will ensue from the development of the two new diesel tilt cars. The member for Gregory spoke about the specific financial viability of the Cairns tilt trains. What we tend to look at in Government, and the reason why we fund projects such as the tilt train project, are the wider benefits that such a project brings. There may be a cost to the budget for us, but if communities and tourism, and various other associated industries, can benefit from those services, then, whilst the return may not be directly to us, there are other people and industries in the community who clearly and significantly benefit from projects of that ilk.

We now have the contract with Walkers on which we will spend a total of \$138m in building the Cairns to Brisbane tilt train service. Just having the two new diesel tilt trains operating safely on the track—and the tilt trains can operate safely on the existing track—will generate significant trip saving times of the order of about four hours between Brisbane and Cairns. Independently, of course, the Queensland Rail Board, as a commercial decision—and this is the difference

I was pointing out before in relation to Queensland Rail's main line freight—has decided that it will spend \$240m on the track upgrade between Townsville and Rockhampton. That will mean track straightening and removing and replacing old timber and steel sleepers with concrete sleepers. This will allow our freight trains to operate at speeds of up to 100 km/h all the way through to Townsville. That track upgrade, for which we have allocated in excess of \$40m this year, will also provide significant benefits to the tilt train.

We are putting money into infrastructure in places such as Rockhampton and Townsville. We are putting money into regional economies such as Maryborough which will benefit from having the tilt trains constructed in that city. When the tilt train project is brought to fruition, we believe that the sorts of benefits that are now being experienced by communities between Rockhampton and Brisbane in relation to the existing tilt train services will be extended to communities beyond Rockhampton. We have seen monthly passenger figures, for example, which indicate that the tilt train has resulted in a 130% increase in the number of passengers using trains. We are about delivering those kinds of benefits to people throughout Queensland. So our commitment to regional Queensland through investment by Queensland Rail is second to none.

The CHAIRMAN: The time for Government-appointed members' questions has expired. I will now take non-Government members' questions.

Mr JOHNSON: Minister, I refer to the tender let to Visionstream for the roll-out of broadband telecommunication infrastructure using Queensland Rail's right-of-way announced in the Australian of 8 December 1998. What was the price of the successful tender by Visionstream?

Mr BREDHAUER: By way of introduction, I might say something before I get Bob to answer the question. We have sought to significantly improve the IT capacity for regional communities along the eastern seaboard. We have agreed to allow Queensland Rail, in conjunction with Visionstream, to effectively establish a band link between Cairns and Brisbane within our rail corridor. This will allow fibre optic cable technology to be significantly expanded and will provide IT benefits to communities right along the eastern seaboard of Queensland.

There are significant benefits to Queensland Rail in terms of access to four—I

think it is—of those cables which will enable Queensland Rail to operate and expand its technology capacities with the use of that cable network. There have been negotiations between Government departments concerning the securing of some work by Government departments for that network. The bottom line is that the Queensland Government is cooperating with the private sector venturer to deliver benefits to the people of Queensland. For more detail, I might ask Bob if he could add a few words.

Mr SCHEUBER: The arrangement that we have with Reef Networks is for that organisation to lay the cable. Queensland Rail is not being paid anything for the use of Queensland Rail's right of way. What Queensland Rail gets, as the Minister has said, is access to four dark fibres on a cable. It would be too expensive for QR, in its own right, to lay down such a cable. What Reef Networks gets is access to QR's right of way and what QR get is access to four dark fibres at a substantially discounted price in terms of what it would have to do if it went out and leased that access itself.

Mr JOHNSON: Minister, I refer to the five-year agreement with AAPT for the use of the so-called excess fibre optic cables of Queensland Rail published in the Communications Day of 9 August 1999. What is the remuneration for the Government as a result of this agreement and was this agreement reached through expressions of interest or as a result of an open and competitive tender process?

Mr BREDHAUER: At the outset, I might say that questions of that nature should more correctly be directed to the Minister for Local Government, Communication and Information, who has been primarily the responsible Minister. My involvement in the project has been because of the right-of-way issues associated with Queensland Rail. I have been happy for us to cooperate in this project. However, I suggest that the question should more correctly be addressed to the Minister for Local Government, Communication and Information.

Let me just say that the specific benefit to Queensland Rail, as Bob has outlined, is that in return for the use of the right-of-way we have secured services which we would have otherwise been unable to afford. Let me also say, however, that the significant benefits which will flow to regional communities along the eastern seaboard through improved access to technology have been a significant factor in the Government's decision. Beyond

that, I suggest that the matter should be referred to the other Minister.

Mr JOHNSON: I refer to the \$33m allocated to vehicle acquisition by Queensland Rail. This appears in the capital statement in paper No. 5 at page 90. I note that this is shown as an ongoing program. Can you indicate how this expenditure compares with last year? Can you also indicate how many of these vehicles are heavy vehicles and, in particular, how many are articulated vehicles?

Mr BREDHAUER: The short answer to that question is that I cannot answer it off the top of my head, but if we can get the information we will provide it to you straightaway. Last year the figure was \$39m; this year it is \$33m. It is an ongoing program. We are spending a little less this year than we did last year. In terms of the ratio of heavy vehicles to light vehicles—I will take that on notice and make the offer to get that information to the Committee as quickly as possible.

Mr JOHNSON: What were the patronage figures for Citytrain last year? How do these figures compare with the previous year? I refer you to MPS 1-7.

Mr BREDHAUER: We have had 3% growth. In the last financial year, 41 million was the total number of passengers that we carried. The figure for the previous year was 39 million. In effect, that is 3% growth. Part of the Citytrain contract is clearly about having a capacity to deliver certainty in financial terms to QR. We would be seeking to continue to grow our Citytrain passenger numbers over the coming years. The Integrated Regional Transport Plan has anticipated significant growth in public transport numbers across south-east Queensland over the next 25 years. As part of that commitment, we expect that Citytrain will play its part. The 1997-98 figure was actually closer to \$40m; it was \$39.9m. The 1998-99 figure is \$41.1m. That is projected to grow in 2001-02 to \$45m. We anticipate that, over the next four years, there will be significant growth in the Citytrain passenger patronage.

I think the other important thing to realise is that we at Queensland Transport, in conjunction with QR and our friends at BT, are also looking at ways to enhance the integration and efficiency of services that we operate across the public transport network in south-east Queensland so that we can achieve greater synergies to deliver better public transport outcomes and get more people out of their privately owned motor vehicles in south-east Queensland and onto

public transport or other forms of less-polluting and less-congesting transport. I know the member for Mount Ommaney has problems with congestion on the motorway in her neck of the woods. She writes to me about it often. We are looking at promoting walking and cycling. We are very serious about promoting public transport, which should enable us to promote the number of people using the Citytrain network.

Mr JOHNSON: I note that funds have been provided for the upgrade of the security of rail passengers. I might say that I travelled on the Gold Coast train on the weekend. I applaud the number of security officers on that train to and from the Gold Coast.

I refer you to the Departmental Services Budget Paper No. 4, page 66. Can you advise whether there has been any contract let for the provision of the duress buttons in question?

Mr BREDHAUER: As part of our Safe Station program, we are spending \$35m over five years upgrading safety on railway stations. I think the important thing is that in this year's budget we have a \$5m allocation to continue that program. I welcome the comments by the member for Gregory about his positive experiences on a recent trip on the Gold Coast railway. When I talked before about trains I said that if we provide comfortable, efficient, safe and secure public transport—trains in particular—people will use them. We recognise that that is a significant issue. We are rolling out the Safe Station program, which is investing in CCTV. We have guardian trains operating on a regular basis. We have the rail police security, which we are working to enhance significantly. We have an agreement to go to 50 in terms of police who are actually working with QR on trains and around railway stations. For example, at Beenleigh in the electorate of the member for Waterford I had the opportunity to open a railway station police centre late last year. Those are the kinds of initiatives that we are undertaking, as well as our own rail protective security unit, to ensure that passengers can use trains safely.

In respect of the duress buttons, no tenders have been let. We expect to go out to tender on that program in the not-too-distant future. Collectively, it is all part of our commitment to try to provide safe and secure rail travel for the patrons of QR. I think it is significant that we have been able to improve the safety. We have reduced the incidence of things like graffiti on QR property in recent times. The parliamentary Travelsafe Committee has conducted a couple of inquiries into security matters associated with

QR and the Citytrain network. We have worked quite closely with the parliamentary Travelsafe Committee on those reports and we have worked to implement those recommendations. Across QR and the Citytrain network there is a raft of initiatives that we as a Government are very serious about pursuing so that, to the greatest extent possible, people can enjoy safe, secure and comfortable travel any time they get on one of our Citytrain operations.

Mr JOHNSON: I refer you back to that question. In relation to that tender process, do you have any idea how many people tendered for the duress buttons?

Mr BREDHAUER: We have not gone out to tender yet. We will be going out to tender in the near future. I cannot predict how many people might submit a tender.

Mr JOHNSON: You mentioned the rail police initiative. I think that is a fantastic initiative. How many more of those operations do you plan to put in place around the rail network in Brisbane working in conjunction with the Queensland Police Service?

Mr BREDHAUER: At present Beenleigh is complete. The existing program is to provide similar services at Petrie, Manly and also Redbank. We will have four of those railway police stations. In addition to recognising the important role that those railway stations play, it is the actual personnel who are important. I think the commitment that we have to increase to 50 the number of police who are operating with QR is a significant contribution. I welcome the cooperation that we have had from the Minister for Police and Corrective Services, Tom Barton, and also the Commissioner of Police, Jim O'Sullivan. I know that my CEO for QR, Vince, and Jim take very seriously their responsibilities to work together to provide the safest possible network of Citytrain that they can. It is not just a matter of having the stations; it is a matter of having the police on trains and patrolling the stations from time to time.

Two years ago we had 18; now we have 46. We have moved a long way towards achieving our target of 50 already. That is in conjunction with things like the safety zone concept, which is operating on stations. We are trialling that on the Ferny Grove line. We will roll it out after we have had a look at that trial. The CCTV installation will be rolled out in the future. The emergency call buttons are being used on urban stations. We are about to trial the personal duress buttons that you mentioned. We are improving communications between drivers and guards on trains.

These are all initiatives that we have undertaken in recent years through QR and which we are continuing to roll out in order to improve safety and security for patrons of the Citytrain network—even basic things like improving lighting at stations and in railway station car parks. Those kinds of things are often relatively low investment items but the important thing is that they improve safety significantly. The support of the police comes not just from the actual numbers but also, for example, we have the situation where their district agrees to release them to work with QR, and then there is specific training for those people in the operations of the QR network.

Mr JOHNSON: Just continuing on with the security measures provided by Queensland Rail on the urban network, can you advise the hearings precisely what the Government's intentions are and what Queensland Rail's intentions are in relation to further security of car parking on that network? Also, what sort of an advertising program are you currently undertaking in the print media and in the electronic media to provide the general public with the knowledge of how secure this system is going to be in the future?

Mr BREDHAUER: The whole Safe Station program is at a cost of \$39.5m. That is the project in its entirety, and it is \$35m—

Mr JOHNSON: What period is that over?

Mr BREDHAUER: I am about to say, it is \$35m covering a period from 1998-99 until the end of 2002-2003. \$32m of that is to be funded from the State Budget, with the balance of \$3m representing QR's contribution to the project. You might recall that this was an election commitment given by us when we were in Opposition. So this is about delivering on our election commitment.

This year's budget has \$4m from the State Government's contribution and \$1m from QR. So the total expenditure on the Safe Station program in the current budget is \$5m. That will be spent expanding the safety zone concept at stations and further implementing the CCTV. The installation is complete at 116 Citytrain stations; 53 EMUs out of 88; plus all 10 IMUs are equipped with CCTV; 10 EMUs have also been fitted out with new guard monitoring equipment and an extension of the camera coverage is planned in 1999-2000. We have help points for emergency use. All urban stations will have help points. Emergency telephones will be installed at 142 stations. As I have mentioned already, we have concluded the trialling of the personal duress button systems and we are moving to the tender stage in the not-too-distant future.

We are improving lighting at stations and access and safety fencing—those kinds of things. As John just advises me, we are also expanding and improving the lock-up facilities at car parks.

Of course, when we invest in new park and rides—for example, as we are soon to do out in the Goodna area—then we will incorporate these safety elements as part of the investment in those new facilities. So there is a significant capital investment by QR and by the State Government in providing safe and secure public transport on the QR network.

Mr JOHNSON: Minister, as I just said, in relation to advertising to the general public to encourage more people to use the network, is any money going to be used for that type of program?

Mr BREDHAUER: Basically, QR does that as part of their promotion of the services that they offer. So that will be part of QR's promotional budget. I do not have a specific figure that will be allocated, but I can assure the member—

Mr JOHNSON: That program will be ongoing, though? I am trying to be constructive here.

Mr BREDHAUER: Yes. There is an ongoing program—

Mr JOHNSON: You do not want me to be negative all the time, do you?

Mr BREDHAUER: I thank the honourable member for his support and assistance on this and other matters. The point is that, yes, QR will be continuing to advertise the services and the quality of the services that they provide. Just briefly, I will give you the major park and rides on which money will be expended this year: the Redbank park and ride, a total of \$250,000 will be spent this year; at Banoon, \$79,000; and at Edens Landing, \$390,000.

Mr JOHNSON: Thank you, Minister.

The CHAIRMAN: The period for non-Government questions has expired. We will now proceed to Government members' questions. The member for Mount Ommaney.

Mrs ATTWOOD: Minister, does this 1999-2000 Budget provide for any enhancement of rail services to the Sunshine Coast in particular?

Mr BREDHAUER: Thank you. I appreciate this opportunity to say that the Sunshine Coast rail services in particular have been an issue that has occupied a considerable amount of my time over the past 12 months or so. There have been regular representations by the member for Nicklin in particular, and I

acknowledge those. In fairness, I think that the member for Nicklin and the people of the Sunshine Coast have a right to expect that their Government will continue to seek to improve services.

We are looking at a variety of ways in which we can improve public transport services for people throughout the Sunshine Coast. We have some limitations because of the availability of rolling stock and because of the capacities of the existing track. Without further expanding the number of tracks on which we can operate, there are some constraints which come as a part of that. Through the Citytrain contract negotiations, which I mentioned previously, we have signed a seven-year, \$283m per annum contract for Citytrain services. As part of that budget, \$1.25m will be spent enhancing public transport services to the Sunshine Coast in particular, through the provision of additional daily rail services and the introduction of the new rail/bus link between Nambour and Caboolture.

Additional rail services were introduced by Citytrain for the Sunshine Coast region on 26 July. So people in the area will know what they are. From 1 November, a shuttle bus service will be introduced to operate to all Citytrain stations between Nambour and Caboolture at hourly intervals. The coordinated shuttle bus service will operate between 6.30 a.m. and 7.30 p.m. and connect with the Citytrain rail services at Caboolture. We also have further rail services expansion planned for 2000—an additional weekday morning peak service extension departing from Nambour at 6.25 and an additional weekday evening return shuttle service between Caboolture and Nambour, one in each direction.

So we are looking to continue to expand the capability of rail services and, as I say, to be a bit innovative and imaginative. I really do thank the member for Nicklin for his support for this and the fact that we have been able to improve those services. Of course, we have longer-term plans as well to improve public transport services throughout the Sunshine Coast. So it will not just be the people who live near the existing railway line between Caboolture and Nambour who will benefit in time from the enhancement to services. An additional \$1.25m has been allocated as part of that rail contract to provide those services, particularly the rail/bus program from 1 November.

The CHAIRMAN: Minister, I ask you to outline the recent major contracts that have been awarded by Queensland Rail to the major rail manufacturers in Queensland,

including Walkers at Maryborough, Goninans in Townsville and Queensland Rail's own Redbank workshops.

Mr BREDHAUER: This is an important question, because we have significant rail engineering expertise and capacity throughout regional parts of Queensland. Walkers has become famous in recent times in Maryborough, and rightly so, for the capacity that it has shown to deliver innovative and successful projects like the tilt-train project. It should be known to all members of the Committee that there are other significant players in the rail engineering and construction area. Those companies are supported in regional areas in particular by Queensland Rail. They win contracts and by so doing get business from Queensland Rail. In that way, we are able to contribute to economic development and employment growth in regional centres.

Recent contracts won by Walkers, Adtrans at Maryborough, for example, have included \$45m for the four IMUs for the new airport-city link. That contract was awarded last year when we announced that the airport-city link project would get up and running. Of course, Walkers also has the \$138m contract to build the new Cairns to Brisbane tilt train.

Some of the recent contracts that Goninans, which is based in Townsville in north Queensland, has won include, in 1998-99, a project for 810 bogies and six-wheel sets for the 80 tonne gross container wagons, valued at \$15.3m; 220 VSA coal wagons valued at \$20.4m; and in 1999-2000, 150 VSA coal wagons valued at \$13.5m. The Redbank QR workshops have won recent contracts including 400 new container wagons at a cost of \$28.5m, an upgrade of 319 container wagons at a cost of \$5.5m and 100 VSA wagons at a cost of \$9m. The workshops at Rockhampton are doing the KDD retrofit and wagon upgrade at a value of \$37m. As you can see, work is being provided by QR through the contracts that are won by those companies throughout Queensland. Last financial year, EDI at Sherwood and Maryborough won a contract for 136 bogies at a value of \$2.7m and another contract for 206 bogies, valued at \$4.1m.

We are putting significant resources into regional areas, which will enable us to ensure that those regional areas share the economic and employment benefits that come from the significant infrastructure program that will be undertaken by QR.

Mrs ATTWOOD: Queensland Rail has been reported as being involved in a major rail

contract in Hong Kong. Does this have implications for Government funding now or in the future?

Mr BREDHAUER: I think this is a great news story. QR has been part of a consortium with KCRC, the Kowloon Canton Rail Corporation in Hong Kong, to build a new railway track there. The total project value is \$A86m. QR is joined in this joint venture by Chun Wo Construction and Engineering and Henri Vichey Construction Company, both from Hong Kong, and the China Railway Construction Corporation of China. This project is about building 30.7 kilometres of track. When I was in Hong Kong with Vince a little while ago, I learned that the kind of money that they are spending on railway investment and upgrades in Hong Kong, which is a small place, is quite mind blowing. I think it was in the order of \$A10 billion that they are spending on track upgrades.

Not only does this project impose no cost on the taxpayers of Queensland, it should actually return a dividend because it is a commercial operation by QR. We will be lending project management and on-site technical expertise. We will be training track maintenance staff from the Kowloon Canton Railway Corporation. We will also be assisting with operational maintenance manuals and those kinds of things.

This adds to the other successes that QR's consulting services have had previously. We won a contract through the Asia Development Bank to assist with some work in Uzbekistan, so QR people will be working in Uzbekistan. We are also part of a consortium that has a bid in for some work to help with the revitalisation of the State Railways of Thailand. I took the opportunity to visit Bangkok with Vince on that occasion to promote our capabilities.

QR is demonstrating not only that it has the capacity to run efficient and effective rail services in Queensland, but also that it is capable of competing on a national and international stage. I have to say that the reputation that QR is gaining for itself in Asia, in particular, and through its partners in some of those projects on an international basis also, will stand not just QR but the people of Queensland in good stead and we will all have the capacity to benefit from that.

I conclude by saying that at a national level, QR has recently established the National Development Unit and David George has been appointed to head that unit. We will be actively seeking business at a national level, as we have been actively seeking it at an

international level, so that we can promote QR's capabilities both nationally and internationally.

Mrs ATTWOOD: Minister, given the Government's commitment to jobs, what will this budget support in regard to employment and training initiatives with Queensland Rail?

Mr BREDHAUER: Probably the most important thing we have done in terms of sustaining employment in QR is to agree to fully fund the community service obligations. That additional \$200m gives certainty of funding. Contracts will flow from that, one of which has already been signed and the balance of which are still being negotiated. The kind of certainty that will be generated by signing those contracts and giving funding certainty to QR over the seven-year term of the contracts is probably the most significant thing we can do in terms of securing future employment for the maximum number of QR employees.

QR and its work force have had to face many challenges in the last nine years, as the roughly \$6 billion worth of investment that has been undertaken by QR across its network has reformed and required change within the workplace. There have been some real challenges, but, by and large, I think that they have been met by both the organisation and its workers in a way that has not been problem-free, but has enabled the organisation to achieve some of the things that I have mentioned already today.

I am particularly pleased at the role that QR is playing in our jobs initiatives programs in Queensland, particularly under the Breaking the Unemployment Cycle program. It would be interesting for members of the Committee to know that in the last financial year, Queensland Rail employed 150 apprentices, which makes it one of the major employers of apprentices anywhere in this State. I guess other departments like the Department of Public Works and Housing are also making significant contributions, but QR would be one of the biggest employers of apprentices, if not the biggest employer of apprentices, in Queensland. That is a role that QR has had over the years. The slowdown in apprentice employment has been reflected in QR in the past, as it has in other industries, but we really need to make that commitment. QR has also provided an additional 100 traineeships, which is a major contribution.

Because of changes to the work practices and the workplace in QR, it has been necessary to help to retrain workers. Significant investment has been put into providing training

opportunities for the existing work force, as well as the new people who are coming through. QR is also one of the most significant employers of railway engineers anywhere in the country. That is another major contribution that we make to maintaining employment and providing apprenticeships and training, especially for young Queenslanders.

The CHAIRMAN: Government appointed members have advised me that they do not have any further questions for Queensland Rail. At this stage, we will terminate Government questioning. We will now take non-Government questions in order to let Mr O'Rourke go as soon as is convenient.

Mr JOHNSON: In relation to the Townsville Railway Station, last year your Government promised that this facility would be relocated. What are the latest developments in relation to the Townsville Railway Station?

Mr BREDHAUER: In relation to the Townsville Railway Station, at the moment we are undertaking a planning exercise which will basically enable us to determine the best site for relocation of the railway station. We made a commitment prior to the last election that we would provide for relocation of the railway station. There are a couple of reasons for that. People would be aware that Townsville is currently being supported by the State Government and the city council in undertaking a major urban renewal project in the CBD area. As part of that, I think there is general consensus that it would be desirable to remove the rail loop which currently brings people into the Townsville Railway Station. We made a commitment that we would shift the railway station. Initially, the preferred site was thought to be Reid Park. But having spoken to people in Townsville, I think it would—and this is the process we are undertaking now—be appropriate for us to have a planning exercise which determines what the best location would be.

Our primary focus here is twofold: it is to provide first-class, up-to-date facilities for passengers of Queensland Rail who are using the Townsville station. There is a letter to the editor of the Townsville Bulletin from Mayor Tony Mooney today which talks about his commitment on that basis. I welcome his support. I acknowledge that he is correct in saying that it is primarily our responsibility to make the decision and to run the program, but I do welcome his support. He makes the comment that people in Townsville and visitors to Townsville have put up with substandard passenger rail facilities in Townsville for some

time. We are determined to address that, but we want to do that in a way which contributes to the overall benefit of Townsville generally.

The final decisions have not been made, for example, about whether that would also include the relocation of QR's administrative network in Townsville. It may well be that the existing railway station in some form is retained and that the administrative headquarters of QR stays there and that we shift the station component and the passenger facilities to some other place. The funding is available in this Budget through our normal planning processes to enable us to undertake the kind of planning that we are currently engaged in, and in the Forward Estimates we have allocations of \$2m next year and \$10m the year after to effect the change. There has been a bit of a campaign in the Townsville Bulletin saying that it is a bad decision. But we want to work with the people of Townsville to deliver first-class facilities and contribute positively to the redevelopment of the CBD so that we get the best possible outcome for the people of Townsville. The support of local members such as Mike Reynolds and Lindy Nelson-Carr is critical to that.

Mr JOHNSON: Can your Government guarantee the full retention of the current Townsville South rail yard and is it correct that a substantial portion of the existing rail land will be required to provide enhanced rail services to the port of Townsville?

Mr BREDHAUER: In relation to the existing Townsville South railway workshops, over the past 14 or 15 months since I have been the Minister, we have continued to provide sufficient work there so that we can maintain the viability of the Townsville workshops. A commitment has been given to relocate the workshops to Stuart and we are currently reviewing that commitment in the context of the needs of QR in Townsville and in the context of progressing that election commitment. But I have to say that we are an active player in the CBD redevelopment. It may be that that existing QR land—in fact, it is a given now—will be part of that CBD redevelopment. We are working with the Townsville CBD Redevelopment Task Force as an active partner in that process. QR is an active partner in that process. We are also undertaking a study to improve access to the port of Townsville. That is critical to the future growth of the capacity of the Townsville port.

But I need to say that at this stage no final decision has been made in respect of a preferred corridor for the long-term access to the port of Townsville. In the not-too-distant

future, I will personally be launching the next stage of the port access study for Townsville. It is taking some time to work through, but it is such a significant long-term issue for the people of Townsville and particularly for the port of Townsville that, in my view, it is worth investing the time and resources now to make sure that we get the correct outcome that can guarantee the best possible access to the port of Townsville. Certainly, no decisions have been made in respect of the future improvement of access to the port of Townsville which may affect QR land at the Townsville South railway workshops or anywhere else, because we have not actually finalised the preferred corridor for access to the port. No decision has been made there. Clearly, there would be full consultation with the community. QR would be involved if its land was affected by the future port access.

This is a cooperative effort, again, between State Government agencies, including QR, the Townsville City Council, the Townsville Port Authority and the community, which I believe has a role to play. Our local members there are very active in promoting the needs of their constituents, especially the member for Townsville.

Mr JOHNSON: Do you have an agenda to relocate the Townsville South yard in the long term? Can you also give a commitment that those railway workshops in Townsville will continue to be maintained in their entirety as a stand-alone operation?

Mr BREDHAUER: If you relocated the yards, you would not give the commitment to maintain them in their entirety in their existing location.

Mr JOHNSON: I reiterate the question: do you have a long-term plan to relocate the yards and can you give a commitment that, if they are relocated, it will be left as a stand-alone workshop facility in Townsville?

Mr BREDHAUER: Prior to the last election, we made a commitment to spend \$20m relocating workshops to Stuart. I mentioned that in the answer to your previous question. In conjunction with Queensland Transport and Queensland Rail, I am currently reviewing the implementation of that election commitment. There has been a significant investment in the Townsville South railway workshops in recent years, as you would know, including in your time as Minister. I acknowledge the support that you have given the people at the Townsville South railway workshops over time. The important thing to recognise is that they are foremost in my mind when it comes to these issues. I want to make

decisions in relation to the future of the workshops in Townsville that guarantee secure employment for the maximum number of QR workers in that area. The commitment that we have given, though, was to spend \$20m relocating to Stuart. We are working through the conditions that could be associated with such a move. All I can say is that, if you spend \$20m relocating to Stuart, you are not going to maintain all of the existing facilities. They are the exact issues that we are currently trying to work through before we make any final decisions.

Mr JOHNSON: So you cannot guarantee that the existing complement of people employed in QR workshops will be maintained in the future?

Mr BREDHAUER: We have had discussions recently with the Townsville South railway workshops in relation to likely future employment levels. We believe that we have a responsibility to those workers generally to make sure that they are aware of what the employment projections are into the future. There are currently 280 people employed at the Townsville South railway workshops. In our discussions we have flagged that in about five years' time QR, according to its current work program, would see a need for about 220 people employed at the Townsville South railway workshops. My understanding is that we have worked through these issues with local employees. Bear in mind that we have recently negotiated a new voluntary early retirement package and that all of the commitments we have made in the past about no forced redundancies and relocations exist. We have a package that can help people who seek redundancies, where that occurs. You can actually reduce your overall work force numbers through a process of natural attrition, where that is opportune.

So we have actually discussed with them figures of around about 220 employees in five years' time. We try to give them a commitment so that they have certainty about where they are heading over the next few years. I make a very strong personal commitment to QR employees everywhere that we will work with them honestly in helping them to reach an understanding of what QR's employment targets are across the network. Have we got those vehicle numbers? I could just give you those.

Mr GRALTON: They were last year's.

Mr BREDHAUER: Okay. We had the vehicle numbers for last year. I was going to get you the vehicle numbers for this year. There were 94 trucks. This is in relation to the

AAPT issue. With your agreement, Mr Chairman, I might get Vince to answer that.

Mr O'ROURKE: I just add some additional information. As you said, QR went out for expressions of interest in terms of the commercialising of our QR telecommunications. We had the issue that you have already discussed—the Reef Net fibre-optic cable response to Cairns. Later AAPT approached us regarding use of our networks in the Brisbane metropolitan areas, specifically on the Gold Coast. We have concluded a commercial arrangement with AAPT. Mr Mackenroth's department was across that issue. I just wanted to provide some additional information for Mr Johnson.

The CHAIRMAN: The non-Government appointed members have advised me that they do not require QR staff for any further questioning. We thank Mr O'Rourke and Mr Scheuber for their attendance. At this point we will return to Government members' questions. Recent and proposed enhancements to the port of Brisbane are seen as being integral to the progression of the Brisbane Gateway Ports Project and the Australia TradeCoast initiatives. Could you please outline the achievements of the Port of Brisbane Corporation in attracting new trade to the port and the future plans for investment in the Fisherman Islands precinct, which of course is proudly within my electorate of Lytton.

Mr BREDHAUER: Thanks for that question. I note particularly that the Chairman, as the member for Lytton, has an abiding interest in matters down at the port and is a regular visitor to and correspondent with my office and is in contact with my office about matters relating to the port. It is one of the most significant employment generators and industry generators for the whole State of Queensland. The representation which the member makes in respect of issues down there is always appreciated. I should also mention that the Deputy Premier, Jim Elder, as the Minister for State Development, has taken a very hands-on approach in relation to issues down at the port in his capacity and we work very closely together in promoting issues down there.

The Australia TradeCoast is a partnership between the port of Brisbane, the Brisbane Airport Corporation, the Department of State Development and the Office of Economic Development, representing the Brisbane City Council. Essentially, they are proposing to promote up to 1,000 hectares of prime industrial land both nationally and

internationally which exists down there at the port and which has the capacity to provide industry and economic opportunities for the port and for the people of Queensland.

Just to give a flavour for some of the initiatives that have been undertaken there from 1 July last year, Sea-land began operating as a stevedore down there. That means that the Port of Brisbane Corporation is the first port in Australia to have three major stevedoring operations operating there. The relationship with Sea-land incorporates a centralisation of cargo through Brisbane rather than Sydney and Melbourne and provides opportunities for land bridging. The potential that Sea-land brings to the port of Brisbane is significant and will contribute to positioning Brisbane as Australia's leading gateway port to the Asia-Pacific markets.

During this year—1999—the port of Brisbane also became the first port in Australia with on-site facilities to pack cotton. This came about as a result of the partnership between the Port of Brisbane Corporation and Island Packing & Storage. It will significantly reduce transport and handling costs for the cotton industry and be a major benefit for both Queensland and New South Wales cotton producers and provide a seamless transition from the cotton gin to the wharves, which I think will be a major benefit for that industry.

Also during July of this year, Globex International officially opened its new bulk commodity export facility at the Fisherman Islands terminal which has a capacity for 60,000 tonnes of bulk product per annum. We have also seen plans for the future needs of the car industry, and Melbourne based motor vehicle importer Fleet Fit is to be the precinct's first tenant. Their operations are due to be completed this year, including 4,000 square metres of warehouse and 200 square metres of office space. These are the kinds of opportunities that the port of Brisbane is offering, and its contribution to Australia TradeCoast will stand our importers and exporters in good stead.

Mrs ATTWOOD: As you may be aware, I have contacted your office on several occasions regarding reports of delays in learner drivers being able to undertake practical driving tests. Why are there delays and what is Queensland Transport doing to reduce them in this budget?

Mr BREDHAUER: In relation to the learner driver issue, last year we introduced a new driving test called Q-Safe. We introduced the Q-Safe driving test because we were concerned to make the driving test as practical

as possible. So the Q-Safe test is about testing learner drivers in real driving situations. Under the Q-Safe test, it takes a little bit longer to undertake the actual practical tests.

I need to say that the Q-Safe program was devised after extensive consultation with the driver training industry, for example, and other stakeholders, including the RACQ and others with an interest. It is something which continues to enjoy the support of those agencies, notwithstanding the fact that we have had a few teething problems and it has caused a number of delays. We have recognised that these delays have occurred and our reaction to date has been to employ temporary examiners to assist in the roll-out period of the Q-Safe testing and to allow Queensland Transport to assess the impacts of the new test.

Since then, given that we continue to have some delays in the driver testing process, we have been back to consult with industry about how we can now improve the delivery of Q-Safe, and a package of initiatives has been prepared which will address the end-to-end process of driver testing and hence reduce waiting times. We will get involved in the engagement of short-term temporary driving examiners at selected centres because the load has fallen unevenly at different centres. Some places have longer delays than others. So we want to target resources specifically at those places where there are longer delays.

We are trying to streamline the testing process by modifying some aspects of the test, so we introduced the new Q-Safe test. Now that we have had some experience with it for a period of roughly 12 months, I guess, we are going back to have a look at the practical elements of the test. Where we can streamline some elements of that to improve its efficiency, then we will do that.

We are also streamlining test booking arrangements. One of the things that people do is book themselves in for a test at three different driver testing centres at the same time and they will only take one. Then you have someone who is booked for a test and they do not show up and, of course, you cannot bring someone in late. So we are going to look at the notion of a centralised booking service so that we do not have those kinds of problems. Finally, we have changes to motor cycle testing. We think that, if we can bring those on stream a little bit quicker, that will enable us to further address those kinds of delays. We recognise that there is an issue and we are working hard with our own employees and also industry to address it.

The CHAIRMAN: What is the current state of the South East Transit Project in terms of the total project budget and the anticipated date for completion of the project?

Mr BREDHAUER: The South East Transit Project has been an interesting one. I know that the member for Gregory, as the former Minister, had close association with this. I have to say that one of the things that has caused us some concern in terms of time and overall budget was the change to the alignment of the project through the South Bank area. That is a matter which probably the member for Gregory knows the history of better than I do. Eventually the South Bank Corporation and the member for Surfers Paradise as the previous Premier, in conjunction with the member for Gregory, made those changes. That has necessitated substantial additional work by our planners and by our design people and has, I have to say, put some significant constraints on construction issues and those sorts of things, as well as the matters we had in relation to land acquisitions, which were also a direct result of those alignment changes.

The project is, though, funded at \$520m. To date, contracts for \$294m worth of work on that project have been let. Detailed design is well under way on the remaining outstanding sections, which include the transit lanes between the Gateway and Logan Motorways. Construction of the busway is under way. If you travel over that side of town now you will see evidence of the construction significantly under way in that area. The reason we have to get a wriggle on over there is that we need the section to Woolloongabba to be complete by 13 September next year, when we have the Olympic soccer. One of our important imperatives in that project is that we have the busway linked to the Gabba so that we can provide better transport networks for people trying to access the Gabba for the Olympic soccer in September next year. That part of the project is well advanced.

We expect that the busway will progress on schedule, with a view to commissioning the busway in June 2001. We would expect that construction of the eight laning between the Gateway and Logan Motorways will commence in the early part of 2000. That is expected to be completed by the end of 2001. That is a significant project. Obviously we have work starting on the other side of town, on the inner northern busway, as well so that we can link those into an effective and efficient busway network for the people of Brisbane and surrounding areas.

Mrs ATTWOOD: In recent times you have made a number of statements concerning the provision of supportive infrastructure for public transport throughout Queensland Transport's transport division. What funding has been allocated in 1999-2000 for public transport infrastructure?

Mr BREDHAUER: This is an important commitment that we make. One of the things we do to try to encourage people to better use public transport is actually provide public transport infrastructure. We provide money for bus shelters, for timetables and for various other hardware so that people are able to get better and easier access to our public transport network.

We do this in conjunction with local government, although often I wish that local government would put their hands in their pockets a little bit deeper to help out with some of the cost. Local councillors are often in the paper claiming credit for the bus facilities that we have paid for. Particularly in the run-up to their elections in March next year I expect we will see a lot more of that. If we had a bit more support from them then our dollar would go further.

Fundamentally, we have allocated \$7m towards public transport infrastructure. I will list some of the major projects, because they demonstrate once again the regional approach we take to providing these services. There is \$1.5m towards progressing the bus station at Springwood; almost \$1m to further develop a new bus station at Capalaba, in conjunction with the Redland Shire Council, to effectively provide an anchor for the eastern bus system; \$600,000 to progress transit centre facilities in Rockhampton and Mackay; and \$90,000 to continue works on the Smithfield bus facility in Cairns. \$90,000 has also been allocated for a planning study for a future long distance transit centre in Cairns, which will be welcomed by both the bus industry and the tourism industry in Cairns. \$350,000 has been specifically set aside to improve roadside infrastructure in Bundaberg and to upgrade bus facilities at the Sugarland Shopping Centre.

\$1.25m is expected to be spent over a range of works in Brisbane, including bus priority measures. We have almost \$900,000 allocated to upgrade Park & Ride and bus patron pick-up facilities at Caboolture, Redbank, Banoon, and Edens Landing rail stations—I mentioned the individual details of some of those Park & Ride facilities—and \$260,000 has been put aside for planning studies at major rail/bus interchange sites.

Generally speaking, there are about another \$1m worth of minor works of kerbside infrastructure facilities and those sorts of things around the State. We make a major contribution towards providing public transport infrastructure which can help to provide and support the delivery of public transport services right throughout the State of Queensland.

The CHAIRMAN: Within my electorate there is a very strong transport options project study auspiced by the Queensland Council of Social Service. I am often approached by people, both from that organisation and generally, with disabilities and older people asking about what the Government is doing to improve accessible transport. What initiatives are proposed in this budget?

Mr BREDHAUER: I guess people in my department can attest to the fact that over the last 14 or 15 months the social justice component of the Transport portfolio is something which I have been a strong advocate for. People often think of Transport and Main Roads as a major economic and infrastructure portfolio, but it is fundamentally a social justice portfolio, about delivering services to people who need them. Some of the most needy are people with a disability, people who are elderly and people who have other access limitations, including people in rural and remote areas, whom the member for Gregory and I are most familiar with.

I think this is an important area. This year we will spend \$18.75m on increasing public transport accessibility for older people, the transport disadvantaged and people with a disability. \$7.6m will be spent by QR on projects including the installation of lifts and foot bridges, upgrades of existing ramps and modification of railway carriages as part of a \$48m project over seven years. This is long overdue in QR. We have significant disability access problems. As part of the Citytrain contract, QR will spend \$48m over seven years, including \$7.6m this year.

We will spend a little over \$3.25m to subsidise the purchase of wheelchair accessible buses across the State. This continues a program which has been under way for three years. We have given a commitment to continue that program, and that level of funding will continue for the next two years to facilitate the introduction of up to 165 new low-floor buses.

Queensland Transport will continue to develop best practice guidelines for kerbside infrastructure for distribution to local government this financial year at an approximate cost of \$200,000. Improvements

to public transport accessibility will also be extended to the taxi industry. Seven per cent of the State's taxi fleet is not wheelchair accessible. In most urban centres the composition is now 10% and up to 15% in Mackay. Brisbane will have 160 wheelchair accessible taxis by June 2000. The taxi subsidy scheme was extended earlier this year to include people with restricted walking and severe emotional disorders, and there are reciprocal arrangements throughout Australia. \$6m has been committed to maintain the scheme.

\$50,000 has been committed by QT to continue investigations into accessibility ramps for jetties and pontoons, for people who live on islands in particular. \$800,000 has been committed to maintain the 50% pensioner concessions for ferry services in Moreton Bay, Magnetic Island and the Torres Strait. Financial assistance of \$600,000 per annum through the School Transport Assistance Scheme has also been continued to the parents of schoolchildren disadvantaged through living in isolated and remote areas, and \$250,000 has been provided to continue the subsidisation of long distance bus operators in remote areas. I think that package amounts to a significant achievement for Queensland Transport in assisting people with transport access considerations.

The CHAIRMAN: What are the financial implications of Queensland Transport's plan for dredging to assist the State's boating public?

Mr BREDHAUER: Dredging is a really important issue with the significant amount of coastline that we have in Queensland. Our dredging program is one that we maintain a very strong commitment to. There is a shared responsibility, I guess, between Queensland Transport, the port authorities and local government. Our responsibility, basically, is to provide reasonable navigable access to public facilities in our Crown boat harbours. This is a major ongoing undertaking, as many of the harbours are situated in coastal rivers and bays, which are prone to siltation, especially after floods.

The department also administers a five-year program aimed at dredging common use channels, providing access to commercial boating facilities. Funds are, as you would expect, limited and only allocated to those projects generating high regional benefits. Port authorities are responsible for commercial shipping channels in ports, but several have management roles in boat harbours and provide dredging services based on user pays. Local governments also have a role in

dredging, but it is generally confined mainly to maintenance dredging in canal estates and dredging to facilitate flood mitigation and beach replenishment. Our allocation this year is approximately \$4.1m for 12 dredging projects along the coast of Queensland. So far this financial year, dredging has commenced at Cooktown and the Urangan boat harbour, with total budget allocations this financial year of \$240,300 and \$320,400 respectively.

Extensive dredging is also continuing in the Southport Broadwater, with a budget allocation this financial year of \$103,300. Further dredging projects in 1999-2000 include maintenance dredging at the Scarborough boat harbour, where \$414,000 has been allocated, and the new marine industries precinct in the Coomera River, with an allocation of approximately \$1m, and a new channel at Karragarra Island and Canaipa Passage with allocations of \$135,000 and \$368,500 respectively.

Mrs ATTWOOD: What provision has been made in the Budget to provide support for public transport operations? And what steps have been taken to ensure the continuity of funding and maintenance for all existing scheduled bus services?

Mr BREDHAUER: This is a major program for us. The amount of money that we spend subsidising public transport services around the State of Queensland is probably not well known. In fact, we spend over \$54m subsidising bus services through our bus contract system throughout the State. Just as an example, we are setting up bus service contract areas in places with a population in excess of 7,000, I think it is. That is the general rule. We made an exception in the case of the Whitsundays because there was a particular need there.

But through our bus service contracts, and the kinds of efficiencies and better operations that we are achieving through those contracts, we are getting major growth in public transport usage throughout the State of Queensland. Across the State as a whole, where we have these contracts in place, the increase in public transport patronage has been of the order of 3%. But in places like the Sunshine Coast, where the contract has been in place since 1995, we have actually doubled bus patronage on the Sunshine Coast since 1995 using the bus contract system. We go through processes of reviewing those to allow the companies the best opportunity to generate a return on their investment and to make sure that we are providing services where they are required. If you look at bus

service contracts throughout the State, you will find that significant growth has been achieved in public transport usage as a result of the cooperation between industry and the State Government.

As a result of the Transport Operations (Passenger Transport) Act 1994, on 7 November there was a cessation of the savings and repeal section, and that has some implications for operators. I need to assure operators—because operators are not covered by the service contracts or legislatively empowered—funding arrangements will be effectively deregulated and will not be eligible for subsidy funding from that time.

Queensland Transport has identified 25 scheduled bus service operators currently receiving subsidy funding who will be offered five-year commercial contracts following agreement being reached on service levels. While some of these operators will have five-year contracts finalised by 7 November, others will be offered temporary contracts for 12 months for the continued provision of existing services and the maintenance of the current levels of funding. So we are working to make sure that we have no interruptions or any unplanned threats to those services.

I give a guarantee that funding will continue to be paid after 7 November to all bus operators who are providing subsidised commercial passenger services for communities throughout Queensland. I reiterate our commitment—a record this year. \$54.2m will be spent by Queensland Transport subsidising commercial bus service contracts throughout the State of Queensland.

Mrs ATTWOOD: Minister, what is being done in this Budget to improve Queensland customer service centres?

Mr BREDHAUER: This has been another area that has been quite an issue for us. It has been the subject of questions on notice from the member for Gregory and other members in the Parliament. The customer service centres are an issue. I would like to place on record today my appreciation of the work that is done by Queensland Transport's employees in our customer service centres in particular and throughout our service delivery network. They are the interface, I guess, between our department and the Government and people who are accessing those services.

I also recognise that there has been considerable patience shown from time to time by members of the public who have experienced delays at customer service centres and call centres. Our employees at customer service centres have been under a

significant amount of pressure over the past six months, primarily because of the growth that we have experienced in business. For example, in May 1998, our telephone call centres received an average of 58,000 telephone inquiries per month—May 1998, about 15 or 16 months ago. Our call centres are currently receiving 132,000 calls per month. The growth there is phenomenal—more than double. Fifteen per cent of callers choose the automated information system to answer their inquiries, with the remainder requesting to be connected with an operator.

I know from experience in Emerald, for example, at the call centre there—I was there one morning with Vaughan when we officially opened it—people were ringing up with all sorts of inquiries; for example, they wanted to know when the next Qantas flight was leaving Rockhampton to arrive in Brisbane, and those kinds of things. Our transport people do try to provide as much information and advice as they possibly can, even though they may not be directly responsible for those services.

We had Dr June Dunleavy, who is an expert in call centre operations, review the services last year. We made some internal accommodations, which achieved around \$1m in additional resources internally to help out our call centres. We have achieved in this Budget an additional \$1m for our call centre operations, which will enable us, we believe, through implementing those recommendations, to reduce waiting times to two to three minutes. That will be substantially through the provision of additional staff. We have also found an additional \$2m for our customer service centres to address the problems there.

So the patience of the staff is appreciated. There has been a response in this Budget which will enable them to respond better to the needs of their clients. I also recognise the difficulty that some members of the public have experienced and hold out the prospect of improved and more efficient services in the future for those people.

The CHAIRMAN: Before I call the member for Nicklin, I advise that this will be the last Government question before we proceed to non-Government members' questions, and that will lead to the conclusion of the morning session.

Mr WELLINGTON: Minister, is there monitoring of the time that customers have to wait before they are connected on the call centres?

Mr BREDHAUER: Yes, and that kind of goes to the issue that I was just referring to.

We have had delays at our customer call centres in the last six months of up to 30 to 40 minutes. I appreciate that that really is unacceptable.

The other thing about call centres is that the level of business is not consistent; you go through significant peaks and troughs. For example, when people out there are on their lunch hour, say, between 12 and 2—and do not quote me on those figures—you will find that there is a significant increase in demand at our call centres at times like that. And for some reason lots of people want to pay their bills on Fridays. So there are times when there are significant peaks in the business, and we have had delays of up to 30 to 40 minutes.

I can appreciate that that is unacceptable and I do not make any excuses for that. It is not the fault of our transport staff. They work very hard. The difficulty is that someone has been hanging on the phone for half an hour listening to the prompts from the IVRU. The first thing our call centre staff have to do is spend five minutes calming people down because they have become frustrated and angry about the fact that they have been on the phone for so long. Because of the initiatives we have already taken, we have reduced those waiting times to around six to eight minutes. We have come from a high of 30 to 40 minutes. These waiting times have been caused simply by the volume of the growth in business which we had not anticipated. Effectively, with our call centres we believe that we untapped a significant latent demand in the community. People wanted services and could not access them directly through a customer service centre. Once these services were made available at the end of a phone the latent demand simply burgeoned. We have it down to six to eight minutes.

With the \$1m that we have found in this budget for call centres we hope to bring the waiting time down to around two or three minutes. There will also be more money invested in our customer service centres. John has just advised me that we have a system called Q-Matic which measures the amount of time that people have been waiting in a queue. I want a Q-Matic that gets people off the queue, not measuring how long they have been on the queue. I think in this budget we have made considerable progress in achieving some resources to help us do that.

The CHAIRMAN: We will now have questions from non-Government members.

Mr DALGLEISH: Minister, could you please inform me of the exact amount of funding that has been allocated to dredging

the Hervey Bay-Urangan Boat Harbour? Have any other funds been allocated for alterations to the harbour and, if so, how much?

Mr BREDHAUER: If you will just bear with me, I have that figure here. The figure I just mentioned was \$320,400, which has been allocated in this budget for dredging of the Urangan Boat Harbour. What was the other part of the question?

Mr DALGLEISH: Have any funds been allocated for alterations to the harbour and, if so, how much?

Mr BREDHAUER: We have responsibility for only certain of the dredging requirements in relation to the Urangan Boat Harbour. The Great Sandy Straits Marina also has responsibilities in relation to dredging. We have had ongoing discussions with Great Sandy Straits Marina about its contribution. Perhaps I could introduce John Watkinson, who is the director of our maritime division. John might like to say a few words on this matter.

Mr WATKINSON: We have some extra funding for Urangan, and that is over and above the amount that the Minister just quoted—\$330,000. \$120,000 of additional funding is going into what we call a siltation modelling program which is looking at the hydraulic effects of the flow of silt. What we are trying to do is ascertain how the silt is coming into the harbour and how we can stop it coming into the harbour in order to mitigate dredging. The other amount that we have targeted for this year is about \$133,000. This involves further consideration of the various strategies that you may have seen which Kinhill put out for public consultation some months ago. It includes about six different models. We are doing the two together. We are looking at the options that Kinhill looked at and we are also looking at the further options in terms of the benefits they are going to provide for the harbour.

Mr BREDHAUER: I have met with the Mayor of Hervey Bay on a number of occasions. I recognise that it is desirable that we come to some agreement about achieving a better outcome longer term for the maintenance of the Urangan Boat Harbour. Early indications from the Kinhill report were that a significant capital cost would be involved in undertaking an upgrading of that nature. Given that our budget for that kind of maritime infrastructure is limited, and the demands are not, we would need to work through a program. I am happy for us to continue to work with local government and other appropriate agencies in trying to achieve a long-term

outcome, mainly because of the significance of the whale-watching industry to tourism and to the economy of the area and to the fishing industry.

Mr JOHNSON: I refer to my question on notice No. 8 in which you have indicated that the number of hours for compliance have not been reduced. Could I ask you to refer to the output statement for road use management and the measure for the number of hours of compliance activity which is contained in the MPS at page 1-19? Do you agree that the target of 231,100 hours for this budget is lower than both the 233,592 hours target for 1998-99 and the 245,471 hours last year?

Mr BREDHAUER: My answer was that there would be no reduction in hours of compliance activity overall. That particular figure refers to compliance activity associated with specific target groups, and those target groups relate to mass safety issues and those sorts of things which I have previously identified.

A change is occurring in the way in which we undertake our compliance activities. For example, one of the things we are doing is that we are trying to spend less time on relatively minor breaches of compliance by issuing warnings and such things. If someone has a cracked tail light or a cracked headlamp protector, it is a relatively minor thing, but it is technically a breach. However, it is not life threatening stuff. Rather than spend a lot of time issuing an infringement notice to someone in those circumstances, it is preferable to issue a warning, not hold them up, and get on with the job. This is the compliance activity that is specifically related to those target groups. The advice I have received is that there will not be a reduction in hours with regard to overall compliance activity.

Another thing we are trying to do through our compliance activity area is focus on the front end of running educational programs and those sorts of things to ensure that we encourage people not to infringe the various heavy vehicle regulations. We are focusing some of our resources on the front end of trying to prevent people from causing us problems through speed management, overloading, safe driving hours and various other things.

That is not the complete picture, I guess, but by focusing on those serious areas we have been able to achieve the kinds of figures that I mentioned previously. I know from my discussions with you, and from public statements you have made as Minister and as the member for Gregory, that you agree with

me that most heavy vehicle operators are responsible operators who want to play their part. However, there are a few who break the rules. There are some who persistently break the rules, and they are the people whom we have to try to address.

Mr JOHNSON: I refer to the recent passage through the House of the road reform legislation. I refer you to Future Developments, MPS 1-17. With the support of the Opposition, the comprehensive educational campaign regarding the national uniform road rules is due for implementation on 1 December this year. Can you advise what provision has been made in the current budget for this campaign, what is the timetable and what it will consist of?

Mr BREDHAUER: \$650,000 has been allocated in the current budget for the education campaign for the national road rules. It is a very important issue that the honourable member raises. From 1 December, we will be implementing national road rules as part of the National Road Reform program that has been going on for a number of years. With a couple of minor exceptions, there will be nationally consistent road rules operating in States and Territories across the country. I think most drivers, including those associated with the transport industry, will appreciate that.

We intend to launch an education campaign about one month before they are due to be implemented. There will be a range of strategies undertaken through that advertising campaign. Many honourable members on the Committee will have seen the campaign that we conducted in relation to the 50 km/h speed limit in south-east Queensland. That involves print advertising, electronic advertising and the production of leaflets for wide distribution to the community so we can alert people to the implementation of the national road rules. We are working on that currently. Leaflets are being letterboxed. We are also producing a new driver's guide. One of the interesting things about the new national road rules is that, generally speaking, they reflect current Queensland law. There are only a relatively minor number of rule changes for drivers in Queensland. We undertake our responsibilities in that regard very seriously. There will be a handbook for drivers, the driver's guide. Between now and 1 December, we are planning to letterbox drop the State of Queensland with information about the new driving regulations. I will officially launch the advertising and education program about one month out from 1 December. We will try to attract as much attention to that as we can

media-wise as well as through our advertising program.

Mr JOHNSON: Is that program good for regional and remote Queensland?

Mr BREDHAUER: Yes. We will have particular strategies that focus on regional and remote areas. You know as I do the difficulties that people in those areas have. They do not get newspapers on a regular basis, but they do have the mail drop. We will try to get information about the changes to every household in Queensland so that people are alerted to them. It is a responsibility we take seriously.

I have to commend the support that we receive from the media. We get a lot of support. For example, the Courier-Mail through its Road Sense 99 campaign gives us a regular spot for our road safety information. On the road safety initiatives in particular, the electronic media give us very good support. With the cooperation and support of stakeholders—the RACQ, the Department of Transport, the Queensland Police Service and the transport industry—I think we will have a fairly comprehensive coverage of advertising information out there in the community about the new road rules.

The CHAIRMAN: We have time left for one very short question and one very short answer.

Mr JOHNSON: I note that the proposed super stadium at Lang Park includes the extension of the light rail system to Lang Park. As that involves an extension of the light rail network, when do you expect that the light rail system will be able to service Lang Park? When do you expect construction may commence?

Mr BREDHAUER: We are due to let tenders on light rail early next year. That is on a build, own, operate and transfer—BOOT—scheme. We will be talking to the consortia who have bid on the light rail project about our desire to include an enhancement to the existing spine of the network to incorporate Lang Park. I would anticipate that the light rail project is due to be developed and finished by 2001. Stage 1 is designed to be finished by 2001. We are trying to get the stadium at Lang Park up and running for the World Cup in 2003. I would expect that, when we have a definite program for the Lang Park stadium upgrade, we would be planning to have the transport initiatives undertaken at the same time so that, as soon as the upgraded stadium is operational, we will have the transport wherewithal to service it.

I will provide the figures in relation to the vehicles under the QR program that the member for Gregory sought. I am advised that in 1999-2000, in the forward budget, \$33m was allocated. It is anticipated that there will be 850 light vehicles, 10 buses, and 80 trucks. I do not have the tonnages on those trucks.

The CHAIRMAN: The Committee will now adjourn for morning tea. The hearing will resume at 11 a.m. with the examination of budget Estimates of the Department of Main Roads. On behalf of the Committee, I thank the Minister, the Director-General of the Department of Transport and his other officials.

Sitting suspended from 10.47 a.m. to 11.02 a.m.

The CHAIRMAN: I now declare the Committee's hearing open and I will ask the Minister to make a short introductory statement.

Mr BREDHAUER: I will. I thank the Committee for its indulgence, because this is specific to the Department of Main Roads. A key part of our commitment to develop a world-class transport system in this State is spending on roads. I am very proud to say that the Budget provides for \$1.01 billion towards the roads program, demonstrating a continuing commitment by my Government to improving Queensland's road system. The roads program includes Federal Government funded national highway projects, State-funded work for the State-controlled road network and assistance to local government for the upgrading of local roads as part of the Transport Infrastructure Development Scheme. The roads funding allocation will sustain jobs for 17,500 workers in roads and other industries supporting the road effort in Queensland.

My message is that there has been an overall increase in funds for roads this year, once account has been taken of spending on the Pacific Motorway project. The Opposition has made various claims regarding the level of road funding in this Budget, which has caused unnecessary concern in rural and regional areas across the State. Treasury has a new definition of capital works such that maintenance funding, either routine or programmed, is no longer included in the capital works document. Therefore, the capital works figures in the 1999-2000 Budget does not include maintenance funding. Opposition members are comparing apples with oranges if they compare the capital works figures in the 1998-99 Budget, which did include maintenance funding, with capital works funding in this year's Budget, which does not.

Full details of all the Main Roads projects will be contained in the 1999-2000 Roads Implementation Program. I expect that we will finalise the RIP for release in November—timing consistent with previous years. I want to make it very clear before this Committee that those projects last year, which we said we would do in 1999-2000, will be undertaken.

On a more positive note, I am very pleased to report that, despite periods of prolonged wet weather, in 1998-99 Main Roads delivered its largest ever annual roadworks program in Queensland's history: \$1.158 billion in accrued works, including \$56m of works advanced from 1999-2000. Road funding in 1999-2000 is building on this achievement notwithstanding that, as planned by the previous Government, spending on the massive Pacific Motorway project will decline as it nears completion. My Government's commitment to regional and rural Queensland is reflected in the 1999-2000 roadworks program, which includes \$194.3m for the Pacific Motorway project; \$555.3m for other State-controlled roads; an estimated \$158m from the Federal Government for a national highway system and \$7m for the Federal black spot funded works; \$96m for other road programs, including \$49m for TIDS for roadworks on local government roads; \$19m for natural disaster relief; and \$9m for motorway land acquisition.

Road funding will help local governments in rural and regional Queensland by assisting with local jobs and local economies. Funding in 1999-2000 includes an ongoing allocation of \$30m per annum for the Rural and Regional Roads Improvement Program to assist with key road infrastructure needs supporting rural and regional development, population growth and industry development throughout Queensland. We consider that the roads program is an economic engine driving jobs and economic development and is a key part of the Government's Capital Works Program.

Having concluded my introductory remarks, I introduce those people who have joined me now from the Department of Main Roads: to my left, my Director-General of the Department of Main Roads, Jim Varghese; Don Muir and Karen Peut; and to my right, Neil Doyle and Lindsay Cunnington. There are other people from the department who are available to assist if they are required.

The CHAIRMAN: Thank you. I will call the member for Gregory.

Mr JOHNSON: Thank you, Mr Chairman. It is great to see the familiar faces of Main Roads. I note the answer provided in response

to question on notice No. 2 regarding road funding. I must admit my surprise that you are unable to provide a valid comparison between the capital expenditure proposed this year and last year for the Roads Implementation Program. Minister, will the State funding to local authorities in real dollars be more or less than last year?

Mr BREDHAUER: The answer to that is quite simple: the road funding for local authorities in this year's budget will be more. If the honourable member and a number of his coalition colleagues would care to carefully read the Budget papers—and I offer the services of my department should he or the Opposition Leader or others require it for a briefing on the budget for Main Roads so that they can fully understand what is involved in the Main Roads budget for this year—they would see that clearly what has happened in this year's budget is that the construction of the specific program, the Pacific Motorway, which was a separate funding arrangement, draws towards its conclusion in March of next year, with full completion due by September of next year. Therefore, the allocation of money in the current budget for the Pacific Motorway is less this year than it was last year. If you take into account the amount of money that is allocated for the Pacific Motorway and if you also take into account some works that were accelerated in the previous financial year, both for the Pacific Motorway and for other projects, then, of course, there is a net increase in the road funding budget in this financial year. Suggestions to the contrary are either misunderstanding or, might I suggest, deliberately misleading the actual budget figures.

When I attended the Local Government Association's conference in Toowoomba a little over a month ago, I gave them an indication that the five-year Roads Implementation Program, which I brought down late October last year in Mount Isa when we had a community Cabinet meeting in Mount Isa—and the member for Gregory understands the process of the Roads Implementation Program; it is a five-year rolling program for which we give a commitment to funding in the first two years and for which funding in the latter three years is indicative—the commitment that I made in last year's Roads Implementation Program for road funding in 1999-2000 will be honoured. In fact, there is a small increase in road funding in this year's budget when you take into account the impact of the dropping off of the Pacific Motorway project. The suggestions to the contrary are wrong.

Mr JOHNSON: I refer to the answer provided to question on notice No. 1 regarding the allocation of \$5m. I refer you to the capital statement, paper No. 5, Main Roads page 53, and to the property settlements relating to the south coast motorway. Minister, can you advise what you now propose to do with the property acquired? Will those properties and the other properties held as a result of the Pacific Motorway be subject to the equity returns required by your Government?

Mr BREDHAUER: I will refer to the answer that I gave, which presumably Committee members are aware of. What happened essentially was that a decision was taken not to proceed with the south coast motorway. Essentially and ultimately, that decision was the considered view of both political parties. Because properties were affected by uncertainty over the potential of the corridor, some people suffered hardship and there was an expectation that Main Roads would acquire those properties. Acting in a responsible way, in my view, the department agreed to stand in the marketplace and, in a limited number of cases, to acquire properties on a hardship basis. There are no plans now to build the south coast motorway, but under the Integrated Regional Transport Plan, part of this area is held in reserve for a future transport corridor.

It is and has been our intention to dispose of land that is no longer required as and when we can. Not long after I became the Minister, Don Muir and I talked about the potential disposal of a number of those properties. The Department of Main Roads is quite happy to dispose of land in that area which is no longer required for a potential transport corridor. Yes, they would be assets, but given that we have no further purpose for them, we would be seeking to dispose of them whenever possible.

Mr JOHNSON: Can you indicate if the \$1.2m estimated in last year's Budget for the sale of resumed land for the south coast motorway was achieved? What is the anticipated revenue from sales of this land in 1999-2000? I refer you to the capital statement, paper No. 5, Main Roads, page 53.

Mr BREDHAUER: What we might get this year depends very much on how much, if any, of the land you can sell and the price you get. We are proceeding with an orderly disposal of those properties that are surplus to our requirements. We will seek to get the best possible value for the taxpayers' dollar in the disposal of that land. In terms of the income received in the last financial year, I will get that information for you.

Mr JOHNSON: I refer to the funding for the Pacific Motorway, which is referred to in the subsequently corrected page 2-22 of the MPS. Are you aware of outstanding claims and variations relating to this project? What is the estimate of those claims and variations? Can you indicate if funding has been provided for the payment of those claims?

Mr BREDHAUER: To be honest, I find it ironic that the member for Gregory can ask me about payment of claims in respect of the Pacific Motorway when, a little over 12 months ago, I had to deal with the \$120m black hole that he, as the Minister for Transport and Main Roads, and the member for Caloundra, as the Treasurer, had left me and my department in terms of the rescoping of the Pacific Motorway project.

The reality is that the project is currently progressing towards a conclusion. I am aware of suggestions that there could be claims in relation to projects. For example, I approved an increase in the funding for package 6, which is in the Nerang area, because considerable design changes were required. Additional funds were approved by me as part of the overall funding that had been approved by the Executive Council to increase the amount that we had contributed.

Claims have been submitted by contractors and, obviously, we will want to discuss those claims. We would contest many of those claims. Many of them are associated with the weather. We have had an inordinately wet year in south-east Queensland and in other parts of Queensland. Essentially, the department will use a fair but firm approach to assess those claims in accordance with the terms of the contracts. The final cost of those claims will not and could not be known until the projects are complete and the claims are resolved. I anticipate that a significant number of people will make bids for additional claims and, as I say, in many instances we will contest those. The Department of Main Roads and I as the Minister have a responsibility to be fair but firm with those claims. I suggest to you that we would seek to resolve those satisfactorily with the contractors as the work is completed and the claims are finalised.

Mr JOHNSON: I note that the capital acquisitions overview, at page 2-21 of the MPS, refers to the sealing of the Herveys Range Developmental Road over the next four years. Can you advise what the schedule of this project will be? Can you advise if any funding is allocated also to the Lynd highway?

Mr BREDHAUER: The existing program will be in last year's roads implementation

program. What was committed in last year's RIP to the first two years will be honoured. We have given an indication that we will make an allocation of \$32.5m over four years to continue sealing the Herveys Range Road. The RIP for 1998-99 to 2002-03 includes the bituminising, sealing and upgrading of drainage on the remaining 80 kilometres of unsealed Herveys Range Developmental Road. The total cost of the project is \$36m. That project is progressing in accordance with the roads implementation program that I brought down in October last year. What was the other part of your question?

Mr JOHNSON: Can you advise if any funding is to be allocated for the Lynd highway?

Mr BREDHAUER: Once again, this level of detail of the roads program is generally included in the roads implementation program.

Mr JOHNSON: I realise that, but I want to see if it is ongoing.

Mr BREDHAUER: Any commitment that we made to the Lynd in last year's roads implementation program will be funded. In the first two years where funding was committed, it will be honoured.

Mr JOHNSON: I refer to the organisation chart for Main Roads, supplied as part of this Estimates process. I have noted that of the 68 divisional or branch heads, 20 positions or almost one-third have acting incumbents and two are vacant altogether. Why is there such a high level of acting officers? Is this an indication of a deliberate policy of deferring appointments to save funding?

Mr BREDHAUER: The short answer to that is: no. As positions become available, we go through due process for appointment. In the last week or so, we have appointed a new Director, Financial and Business Services. There is no cost saving by having an acting person in the position, because the person who is acting, if they are acting in a higher position, is entitled to the higher duties allowances that go with acting in that higher position. The premise that we would be saving money is not correct. We are proceeding wherever possible to ensure that we fill those positions in a timely way. But there is a process that has to be gone through. We ensure that those processes are followed to the letter in every case where promotions are granted within the Department of Main Roads.

Mr JOHNSON: I refer to the operations of Plant Hire Services, which is mentioned on page 2-31 of the MPS under the heading "Commercial Business Units". Is this service

utilising equipment that was previously purchased or currently owned by Main Roads free of stamp duty? What are the arrangements for future equipment purchases for this service regarding the payment of Government fees and charges to ensure that this service does not compete unfairly with private enterprise?

Mr BREDHAUER: We have two major commercial business operations—the RTCS and Plant Hire Services. The Commercial Operations Business Group operates on a competitively neutral basis, meeting the same fees, taxes and charges as those borne by its private sector counterparts. Trading results for all groups also reflect charges for internally provided services, for example, payroll payables and administrative support. My recollection is that when we went to commercial business units a \$20m loan arrangement was established and the commercial business units had to service those loans as if they were a normal commercial operator. No commercial advantage was given to them in that sense. In any subsequent investment they undertake, they would have to make a commercial decision about investing in additional plant and equipment. They would have to service those debts in the normal way.

Plant Hire Services paid income tax of \$1.38m and dividends of \$1.23m. They do operate in a commercially competitive environment. Their success in operating in that environment is a testament to the fact that they now get about 10% of local government business. Local government is actually using Plant Hire Services more and more these days. That is a portion of our business that is growing. The Local Government Association has worked with Plant Hire Services to develop stronger relationships with local government so that those business opportunities are provided, which benefits both Plant Hire Services and local government. At this stage, I am not aware of any negative reaction to the operations of Plant Hire Services. They also pay sales tax equivalents. They do operate on a commercial and competitive basis.

Mr JOHNSON: I refer you to the answer to question on notice No. 3. Will you confirm that the only allocation for the Tugun bypass in the forthcoming Roads Implementation Program up to the years 2003-2004 is for planning studies and that there will no provision for any construction in the new program? Can you confirm that?

Mr BREDHAUER: I can confirm that the information that I provided in the answer to the

question on notice is correct. At present, we are working through the planning studies with the New South Wales authorities. We had a values management workshop involving Queensland, New South Wales and Commonwealth agencies about two months ago, at which we sought to progress an understanding of all of the options and why Main Roads in Queensland had come to a determination of its preferred option. That was necessary because both New South Wales and the Commonwealth were keen to make sure that we had reached an objective decision in making a determination on the corridor. As a result of that workshop, we got agreement across the agencies, across the State borders and even from the Commonwealth that the option that we had chosen was in fact the best option. We are now in the process of working with New South Wales—both with the RTA and DUAP—on an appropriate approval process. It is unusual for one State to be seeking to undertake road construction across the boundary. In this process, we have to make sure that we comply with all of the requirements—environmental impact assessments and so on—that would be required of us by the New South Wales authorities. Both of my departments are diligently pursuing that.

I have had discussions at a Minister to Minister level with Carl Scully from New South Wales, who obviously will insist that New South Wales' requirements are met. But within that context it is cooperating with our endeavours. At this stage we have the funding allocation for the planning studies and impact assessment work, as you have identified. We have put the funding for the project proper in the out years of the Roads Implementation Program, as is appropriate. We do not have a final assessment yet of the approval processes from New South Wales. But the commitment that we have given is that we will build the project. At the appropriate time, we will bring forward funding for the Tugun bypass. However, it is not simply a responsibility of the State Government. We would also expect that the Commonwealth would be a major contributor. The information that is in my answer was as true then as it is today. The member for Currumbin, Merri Rose, will tell you that we have made a very strong commitment there, which I am determined to honour. When the time comes, we will negotiate appropriate funding with the Commonwealth and factor that into our Roads Implementation Program.

Mr JOHNSON: Are you happy with developments with the New South Wales administration to date? Can you give the

Committee any idea at all of when you think these environmental studies and impact assessments will be completed so that this can be commenced? I know it is three or four years' down the track, but I think people want to know when there will be a start on this project?

Mr BREDHAUER: It may not be. I would dispute whether construction of the project is three or four years' down the track. I would like to correct the member for Gregory in that regard. My experience with environmental impact assessment studies and those sorts of things—I have been through a few of them, as the member for Mooloolah knows, in the past 12 months since I have been the Minister—is that they generally take somewhere between a year and two years to finish. I would anticipate that in about 18 months' time we would be pretty close to finalising the impact assessment studies, that is, assuming all goes well across the border.

You asked me whether I am happy with the way things are progressing there. The answer is: yes. We have to comply with the requirements of New South Wales. That is a process that we are going to go through, and we are working with the relevant New South Wales agencies to achieve that. Once that is achieved, you would have to do the final design and planning work for the route and then we would move to the funding and construction stage.

Obviously we would be seeking to negotiate funding, especially with the Commonwealth, before then. I would think that somewhere around about 2001 or 2002 we would be looking to finalise the design and then commence construction after that if everything goes according to the plan. The EIS process—those kinds of things—generally take around about 18 months. We will work through those in a deliberate way, but we will do it as quickly as the processes allow us to. Then we will move on with the construction of this important project in conjunction with the Commonwealth because I recognise how important it is to the people of that area. If ever I am left in any doubt about its significance, the member for Currumbin is regularly on the phone to me, reminding me of the commitment that we have made to her constituents and making representations on behalf of her constituents. We are working closely with the member for Currumbin in delivering this project in a timely way.

The CHAIRMAN: That concludes the

period for non-Government appointed members' questions. I now commence Government appointed members' questions.

Mr WELLINGTON: I refer you to your answer to my second question on notice in relation to the need to upgrade the Kenilworth to Conondale Road. In your answer, you acknowledge that a safety audit on the road had been undertaken and it has identified that approximately \$900,000 is needed to be spent to widen some dangerous narrow sections of the road in addition to more long-term improvements. As road safety is so important, as has been acknowledged by your department, are you prepared to prioritise the allocation of the full \$900,000 needed to be spent on improving those dangerous, narrow, winding corners during the current year?

Mr BREDHAUER: I thank the honourable member for his question. I acknowledge that, in relation to this particular road project, he—and others—has been a strong advocate for his constituents in Nicklin and others who are affected by this project. There have been issues relating to school buses and a range of other things that the member has drawn to my attention as Minister. So I am acutely aware of the issues that are involved there.

What I sought to do in my answer to the question on notice was to indicate that the current Roads Implementation Program is being drafted now and that the final detail of the allocation of funds for this project would be determined during the development of the current RIP which, as I have mentioned previously, is due for release in November. Let me assure the honourable member that I am conscious of the concerns that he has raised with me. I am not in a position today to confirm what is going to be in the RIP in November. But I can assure the honourable member that I have taken his representations seriously. I recognise that this is a significant project for his constituents and for people who use the Kenilworth to Conondale Road. I will be according it as high a priority as I possibly can in the development of the Roads Implementation Program, given budget constraints which are always a part of these processes. But I will be working very hard to make sure that we give that a priority.

Mr WELLINGTON: To follow on a question in relation to this road, will all other roadworks projects which may have a higher funding priority than this \$900,000 project also have safety audits undertaken in a like fashion to the safety audit which has been undertaken in relation to the Kenilworth to Conondale Road?

Mr BREDHAUER: Once a project is under consideration, it would be normal to do a safety audit as part of determining the priority for allocation of works. Clearly, if we can identify that there are road safety issues which are associated with particular road projects, then an assessment of those safety issues is part of determining the priority. So the likelihood is that, if they have a higher priority than this project, then an assessment of the safety issues in relation to those roads and those projects has already been undertaken by my department.

I think it is important that we work closely as well, as you would know as a former councillor with the local government, with the Main Roads Department and local government in determining what those priorities are. I acknowledge that local government is one of our key stakeholders in the development of the Roads Implementation Program. They are close to the people on these kinds of issues and generally attuned to the needs of their local communities. We try to reflect that.

The Committee asked a question about how we prioritise the allocation of works for roads. One of the parameters which I mentioned in there is the safety outcomes. That is clearly to indicate that that is an important consideration for us in the development of road programs. If there are projects in your electorate or anywhere, for that matter, that are a higher priority than this one, then those safety issues will have been accessed in determining that priority.

Mr WELLINGTON: In light of the fact that your department is still working on the Roads Implementation Program and that some of your department's staff have undertaken an inspection—accepted an invitation from my constituents in the Kenilworth community—are you prepared and able to also accept an invitation to inspect these dangerous corners on this Kenilworth to Conondale Road, bearing in mind we are basically two and a half hours' drive from Parliament House?

Mr BREDHAUER: I am happy to try to fit it into my diary if I can. We have a lot of parliamentary sittings between now and the end of the year and I try to get home occasionally. I do have responsibilities to my own constituency. But if you would like me to come up and have a look, I am quite happy to talk to my diary person. If Lorraine is listening to this, she will be cringing. Within the context of my diary, I am happy to try to find the time to come up there and have a look.

I think, though, that it is important to recognise that, if the department goes up and

goes through the issues with you and the community there—and I recognise that it is certainly not just you, but it is the community who are behind the push for these upgrades—we will work to try to program it into the RIP with as high a priority as we possibly can. I will talk to Lorraine.

The CHAIRMAN: I would like to discuss a road that I would be delighted for you to have a drive on in my electorate. The Premier advised the recent infrastructure conference of work progress on planning and seeking Commonwealth support for the port road. Does this budget make provision for this project to commence in the near future and, along those lines, has consideration been given to the need for further capacity on the Gateway Bridge or a second river crossing?

Mr BREDHAUER: I once again acknowledge the strong representations that come from the local member who is most affected by the port road. We are very well advanced in terms of planning for the construction of the new port road. I am sure all members of the Committee would realise the significance not just to the community but to the port itself and to industry that would evolve from the construction of the port road.

Critically, we have been, over the last 12 months or more since I have been Minister, trying to progress an agreement with the Commonwealth over funding for the port road. I am happy to say that we have had, in my view, a very constructive and cooperative approach from the Commonwealth both at a ministerial and at a departmental level over the last six months or so in particular in relation to this project. We have had visits to Brisbane and Queensland from Commonwealth officers who have inspected the road, so they have a better understanding of its significance in terms of regional development and industry.

We are in the process of negotiating a package that would involve a Commonwealth contribution. The Commonwealth in their part would like to ensure that the road was available to higher mass vehicles as part of the increase in mass limits which was introduced nationally from 1 July this year. I think that is a consideration which we would probably be able to accommodate if we could come to an appropriate arrangement with the Commonwealth in respect of their contribution to the funds.

In terms of the Gateway precinct more generally, there is the likelihood that the existing Gateway Bridge will reach its capacity somewhere between 2005 and 2010. Clearly, we do need to be looking at what the next river

crossing in that area will be, whether it is supplementation of the existing Gateway Bridge or something else.

My view is that we should look at the potential major trip and industry generators down there, being the port and the airport, and make a considered decision about what the transport requirements are. But it is also about servicing the local community in the most efficient and effective way. In the process of that we would be looking at the integrated transport needs for that area, involving the port and the airport. Of course, part of the development of the port road project would be the fact that we recognise the need for significant upgrading of Lytton Road. We would be undertaking that as part of the port road project when we can finalise funding arrangements with the Commonwealth.

The CHAIRMAN: Will the introduction by the Commonwealth Government of heavier mass limits for trucks be managed in a way that avoids adverse impacts on small communities and councils?

Mr BREDHAUER: I thank you for this question. I do not know how many times I have to make this statement before the message gets through, but I am going to keep saying it. We agreed to increase mass limits from 1 July as a result of an initiative by the Commonwealth. There are a couple of things I need to make quite clear.

The Commonwealth told us in no uncertain terms that it was intending to proceed with an increase in mass limits for Federal registered vehicles under the FIRS scheme, irrespective of whether the Queensland Government agreed with the increase in mass limits. I personally think the increase in mass limits does have significant economic benefits for a variety of industries associated with transport and I am quite happy for transport operators, in particular in Queensland, to enjoy some of those economic benefits. However, the return from those economic benefits goes to the Commonwealth. It does not come through the tax system. It does not come to us in Queensland. We could have been doubly disadvantaged if the Commonwealth had used the FIRS scheme to register those trucks so that it could allow the increase in mass limits.

What we agreed to as part of a package is to allow those vehicles that have road friendly suspension to increase mass limits on national highways with depot access on designated B-double routes of 500 metres. It is my intention to strictly enforce those

provisions. So we are part of the scheme, but on those conditions.

Another important condition which I got from John Anderson as the Federal Minister for Transport was that he agreed that there would be no extension of the existing scheme to other State controlled or local government roads without the concurrence of the States. I have ensured that there will be no extension of the existing scheme on to State roads or local government roads without the States agreeing, and I do not intend to agree unless the Commonwealth starts talking real money in terms of upgrading State roads and local roads so that they can accommodate those heavier mass limits.

Local government, who are affected by the existing agreement of national highways plus the 500-metre access on B-double routes, were consulted and have agreed with the process to go ahead, but I am getting a little tired of councillors—the fellow Pidgeon from Logan Shire was putting out press releases yesterday or the day before—spreading deliberately incorrect information about the mass limits scheme. I stood up at the local government conference and I told them what we had achieved to protect local government and State controlled roads. We got additional funding of \$12.9m to upgrade bridges on the National Highway over the next three years and I do not intend to allow further extensions to the scheme without the Commonwealth putting in real money for State Government and local government roads. I cannot be clearer.

The CHAIRMAN: What is the Government doing to address the impacts of the sugar industry expansion on the State and local government road networks?

Mr BREDHAUER: The sugar industry expansion is a major issue. It is an issue that is so significant that the State Government, through the Department of State Development, has in fact set up a sugar industry transport task force. We are obviously one of the key players in that. We have had significant representations from local government.

In my own neck of the woods, up on the Atherton Tablelands, for example, there has been major expansion of the sugar industry into the Atherton Tablelands shires of Mareeba, Atherton, Herberton and Eacham. A lot of it is good dairy country which is now under sugar, which is something I thought 20 years ago I would never see. But we now have heavy sugar traffic on local government roads that were not designed for it.

In 1997 a sugarcane transport working group identified a requirement for additional road funding of \$70m over five years and \$110m over 10 years as a result of cane expansion. Over seven years we have programmed \$50m to meet some of those requirements. Some of that is on State controlled roads and some of that is on local controlled roads.

We have made a significant commitment to funding local roads. Notwithstanding that, I have had a bid from the Mareeba Shire Council for \$17.5m. The Cardwell Shire Council has put in a bid for around \$13m or \$14m. There are other local governments in sugar growing areas that are similarly affected. It was raised by the Mareeba Shire at the regional forum, which we held in Cairns about three months ago.

I have written to the Deputy Premier, as the Minister responsible, asking him to write to John Anderson seeking a contribution from the Commonwealth as well, because these industry impacts on roads are so significant that we do need to make sure that a whole-of-Government approach, across the three levels, is taken. Local government have to play their part, particularly obviously on local government roads. The Department of Main Roads is prepared to play its part, but we also need the Commonwealth to make a contribution. Our \$60m over seven years will go a significant way to helping redress that, but it will not meet all of the needs of local government.

The CHAIRMAN: In December last year you announced a Federal Government funding commitment of \$33m over three years to upgrade the Barkly Highway between Cloncurry and Mount Isa to Type 2 road train standard. Is this funding commitment reflected in the budget, what is the timing to complete urgently needed works on the Mount Isa to Northern Territory border link and what is the cost?

Mr BREDHAUER: First, I appreciate the support that I got on this matter from the member for Gregory. I know that during his time as Minister he campaigned to get an upgrading of the Barkly Highway. I know that he has also supported my initiatives through the Commonwealth Government in the time since I have become the Minister to achieve the funding that is required here.

A significant cost is involved in upgrading the highway between Cloncurry and the border. Obviously the package that we have in the first instance reflects the requirements to upgrade the road between Cloncurry and Mount Isa to Type 2 road train standard—

\$33m over three years. There is a substantial additional amount which would be required to upgrade the highway between Mount Isa and the Northern Territory border. I think that is of the order of about \$53m in addition to what we already have.

We have begun implementing a program which will enable us to start that upgrading. We called tenders just recently for the first work on the upgrading project. It is a major freight route, particularly livestock. It is also very significant for the development of the Carpentaria minerals province. We continue to have concerns about the use of the road by Type 2 road trains until such time as the road is upgraded to an appropriate standard, because of safety issues and because of pavement wear and tear issues, but we will progress that as quickly as we can. I appreciate the support that we received from the Commonwealth on this occasion and I think it is important that we continue with that project.

I have a note here that funding of \$14.7m for upgrading of the 22-kilometre section of the Mount Isa-Northern Territory border section, including the Inca Creek bridge, would be considered in the Federal Budget process. So we already have a commitment from the Commonwealth that they are prepared to consider the additional funds that are required between Mount Isa and the Northern Territory. These funding arrangements were subsequently confirmed as part of the 1999 Federal Budget advice to Queensland. So we have the first \$14.7m of that Northern Territory border to Mount Isa upgrade.

The CHAIRMAN: That concludes the period allocated for Government members' questions. We will now proceed to non-Government members' questions.

Mr JOHNSON: I refer to the equity return for the Department of Main Roads. In Departmental Services Budget Paper No. 4, at page 47, there is an amount of \$792m and the statement that your equity return has been fully funded for this Budget. Can you indicate, as part of the proposed Roads Implementation Program, whether this tax will be fully funded in future years? If so, why bother imposing it? And if not, is construction to be reduced?

Mr BREDHAUER: First of all, it is not a tax. Secondly, let me assure you that the equity return will not reduce funding for roads. Briefly, I would like to explain to you how the concept works, seeing as how you obviously are not clear about that.

Treasury have included a definition of the equity return on the second page of each

agency's Ministerial Portfolio Statements, which states that the return is "a periodic payment reflecting the opportunity cost to the Government of the assets held by agencies". The return is calculated as a percentage of an agency's net assets. The rate for 1999-2000 is 6%.

The introduction of the equity return is designed to provide agencies with an incentive to regularly review their assets holdings; that is, in the case of Main Roads, stocks of materials, land, buildings, plant and equipment and, in particular, the concept targets assets which are not adding value and, in fact, may be incurring holding costs, such as maintenance and local government charges. The Premier, in effect, used the term "lazy assets" in describing the intent of this initiative in the House on 17 September.

Further, and contrary to claims by the Opposition, the Premier pointed out that the equity return was fully funded in all Forward Estimates years for all agencies. As such, the equity return will not have any adverse impact on agencies' future funding requirements or service delivery. In fact, if agencies divest themselves of surplus assets, then they will reduce the periodic payment to Treasury and can retain the savings to invest in services.

In the case of Main Roads, sales of surplus property will have a twofold effect. Firstly, the sale will reduce the value of net assets held, and so reduce the equity return payment. Secondly, sales proceeds are retained by Main Roads for investment in additional road construction works. A similar effect is produced if stocks of road materials are reduced.

Finally, where additional funds are provided to an agency for new asset purchases or, in Main Roads' case, for significant projects, such as the Pacific Motorway, equity return funding will be increased to cover the new level of net assets. This will ensure that capital intensive agencies are not disadvantaged by this new concept. The introduction of the equity return concept is simply another initiative by the Government to encourage agencies to manage the total package of resources available to them in the most efficient manner in order to maximise service delivery at the least cost.

In summary, the equity return will not reduce funding available to Main Roads and, in fact, may in the longer term result in new funds being available to roadworks via the reduction in the equity return paid and the reallocation of "lazy assets" to assets that improve service delivery.

Mr JOHNSON: You would have to agree, Minister, that with a department like Main Roads, which is there for building infrastructure and planning for the future development of this State, this equity tax is certainly going to be a burden on future budgets for Main Roads.

Mr BREDHAUER: No, I do not agree. I will say it again: it is not a tax.

Mr JOHNSON: You just said that the Premier said it is fully funded. I am just asking whether you can prove that there is not going to be an impact on future budgets. And how is it not going to impact on the future of the RIP?

Mr BREDHAUER: If you have a look at the Forward Estimates you will see that the equity return is fully funded. The explanation which I have just given you in detail explains how Main Roads, through efficient management of its assets, will, in fact, potentially be in a situation where it generates more money to invest in the road network through the equity return initiative which has been introduced as part of this Budget. It is not a tax. It is fully funded. It will not result in a reduction in money that is available for roads.

I happen to have confidence in the administration of my department—and the management of my department under the director-general and its senior officers—that we will be able to embrace this new initiative in a way which enables us to maximise the dollars that we have available for investment in the road network. We have some very creative thinkers in the Main Roads Department, as you would be well aware, in terms of making sure that we leave no stone unturned.

Mr JOHNSON: I will tell you what; there are some more cunning ones in Treasury, though, and you know that.

Mr BREDHAUER: We have some very clever officers in Main Roads, as you would be fully aware, who are capable of using considerable initiative in finding mechanisms by which we can maximise our capacity to invest.

But let me be clear about this. Main Roads is not just a major service provider; it is a major employment generator. And in a Government which has as its focus employment and employment security, we recognise the need to fund Main Roads at a level so that it can continue to provide the levels of employment and employment security that it does and continues to grow.

The pressure on our budgets—and everybody has pressure on their budgets, and I do not deny it for a second—in terms of

maintaining and upgrading our asset of 34,000 kilometres of State-controlled roads across this vast State is a significant challenge, but the equity return is a mechanism which will not, in the first instance—to answer your question—result in reduced funds for Main Roads but will provide us with an opportunity, through careful and efficient management of our assets, to in fact maximise and increase the availability of funds for investment in our road network, which is to the benefit of the community, to the benefit of our road and transport networks across the State of Queensland and, importantly, in terms of generating employment for the people of Queensland.

Mr JOHNSON: Minister, can you advise the Committee whether the proposed new City/Valley bypass, when completed—and I hope it will be started and completed before too long—will be a dangerous goods route?

Mr BREDHAUER: The Brisbane City Council's project for the City/Valley bypass is, I understand, progressing. I think they are in the process of calling for tenders. That is their project. I have just been advised that expressions of interest were sought earlier this year, and that was due to close recently; whether it has or not, I do not know for sure. We are closely involved, obviously, but it is primarily a Brisbane City Council project.

There is an issue in relation to the tunnels that are incorporated in the development of the project. My view is, though, that if you were spending somewhere in excess of \$150m on building a road and you did not make it capable of accommodating dangerous goods—I am not sure why you would do that. And given that it does cut across some existing roads which are part of dangerous goods routes, I think it would be reasonable that the design of the new City/Valley bypass would be of sufficient standard that it could incorporate dangerous goods. This is an issue on which I have had recent discussions with the Lord Mayor, and I am quite happy to continue those discussions with him. I wish him well with that project.

Mr JOHNSON: Thank you, Minister. I refer to the construction of the new Thomson River bridge and flood plain project at Longreach as referred to in capital acquisitions MPS 2-21, and ask: in view of your stated policy of building less floodprone infrastructure, are you satisfied with the present design and are you aware that the design between bridge sections 2 and 3 and 11 and 12 are earth embankments which have been located in the middle of obvious floodprone sections?

Mr BREDHAUER: I am not specifically familiar with the issue of the designs between bridge sections 2 and 3 and 11 and 12.

Mr JOHNSON: I want to help you with this a little bit by highlighting a couple of the issues. I have spoken with the Deputy Director-General of the Department of Main Roads, Mr Muir, about this. I have also spoken with the Director of Road Transport Construction Services (Central), Mr Trevor Loss and with the RTCS representative in Longreach, Mr John Sullivan. I have also inspected the piece of road in question with Mr Loss and Mr Sullivan. As I said to Mr Muir, the two sections I have highlighted are in the middle of floodprone sections and they have earth embankments which I believe could cause embarrassment not only to the Department of Main Roads but to the people who are building the flood plain section. I am also conscious of the impact of possible future flooding on the town of Longreach.

Mr BREDHAUER: A significant part of the project concerns the benefit that will be derived from improving the flood immunity of the road through that area. I do not have the detailed technical information. I might ask Don if he could help with the answer.

Mr MUIR: Thank you, Mr Minister. Overall, we are satisfied that the flood immunity measures for the Thomson River which have been selected are appropriate for a Q20 flood immunity. It was selected after a lot of discussion and hydraulic modelling work was done. I am aware that an issue has been raised about the need to extend bridges rather than have embankments. That is being looked at at the moment. But the design is still Q20, which is adequate. It gets back to a matter of whether it will be better or more economic to bridge that particular section or have the formation that is being looked at at the moment. But the design is adequate and does not cause me any concern.

Mr BREDHAUER: The issue that you have raised is under consideration. Overall, we have certain flood immunity objectives which we are seeking to achieve. We also have a budget. We will deliver the best possible outcome we can in terms of flood immunity within the context of that budget. If you or anyone else has suggestions to make, generally speaking we are happy to sit down and go through them with you. That does not mean that we will always agree, but I am happy to talk to you and others who may have concerns—as we would on any other major project with these kinds of considerations. If

you have constructive suggestions to make, by all means make them.

Mr JOHNSON: Minister, I do have constructive suggestions and that is why I have raised the matter here. I believe we are dealing with public money and you want the project to be as successful as I do.

Mr BREDHAUER: Sure.

Mr JOHNSON: The Deputy Prime Minister is the responsible Federal Minister, in conjunction with yourself. Looking at that project, I would certainly love Mr Muir and some of the senior executives of the Department of Main Roads to inspect the facility with the possibility of changing those earth embankments to bridge sections. I am not an engineer, whereas the people in question are engineers. I certainly treat this as a very serious issue. I know a lot of the folk in that part of Queensland are treating it as a very serious issue. I trust that you can take that on board.

Mr BREDHAUER: Sure.

The CHAIRMAN: I just remind the member for Gregory that he is entitled to ask questions and not make statements.

Mr JOHNSON: Mr Chairman, I would just pick you up on that point. The Minister asked if I had something constructive to say. That is why I said what I did.

The CHAIRMAN: It is not for the Minister to decide whether constructive statements—

Mr JOHNSON: It is going to be too late when Longreach is flooded. That is what I am saying, Mr Chairman.

The CHAIRMAN: I remind the member that the purpose of Estimates is to ask questions.

Mr JOHNSON: I have asked the questions.

The CHAIRMAN: Yes, and then you made a statement. Get on with your next question.

Mr JOHNSON: That is fair comment. I have made the statement and I put it on the record. Minister, I note that in a review of the output performances in MPS 2-16 reference is made to a memorandum of understanding with the Brisbane City Council to have a single traffic control system operating in Brisbane. Can you indicate if this is a jointly developed system which was referred to in last year's budget? Can you indicate if this system is presently under development? If so, what is the anticipated cost and the time frame and who will own the rights to the developed system?

Mr BREDHAUER: Fundamentally, the answer to your question is yes. We are progressing with the Brisbane City Council on the development of a single traffic control system to operate in south-east Queensland. I think a lot of people would be surprised to know—as I was when I became Minister for Transport—that in the Brisbane City Council area there are two traffic control systems. One operates on local roads and the other operates on State-controlled roads.

We are seeking synergy in our administration of transport at a local government and State Government level in south-east Queensland for the benefit of not just the people of Brisbane but for the community generally. This is one area where we have sought to make a positive difference, I guess, to traffic management issues in south-east Queensland.

On 23 March this year an MOU was signed between the council and the Department of Main Roads for the joint development of an intelligent traffic signal system which will eventually result in the development of a cooperative traffic management centre. Essentially, what we are trying to do is get the Brisbane City Council and the Department of Main Roads to cooperate in such things as a supported integrated regional transport plan for south-east Queensland, the city council's transport plan and travel demand management strategy and cooperative funding arrangements, including the Transport Infrastructure Development Scheme. There is a whole host of ways in which the Lord Mayor and I are trying to progress these issues. The MOU was one of them.

What we seek to do is have policies, strategies and operational procedures and systems for active traffic management, such as traffic signals, intelligent transport systems and traveller information systems put in place so that we can improve the flow of traffic. The cooperative traffic management centre in its entirety is about a \$15m project. This year we have about \$1m to work up the concept. I think that having a joint traffic management system is something that is long overdue. I am anxious to work towards finalising it.

Mr JOHNSON: It is getting pretty close to fruition then?

Mr BREDHAUER: Some people could not believe that we actually got the Brisbane City Council and the Department of Main Roads to sign an MOU. The level of cooperation between the department and the council has

reached a point where we could agree to do that.

Mr JOHNSON: Is there any particular system that you have adopted in relation to this? Is it something from overseas or interstate?

Mr BREDHAUER: I think the reality is that in council and in Main Roads there would be strong views as to the ownership of the existing systems. The commitment that I have made with the Lord Mayor is that we would try to deliver an outcome which provides the best possible services in terms of traffic management for the people of Brisbane and south-east Queensland. There has been no decision regarding the implementation of one system rather than another. We have signed a genuine commitment. There is a joint venture in place which is based on both of those technologies. This is an attempt to merge the two technologies over a period of time. That is how we are trying to progress the matter.

Mr JOHNSON: Minister, I refer to the output statement for the review of output performance on page 2-17 of the MPS and note that, although specific performance targets were set last year, this budget has moved to a more generic statement about maintaining these targets or improving them over time. Are these performance measures to be contained only in the RIP each year? If so, what is the purpose of including them in the Budget documents? Can you indicate if you are confident that the 1998-99 targets that were met last year will be met in the current budget?

Mr BREDHAUER: Do you mind if I get Karen to answer that for you?

Mr JOHNSON: No.

Mrs PEUT: The problem is that, when we are putting together the Budget statements, we are looking at things in an indicative situation. When we publish the RIP, we go to this in great detail. It is a requirement as part of the MPS that we address this particular issue, but when we get into the Roads Implementation Program, it is spelt out in a very detailed way. As you would appreciate, the information that has to come in from around the State—talking about what we achieved last year—takes a couple of months to actually pull together. So it is not really available for the Budget process but it will be available when we put together the RIP. If you look in the appendices of the RIP, they are spelt out there very clearly.

The CHAIRMAN: That concludes that period of questions for non-Government

appointed members. I will now take Government appointed members' questions. I call the member for Mount Ommaney.

Mrs ATTWOOD: There have been numerous reports in the press attributed to coalition spokesmen that have caused concern in regional Queensland about the alleged slashing of road funds. Can you please outline whether the information, which is the basis of the claims, is correct?

Mr BREDHAUER: Yes, I was happy for the opportunity to put these issues on the record through answers to questions on notice, because I think that it is important that we put to rest the suggestions that there have been cuts in funds for the roads budget in Queensland this year. In particular, the Opposition Leader, who suggested that there had been Budget cuts of 9.6% to Main Roads, was simply wrong and demonstrated an inability to read relatively simple Budget documents.

In the answers to the questions that were asked, I stated that if you look at valid year-to-year comparisons—and this relates to question No. 9 that was asked by Government members—the budget to estimate indicates just over a \$42m increase, or around 4.2%. Actual expenditure to estimate indicates an increase of a little over \$37m, or 3.7%. They are reflected roughly in the roads program. In relation to question No. 2, which was asked by the Opposition—and I just differentiate there between the Main Roads budget overall and the budget for the roads program, which is a component of the overall Main Roads budget—that indicates budget to estimate, \$30m or a 4% increase and actual expenditure to estimate, \$27m, or a 3% increase.

During the development of the Roads Implementation Program, discussions will be held with local government regarding potential funding availability, work priorities and the proposed timing of works. Local government work force requirements include an assessment of funding from other sources, such as the Commonwealth, the Transport Infrastructure Development Scheme and natural disaster relief arrangements and also the past performance of local government.

Following the initial round of local government consultations, a number of local governments, particularly in the south-west Queensland area, expressed concern about potentially being faced with less funds than shown in the current RIP. As I highlighted in my recent address to the annual Local Government Association conference in Queensland, the RIP is developed on the

basis that funding for project commitments in years one and two are firm, with indicative funding in years three to five being just that, indicative for planning purposes.

Traditionally, the RIP is released within two to three months of the State Budget. This year will be no different. Despite the claims of some in the media, the RIP will again demonstrate our commitment to providing an efficient road network, including a five-year program with the first two years fixed, providing councils and industries with confidence in future priorities in work, providing funding for projects in growth areas without reducing spending on road projects in rural and regional Queensland, and demonstrating this Government's commitment to protecting and stimulating local employment opportunities. We are committed to the roads program throughout the State of Queensland.

Mrs ATTWOOD: Minister, the Beattie Government made many claims that it is a Government for all Queenslanders. With the huge infrastructure investment in south-east Queensland in recent years and the removal of tolls on the Sunshine Motorway, what confidence can regional and rural Queensland have that this level of investment has not been funded at the expense of the bush?

Mr BREDHAUER: That is a very interesting question, too. I find it ironic that we have actually had members of the coalition out there—the member for Western Downs was one of them—complaining that, because we were funding the Pacific Motorway project, it was a drain on projects in other parts of Queensland, particularly in rural and regional Queensland. It was his Government that made the decision to build the Pacific Motorway, which they originally anticipated would cost about \$450m and it has gone from \$450m to \$750m—it went from \$450 to \$630m and then to \$750m. When I became the Minister, I found that they had not only not funded the \$120m rescope but we were also having to contend with the decision to abolish the toll on the Sunshine Motorway.

I am not going to the issue of that decision, but it left me with a substantial problem to deal with in budgetary terms within my department. So you had two major issues in south-east Queensland: that \$120m and the decision on the toll, which had the potential to take money out of the regional and rural budget. Yet here we have coalition members complaining about it. I think that the National Party members of the coalition should talk to their Liberal colleagues from time to

time about those kinds of issues. Notwithstanding—

Mr LAMING: It is not our problem—

Mr BREDHAUER: Notwithstanding that—and I am keeping mine—Pacific Motorway project, we are continuing to spend more of the road program outside south-east Queensland than in south-east Queensland. In excess of 50%—it is around about 54%—of the budget for roads will be spent outside south-east Queensland.

So although we have an important commitment to south-east Queensland as our major population centre and its roads and transport needs, that is not being done at the expense of regional and/or rural roads. I am make sure that when we deliver the Roads Implementation Program again in November this year, that the strong commitment that I have personally, but which the Beattie Government shares at a whole-of-Government level, to being a Government for all Queenslanders and to represent the interests of those people in regional and rural parts of Queensland in particular is honoured through our Roads Implementation Program.

Over the past 14 months, we have been across the length and breadth of the State. We have had 18 Community Cabinet meetings. As the Minister for Transport and Main Roads, I am one of the Ministers who receives the most deputations at those meetings. We are out there delivering to those people, no matter where they live in Queensland.

Mrs ATTWOOD: What is Main Roads doing to increase training and employment opportunities within the department? In particular, what is Main Roads doing to provide job opportunities for Aboriginals and Torres Strait Islanders?

Mr BREDHAUER: I think that is another significant issue. I have already mentioned the fact that our Government is committed to employment and that Main Roads and Transport are one of the key delivery agencies of this commitment. Our Roads Implementation Program sustains work for around 17,500 people on an annual basis. So we are responsible for significant employment initiatives both within the road building industry and within associated industries around the State. My Director-General, Jim Varghese, is a member of the Jobs Council and plays a very active and prominent role in the Jobs Council. The contribution that Main Roads is making to our State Government's significant program to Break the Unemployment Cycle needs to be recognised.

As an example, one of our initiatives is the Graduate Trainee Employment program, which will employ 300 graduates, trainees, apprentices, cadets and scholarship holders over the next three years. Of course, that will be on top of the department's continued recruitment of technical graduates like engineers. In 1998-99, Main Roads employed 29 trainees and 14 apprentices as part of the Government's Breaking the Unemployment Cycle initiative. Fifteen of those trainees were information technology trainees and 20, or 47%, of the 43 new employees were employed in regional areas. Five apprentices, or 10% of the total employed, are Aborigines or Torres Strait islanders.

As part of the Graduate Trainee Employment Program, the department will employ 38 graduates, 14 cadets, 45 trainees and offer 11 scholarship places. Those are in diverse areas such as accounting, human resources, information technology, communications, marketing, archaeology, anthropology and so on. In addition, in 1999 the department's technical recruitment program has employed 46 technical graduates, 31 of whom were employed in regional areas. Twelve scholarship holders are graduating this year, and of those 50% will be placed in regional areas. The department is assisting approximately 200 of its current employees to gain trade certification as plant operators. Also, the RTCS is employing approximately 10 plant operator apprentices across the State. These appointments are in all regional centres.

The department is committed to the employment and development of Aborigines and Torres Strait Islanders through programs such as the scholarship program, the remote communities capacity building strategy and the Remote Communities Services Unit. We can be very proud of the role that the Department of Main Roads is playing, in conjunction with RTCS, in training and employing apprentices.

Mrs ATTWOOD: Are there plans in place and resources provided in this budget to ensure that Main Roads will have addressed the issues necessary to be ready for Y2K?

Mr BREDHAUER: Yes. I think Y2K is a very important issue. Largely due to the efforts of the Minister for Communication and Information and Minister for Local Government and Planning, the Government has taken a very constructive approach to making sure that we are ready to meet any challenges that could arise because of the year 2000 problem.

The Main Roads year 2000 readiness project is coordinated by the performance and

information branch. The Y2K project manager for Main Roads was first appointed in July 1997. The project core team facilitates the department's Y2K remediation and rectification methodology. The estimated cost to Main Roads of Y2K related activity over 1998-99 and 1999-2000 was \$7.6m, which indicates how seriously we take our responsibilities in this regard.

A virtual project team of over 100 employees has been trained and has implemented the Main Roads Y2K readiness methodology in business units across the State. Main Roads' methodology includes inventory of products and services, risk assessment, testing and remediation, contingency planning and business continuity planning. Using the format prescribed by the year 2000 program office at the Department of Communication and Information and Department of Local Government and Planning, Main Roads reported a 100% readiness in the June 1999 report. Main Roads was one of only two Government agencies to meet this Cabinet set deadline. Therefore, I am very pleased with the progress that Main Roads has made and its achievement there.

I stress that the year 2000 project remains dynamic and is subject to ongoing refinement to keep pace with the latest Y2K information and business best practice. Main Roads plans to continue operating as normal over the critical dates leading up to and including 1 January 2000. In fact, we have been able to use our Y2K information to assist other Government agencies and the private sector in ensuring that they do their bit to become Y2K compliant.

Mrs ATTWOOD: I note from the Ministerial Program Statements that Main Roads prepares separate financial statements for its commercial business units. Could you please advise: (a) how the operation of the two business groups, RTCS and PHS, are financed; and (b) are you satisfied that each group does not have an advantage over its private sector counterparts by virtue of those financing arrangements?

Mr BREDHAUER: This is related to the question that was asked previously by the member for Gregory in relation to the Plant Hire Services. We publish separate sets of financial statements for the commercial operations of Main Roads. That is another example of our commitment to improving accountability and transparency in the operation of agencies.

Our two business groups in the commercial operation sector—RTCS, Road Transport Construction Services, and PHS, Plant Hire Services—were established with capital structures in January 1996. Prior to this, operating funds were provided from the Consolidated Fund. The operating assets of all units have been acquired over a number of years and were also financed through the Consolidated Fund.

Most private sector businesses fund the operations by way of a mixture of equity and external debt. To ensure that Main Roads' commercial units did not have a significant advantage over their private sector counterparts, both RTCS and Plant Hire Services were assigned an appropriate level of long-term debt. An internal overdraft facility of \$20m, which I referred to earlier, was made available to cover fluctuating working capital requirements. Overall, the objective was to provide a mix of debt to equity of around 40 to 60. This level was chosen after reviewing the published financial statements of a number of private sector organisations engaged in similar work. The operations have continued on that basis since then.

I am satisfied that the commercial operations group does not have any advantage over its the private sector counterparts by virtue of its financing base. Any additional funding required, for example, to upgrade the plant fleet, in excess of retained earnings from trading operations will need to be financed through further debt and not by cash injections from the Consolidated Fund.

The CHAIRMAN: The provision of transport infrastructure has been and continues to be a significant initiative of the Government, both in terms of providing Queenslanders with access to good roads and economically through its contribution to job creation. Could you please advise how Main Roads ensures that the technology it uses gives us the best value roads for Queenslanders? What initiatives has Main Roads implemented to ensure that its technical capability is maintained at a level that can provide Government with sound engineering advice to manage the risks associated with the provision and operation of roads?

Mr BREDHAUER: If you look at the operation of road authorities in other States, it is an interesting phenomenon that many of them have basically allowed their internal or in-house technical capabilities to decline and have essentially decided to buy in those

services from private operators. Unlike those other States, Main Roads continues to have those technical capabilities in house, to ensure that we not only remain an informed buyer of services but, importantly, that we are able to provide leadership to industry in road technologies. I have to say that from time to time when I meet with representatives of professional organisations, especially those representing engineers, to a person they are appreciative of the fact that Main Roads has maintained its commitment to the retention of in-house engineering and other technical capabilities.

It has been a deliberate policy of this Government to ensure that Main Roads has the capability to provide Queenslanders with good value roads right across the State. For example, the technology being built into the Pacific Motorway will make it a world-class facility in all respects, with high class alignment, heavy duty concrete and asphalt pavements and a traffic management system that will make this Queensland's first smart road in the Smart State. In remote areas, the department's research and trialling of low cost seals is an example of technology being used to stretch the road dollar to provide sealed roads earlier than would be possible using current practices.

Whilst these two examples are at opposite ends of spectrum, they serve to demonstrate the diversity of technology used by Main Roads to get the right solution. Through its Road System and Engineering group and Transport Technology Division, Main Roads undertakes regular applied research to develop policy standards and specifications that will ensure that engineering risks are clearly identified and managed within an acceptable profile.

We have worked hard to maintain those services in house. In recent years, we have undertaken a program to identify money that was previously spent on engineering consultancies. We have employed an additional 40 engineers in house and given ourselves the capability, through the permanent employment of those engineers, to replace the need to engage consultants. From my discussions with the director-general, I know that we are determined to continue that process. There will always be work for private consultants and engineers who work for private agencies. Generally, their view is that their relationship with us, as a purchaser of their services, is actually advantaged by our having an in-house capacity to deal with them to make sure that the work we are getting is of

the highest possible standard and quality. I am actively pursuing that commitment.

The CHAIRMAN: That concludes that period of questioning by Government appointed members.

Mr LAMING: In relation to the maintenance budget, can the Minister advise what criteria are considered when deciding whether to conduct road maintenance activities at night, particularly close to residences?

Mr BREDHAUER: Generally speaking, decisions about when work is undertaken are governed by the traffic conditions that you have to work under. Generally speaking, maintenance activity, obviously, by its very nature, is work that has to be done under traffic. That brings with it certain difficulties. In the process of undertaking maintenance work, we generally try to ensure that we inconvenience road users to the least extent possible. But by the same token we are also careful not to disrupt quality of life.

Generally speaking, we try to program maintenance works wherever possible at times when traffic volumes are low. It is an issue not just in terms of the convenience to motorists or the amenity of nearby residents; it is also an issue of worker safety, if you have workers on a roadside with heavy traffic. If we are undertaking work out of hours, however, it is our practice to contact neighbouring landholders and to advise them of the work that is being undertaken. We keep it to a minimum.

Obviously, we do not like working late at night. However, while not specifically a road project, on the South East Transit Project we have had occasions where we have had to do work over at South Brisbane, for example, rebuilding bridges for railways lines and so on. A major job might be commenced at midnight on a Friday night and it has to be finished by 5 a.m. on Monday. They go like the clappers over the weekend to try to get the project done. We recognise that urban amenity issues are important and we try wherever possible not to inconvenience people. But disruption to traffic and the safety of workers are the other considerations.

Mr LAMING: Are you able to advise whether the Government will consider compensation for landowners who are in the path of proposed new main roads even though actual construction may not occur for some years?

Mr BREDHAUER: Where we have determined a corridor for new roads, and properties will be affected directly by that

corridor, we do have the capacity to undertake hardship resumptions in those circumstances. I cannot say that, yes, in all circumstances we would be able to do that. It depends on the willingness of the person to sell. But generally speaking, if we have concluded a planning study which has identified that a particular corridor is required for future road purposes and a property is likely to be directly affected by that, we do undertake hardship resumption. For example, for the Toowoomba bypass we have spent \$12m already on hardship resumptions.

Mr LAMING: Which bypass?

Mr BREDHAUER: The Toowoomba bypass. It is a project that is not likely to be built for a number of years. Notwithstanding that, we have already spent \$12m on hardship resumptions.

Mr LAMING: But the hardship would need to be demonstrated in those circumstances, would it?

Mr BREDHAUER: It depends. It is a bit hard to make a general rule about that kind of stuff. Someone might ring up and say, "I've got a problem. I can't sell my house. I need to get out. I want to expand my business, but I can't do it here because I can't invest that amount of money in the knowledge that in 10 years' time you are going to build a road through here." If they are directly affected by the alignment and they want to come and talk to us, we will listen.

Mr DALGLEISH: I refer to the road funding for the Hervey Bay area in particular. Are you aware of the section of road called the Booral Road? Were you aware that as recently as 17 September 1999 a fatality and a number of serious injuries had occurred on that section of road? In fact, there were three separate accidents on this road in the space of seven days last month alone. Will you, as a matter of urgency, allocate emergent funding for this section of road? Minister, I understand you are very busy and I do not expect you to come for a drive around my electorate, but the people in my electorate are very grateful for any work that is done.

Mr BREDHAUER: I have been to Hervey Bay a couple of times since I have been the Minister. I always enjoy my visits there, including driving along the roads—

Mr JOHNSON: You went out on a boat, though, didn't you?

Mr BREDHAUER: I drive the roads, too.

The CHAIRMAN: We have already done Transport. We are in Main Roads now.

Mr BREDHAUER: I have to get down to the boat ramp somehow. I take the maritime responsibilities of my portfolio very seriously and I make no excuse for making my presence felt with those valued employees of ours.

I am aware of the issue. There are about 18 kilometres of State controlled road on Booral Road. The traffic volume at the accident site would be in the range of 3,000 to 3,500 vehicles a day. That is an estimate. Since that accident, the district director for Wide Bay has met with a range of people in the area to discuss the issue. The main issue seems to be between Boundary and Shore Roads; is that right?

Mr DALGLEISH: Yes, it is only a small section—probably three or four kilometres at the most.

Mr BREDHAUER: From the department's crash history data of reported accidents, the number of accidents between Shore Road and Boundary Road is approximately 13. This history goes back to 1989. There have been about 13 accidents over the last 10 years.

Mr JOHNSON: Just say yes to the money and let us get on with it.

Mr BREDHAUER: If only it were that easy. There are no works under the current Roads Implementation Program for improvements to this road. But you have written to me separately about this matter and I am happy to consider the approach that you have made and to discuss with council whether they think a higher priority should be allocated to roadworks in that area.

Mr JOHNSON: I refer you to staffing figures for Main Roads business units, contained on page 2-5 of the MPS, which indicate a reduction of 119 staff next year. I note also your answer to question on notice No. 10, in which you advised that a reduction in numbers will be managed through natural attrition, which averages 4% per annum. As the total number employed is currently 2,225 and given that the figure represented by a 4% turnover would be well below the 119 positions identified, how do you envisage being able to maintain a policy of no forced transfers?

Mr BREDHAUER: As I tried to explain in the answer to that question, we predicted that there would be job losses in the order of 134 last year, I think, from memory. Sorry, the figure was 149. The actual number was 34. We do best estimates on the basis of the work that we think RTCS will be able to achieve in the open market. We provide funds to guarantee a certain level of work for RTCS. But

as you would know, as a commercial business unit it is able to compete in the open market on a tender basis for other work. In last year's Budget there was a prediction that the RTCS employment, on the basis of historical data, could decline by as many as 149. The actual number that the work force was reduced by was 34.

As to the difference between 34 and 149—RTCS won probably a little more work than we anticipated it would at Budget-time, so we were able to sustain employment for a slightly higher number. So there was a significant difference there between the predicted and the actual. Once again, we have revised our figures on the basis of the work that we think RTCS will pick up. We have projected that there could be job losses of 119.

My commitment that there will be no forced redundancies is absolute. If there are job losses, they will occur through natural attrition and they are processes that we are managing. There is also the possibility, of course, that last year's experience could be reflected again this year and, if RTCS can win more work than we have anticipated they will in this budget, the 119 job losses will not occur. But in addition to that, let me say that we are working very hard to find innovative ways in which we can guarantee full-time employment for RTCS workers. We have, for example, under consideration an innovative job placement program which is trying to help us to find full-time secure employment for RTCS workers who may be surplus in other places.

I have to say that RTCS workers and their unions have been very cooperative in developing practices which enable us to maximise employment and to use their skills and availability as best we possibly can. As I say, my commitment in respect of no forced redundancies is firm.

Mr JOHNSON: When the major contract works on the Pacific Motorway and other south-east Queensland projects expire in the latter part of next year, can you give the Committee an undertaking that there will certainly be works around Queensland that some of these contractors can enter into?

Mr BREDHAUER: Sure. This is an important issue. There are a number of major infrastructure projects, especially in the transport area, which are due to wind up over the next few years. The Pacific Motorway project is one, the South East Transit Project is another one, and there is the inner northern busway. All of these are due to expire, if you look at them collectively, by around the end of

2001 to mid 2002. Most of these projects are likely to be finding their way to a conclusion. If there was nothing to replace that work, then it would lead to the potential for a significant drop-off.

I think there are two issues that need to be recognised here. The first is that in the Integrated Regional Transport Plan, the infrastructure projects that are required to meet the Transport and Main Roads objectives of south-east Queensland are clearly identified, and preliminary planning on the next round of projects which have been identified through the IRTP would be under consideration by my department. There are also some significant projects that are about to get under way which can help to replace that.

I have already mentioned to you today the port road. If that project was under way, that is one possibility where we could have additional work on a major project for a significant number of roadworkers. The Tugun bypass would be another one, for example. We have work that is due to commence on the six-laning of the highway up near Caboolture. So there are projects that are close by that would enable us to have some capacity to soak that up. I am working with both of my departments and with Queensland Treasury and the Premier.

The other component of it, though, is that Governments traditionally have sought to expand the Capital Works Program at times when the economy might be down a little and then, when the economy is in a more expansionary stage and there is more work in the private sector, to have a reasonable expectation that work in the private sector will help to meet the expectation for growth and employment opportunities. So we are looking at the next round of projects. We are looking in the longer term to develop the planning and design work for the next round of projects. I am regularly in discussions with my department and with the Treasurer and the Premier about funding for those projects in the years subsequent to 2001-02, but we would also expect that there would be the capacity for other levels of Government and for the private sector to contribute to fill those needs.

Mr JOHNSON: In the study in relation to the heavy vehicle route for Mt Gravatt-Capalaba Road, it is likely to divert heavy vehicles down the Western Freeway and, ultimately, onto the Gateway Arterial via the City/Valley bypass. It seems to me as though in time we will see that the City/Valley bypass could become a heavy vehicle route once more. Do you have a policy on this?

Mr BREDHAUER: No, I do not have a policy.

Mr JOHNSON: What I am saying here is that we are trying to get those heavy vehicles out of the Valley and the city now.

Mr BREDHAUER: Absolutely. Part of the idea of the City/Valley bypass is to get the heavy vehicles to bypass the city and the Valley. Funny you should call it a bypass, I suppose. The area around Mt Gravatt-Capalaba Road and Kessels Road—you would not find harder working local members than the members in that area, such as the members for Mansfield, Mount Gravatt, Archerfield and Sunnybank, in terms of trying to resolve the urban amenity issues that are caused by the heavy traffic that uses that area.

We have actually taken some significant initiatives in recent times. We undertook an origin and destination survey so that we could actually determine why heavy vehicles are using that stretch of road and whether there are alternatives to them using that stretch of road. The origin and destination survey, I understand, has recently been completed and I expect that I will be briefed on that in the next week or so, so that we can provide feedback to the community on the results of that.

We are doing our best in trying to reduce heavy vehicle usage in those urban areas. People have suggested that we should just keep trucks out of the city. The reality is that there are significant business, commercial and industry reasons why some trucks need to access the city. They need to make deliveries and pick-ups, and there are some fairly significant depots if not in the city, in near city areas. So there will always be a requirement for some heavy vehicles to be able to access the city and near city areas and to have the capacity to traverse the city so that they can service business and industry. But all of this is being dealt with in the context of our Integrated Regional Transport Plan for south-east Queensland, which is trying to deal with those urban amenity issues.

Of course, things like the duplication of the eastern end of the Logan Motorway, the Gateway Bridge—we are working with QML on the Gateway and Logan Motorway trying to make the Gateway as convenient as possible for heavy vehicles and for frequent users of that road network so that we can encourage more vehicles onto that road.

The CHAIRMAN: That concludes the period allocated for non-Government appointed members' questions. I now proceed

to Government appointed members' questions.

Mrs ATTWOOD: I understand that the Department of Main Roads and Queensland Transport have devolved considerable resources towards implementing a new human resource payroll system. Has the implementation been a success?

Mr BREDHAUER: We have a new SAP HR payroll system, as it is known, which has been one part of a much larger resource planning system implementation project called the Gateway Project, and this has been a major initiative by the Department of Main Roads. It is expected to deliver significant benefits in the medium to long term to both departments—Main Roads and Queensland Transport—in human resource management and payroll areas.

One of the significant features of the Gateway Project is that it is replacing many systems that are not Y2K compliant. What we have now is a new system which has recently been successfully rolled out across the State. There have been a few teething problems along the way, I have to admit. Even things like the pay slip that employees got caused some people some grief because it changed the way in which information on pay was presented. We worked through that in our focus groups. I think now people are pretty happy.

The new system is a state-of-the-art product—it is used by thousands of clients worldwide—but it did, of course, require tailoring to meet the complex requirements of Government agencies, including Main Roads. The post-implementation review of the payroll component of Gateway, which has been planned since the commencement of the roll-out of the new system, has recently commenced and will identify and address any outstanding concerns in relation to the new payroll system. Significant improvements have been made there and the new system is expected to deliver many benefits to the Department of Main Roads and also to Queensland Transport.

The CHAIRMAN: Does the budget make provision for completion of the Pacific Motorway? Can you confirm that the project will be delivered on time and that it is well planned?

Mr BREDHAUER: I think \$194m is the figure in this year's Budget for the Pacific Motorway project. This has been a significant challenge. The member for Gregory will know that there were serious reservations by the department about the capacity to deliver this

project under traffic in the time frame which was set. That has put significant pressures on everybody—the project managers, the department and also the contractors—in terms of delivery of this project. I take this opportunity to commend Bob Higgins and his project management team for what I regard as the excellent job they have done in difficult circumstances in managing this project.

The project is well advanced. Just as an example, there are 90 bridges on the project and 61 of those are complete. Considerable sections of the pavement are also complete. We are getting to the point in time where we should in the not-too-distant future be able to open significant sections of the pavement as they are being completed. Traffic is moving onto those, but there will be a series of significant openings of new sections and new works over the forthcoming six months or so.

We anticipate that the project will be substantially open to traffic along its entire length by March of next year, in accordance with the program. Bob Higgins was in the paper the other day talking about us being at the limit of our flexibility, I guess, because of the weather problems that we have had. At this stage I still anticipate that we will have the project open along its length in March of next year and we are looking for full completion of the project by September of next year.

There are a range of other things. Wet weather obviously has been a major factor. Employment on the project peaked at almost 1,800 employees in March of this year. It has been a major construction project by any gauge and the work that is being done to bring that to conclusion next year will see a quality product delivered, although it has not been without its problems from time to time.

Mrs ATTWOOD: Has money been provided in the Main Roads budget for the Surfers Paradise Heart of the City project, which was announced by the Beattie Government late last year?

Mr BREDHAUER: The Heart of Surfers Paradise project was actually the subject of a feature article in today's Courier-Mail. I do not know if members of the Committee saw it. The Gold Coast City Council has developed, in conjunction with the community there, a plan to revitalise the heart of Surfers Paradise. A significant part of that is to change the traffic flows through the Surfers Paradise area. I announced in conjunction with the Premier on 11 March this year that an additional \$3m would be allocated as part of an overall almost \$21m package across the whole of the Government to be funded over a four-year

period. So we are committed to working on that project with the Gold Coast City Council.

The completion of the project will remove traffic from the Surfers Paradise central business district and contribute to a rejuvenation of Surfers Paradise and Gold Coast tourism. The Gold Coast City Council will also contribute significantly almost \$12.5m. A draft memorandum of understanding has been forwarded to council which sets out the terms of agreement between Main Roads and the council. Finalisation of this document is pending. So we are actually well advanced with that memorandum of understanding.

The works include four-laning of Ferny Avenue immediately west of Surfers Paradise CBD between the Isle of Capri and Macintosh Island. Prior to these works and in a separately funded project, Main Roads is four-laning a section of the Southport-Burleigh Road between Bundall Road and Burleigh Road to provide an improved alternative north-south corridor.

Essentially, the \$3m we have provided will be used in the first instance for public consultation and planning and design work and relocation of services such as electricity, water, sewerage and those kinds of things. Work is due to commence in March 2001 and be completed by 2003. We are happy to be working with the Gold Coast City Council and the community of the Gold Coast on that significant project.

Mrs ATTWOOD: Can you advise on the current status of Federal funding for Queensland's National Highway system? In particular, what is the position in relation to the Ipswich Motorway and the Bruce Highway between Pine Rivers and Caboolture?

Mr BREDHAUER: The Ipswich Motorway can be a short answer. The budget is bugged all in this financial year. National Highway funding is a really big issue for us. National Highway funding in Queensland this year will be about \$25m less than it was in 1996-97. We had some moneys advanced into last year's budget, because there was an offer from the Commonwealth that they were prepared to do that. I think the opinion of my department is that a bird in the hand is worth two in the bush, so when the Commonwealth said, "There is a bit of money here you can grab this year but we will take it off next year's allocation", we decided not to wait and see if it was hanging around next year; we grabbed it while we could. So there will be an adjustment. Notwithstanding that, there is \$25m less in this year's National Highway allocation for Queensland than there was in 1996-97.

National Highway funding across the country has fallen by \$640m since that time. The Ipswich Motorway is one road that has suffered.

In 1997, under the member for Gregory as Minister, a review of urgent safety and maintenance requirements on the Ipswich Motorway identified \$47m worth of work that was required there, and none of it has been funded by the Commonwealth. There was nothing allocated in this budget for the Ipswich Motorway.

For the Bruce Highway between Pine Rivers and Caboolture, \$35m over three years has been allocated. Work will start there on that six-laning project. But people need to bear in mind that the preliminary estimate of the total cost of that work is \$200m and we have been allocated \$35m over three years.

Clearly, there is an urgent need for the Commonwealth Government to lift its game on National Highway funding. We have had some individual success on specific projects, and I thank John Anderson and the Commonwealth department for the support they have given us for particular projects such as the Barkly project and for the agreement to accelerate the funding on Portsmouth Road. But we have safety and congestion issues which are of increasing concern on the Ipswich Motorway. There have been 136 major accidents on the motorway in the past five years and traffic volumes have risen from 52,000 vehicles per day in 1990 to 75,000 vehicles per day in 1999. We just do not have any money to do the work.

We have a 10-year plan which I sent to John Anderson about six months ago, and I still have not had an answer from him about whether he likes it or does not like it. I did not ask for a funding commitment; I just asked him to acknowledge the 10-year National Highway strategy and we did not get a response. They need to do better.

The CHAIRMAN: Thank you, Minister. That now concludes the Committee's questioning of your portfolios.

Mr BREDHAUER: Might I just provide some information by way of follow-up to a question earlier?

The CHAIRMAN: Yes.

Mr BREDHAUER: In respect of former properties in the area of the south coast motorway, I advise the member for Gregory that, in 1998-99, two properties were sold and \$273,000 was earned from that.

If you do not mind, Mr Chairman, I would like to express my appreciation to officers of

both of my departments and of Queensland Rail and other Government owned corporations who have provided me with a great deal of assistance over the past couple of months in the preparation of the budgets, and particularly in preparation for today's Estimates Committee meeting. What you see here is a bit like the duck swimming on the water; above the surface it all seems very calm and placid, but let me tell you that they are going like the clappers down below somewhere. I want to acknowledge and pay tribute to those people from both the Departments of Main Roads and Transport and the associated Transport GOCs who have assisted in bringing us the information that we have been able to present to the Committee today.

The CHAIRMAN: That now concludes the Committee's hearings in relation to the Transport and Main Roads portfolios. Thank you, Minister, and thank you, departmental officers and advisers, for your assistance. I remind you that any answers taken on notice by the Minister or any further information is to be received by the Committee secretariat by 3 p.m. on Tuesday, 12 October.

Sitting suspended from 1.01 p.m. to 2.15 p.m.

PUBLIC WORKS; HOUSING**IN ATTENDANCE**

Hon. R. E. Schwarten, Minister for Public Works and Minister for Housing

Department of Public Works—

Mr M. Grierson, Director-General

Mr G. May, Deputy Director-General

Mr T. Woodward, Director, Finance and Information Technology

Ms J. Phillips, Director, Planning and Human Resources

Ms C. Tonkin, Director, Queensland Purchasing

Mr L. Clarence, Group General Manager, Services and General Manager, Q-FLEET

Mr R. Giles, General Manager, Goprint

Mr B. Hunt, General Manager, Sales and Distribution Services

Mr M. Smith, General Manager, Project Services

Mr W. Pashen, Assistant Director, Budget Division

Department of Housing—

Ms L. Apelt, Director-General

Mr A. Ackfun, General Manager, ATSI Housing

Mr I. Fulton, General Manager, Housing Finance

Ms J. Clark, General Manager, Public Rental and Community Housing

Ms L. Hewlett, Policy Adviser

The CHAIRMAN: The next portfolios to be examined relate to the Minister for Public Works and Minister for Housing.

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 is expired. More time may be given for answers if the questioner consents. The Sessional 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 blocks lasting approximately 20 minutes.

In relation to media coverage of today's

hearing, the Committee has resolved that video coverage is allowed during the Chairman's and Minister's opening statements.

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, they may be admitted or excluded from the hearing at the pleasure of the Committee.

The time allotted to the portfolio of Public Works and Housing is four and a half hours. The examination will begin with the Department of Public Works. I declare the proposed expenditure for the Minister for Public Works and Minister for Housing 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: Thank you, Mr Chairman. Last year, at the Estimates Committee for the Department of Public Works, I indicated that there were major challenges ahead for the department during 1998-99. I was right, in that it has been a very challenging year, particularly for some of the business units, as external factors have affected their bottom line performance. I can also say, without fear of contradiction, that I expect 1999-2000 to be even more challenging. We will soon have the Y2K issue behind us, but we then face the GST minefield from July next year. We also face the challenge of protecting and generating jobs through our activities with our Government and industry partners.

At these hearings last year, I indicated that I intended to make a major contribution to achieving the Government targets in apprenticeship training. This has been achieved. Last year, I indicated that I was going to introduce more efficiency and effectiveness in the delivery of the Government's Capital Works Program. This, too, has been achieved. Last year, I indicated that I would improve the maintenance of the State's building assets. This has also been achieved. Last year, I stated that I intended to strengthen our partnership with the building industry. That has also been achieved.

Mr Chairman, I would now be pleased to answer any questions on the department's achievements for 1998-99 or our plans for 1999-2000.

The CHAIRMAN: Thank you, Minister. The first period of questioning will be from non-Government members.

Mr LAMING: I welcome the Minister and members of the department to the hearing. The first question I have is an overall portfolio question. I refer to page 1-6 of the MPS. What are the circumstances that see the projected revenue for the 1999-2000 financial year drop by \$112.297m to \$15.563m?

Mr SCHWARTEN: It is an accounting treatment. I will get Tony Woodward to answer that question.

Mr WOODWARD: The drop in expenditure from \$131.652m to \$15.563m is primarily a result of maintenance being devolved to client departments. It is also the result of payments that came from Treasury last year for the Cairns Convention Centre not coming to the department this financial year.

Mr LAMING: I refer now to page 1-7. Are all vacancies and casual or temporary staff—FTEs—included in the 1999-2000 staffing figures provided?

Mr GRIERSON: Yes, they are.

Mr LAMING: Also on pages 1-7 and 1-6—with reference to the Corporate Services within the Public Works portfolio—this question has a number of dot points. I will read through them, and if you want me to come back to them separately, I will. Since last year's Estimates, you still have a shared Legal and Contractual Service and Marketing and Corporate Communication Unit; is that correct?

Mr GRIERSON: No, that is not correct. It is half correct. We do have a shared Legal and Contractual Unit, which is servicing both the Department of Public Works and the Department of Housing. Each department has its own Marketing and Communications Unit. You lumped those two together.

Mr LAMING: Okay. I will continue down the dot points. But you have a separate Planning and Human Resources section and an Internal Audit Unit?

Mr GRIERSON: That is correct.

The CHAIRMAN: I will just indicate to the member and also to Mr Grierson that the questioning is actually to the Minister. So in the first instance the Minister might indicate, "I will refer it to Mr Grierson."

Mr SCHWARTEN: As part of the whole package—

The CHAIRMAN: Are you happy to deal with it that way?

Mr SCHWARTEN: Yes.

Mr LAMING: I might start that one again. You do have a separate Planning and HR Section, an Internal Audit Unit, a Finance and IT Unit and an Executive Services Unit; is that correct?

Mr GRIERSON: That is correct.

Mr SCHWARTEN: That is right.

Mr LAMING: What are the separate staffing resources for each of these units?

Mr SCHWARTEN: I will refer that to the director-general, but obviously the director-general can only answer for the Department of Public Works.

Mr GRIERSON: That is understood?

Mr LAMING: Yes.

Mr GRIERSON: Bear with me, and I will dig those figures out for you. The Internal Audit Unit—are we talking about 1998-99 or this current year?

Mr LAMING: This coming year.

Mr GRIERSON: This coming year, internal audit will have four people. Finance, including the library, will have 25. External relations is 11. That is the new name for what was, in your earlier question, marketing and communications. Planning and human resources has 19; the information services group, eight; legal, 22; and the Executive Services Unit, 10, which includes two people for the mail room.

Mr LAMING: What are the separate budgets for each of those units? Do you have that information on hand?

Mr GRIERSON: I will ask my finance director to give you those figures from the table.

Mr WOODWARD: Are you after the 1998-99 budget?

Mr LAMING: No, the 1999-2000 budget.

Mr WOODWARD: The 1999-2000 budget, in accrual terms, is \$10,051,000.

Mr LAMING: That covers all of them, does it?

Mr WOODWARD: That covers all areas.

Mr LAMING: They are not split—the ones that the D-G gave separately?

Mr WOODWARD: Yes, I can provide those.

Mr LAMING: Later or now?

Mr GRIERSON: We can give you them now.

Mr WOODWARD: Internal audit is \$670,000; finance and library is \$1,875,085; the external relations or communications—as

the director-general mentioned—was \$1,303,494; planning and human resources, \$1,811,780; information services group, \$1,720,701; the office of the director-general is \$1,108,392; the office of the deputy director-general is \$646,525; and the Executive Support Unit is \$773,627. Then there are allocations—four—which sit in the corporate area for certain special projects. Were you after those as well?

Mr LAMING: Yes, please.

Mr WOODWARD: There was money allowed for SAP, which was \$79,068. I am sorry, I left out the legal before. Legal was \$1,872,033. There were business unit recoveries of \$3,710,000 and special allocations of \$735,970.

Mr LAMING: Thank you very much. The next question might have been covered by the answer to the earlier question. The question was to be this: what is the separate quantum of payments made or received by the Department of Public Works for shared services? I think you said earlier that there are no shared services. Is that correct?

Mr GRIERSON: No. I said there were shared services for legal and contractual.

Mr LAMING: Then the question is still valid. What is the separate quantum of payments made or received by the Department of Public Works for shared services?

Mr WOODWARD: The amount is \$980,000.

Mr LAMING: And that is received?

Mr WOODWARD: Received from Housing.

Mr LAMING: You gave me the number of staff in the executive services area. I think you said there were 10. Is that correct?

Mr GRIERSON: The number of staff in the executive services area of the Department of Public Works is 10.

Mr LAMING: The next question concerns telecommunications. Can you inform the Committee that your department has been directed, as a consequence of a decision of Cabinet which the Premier confirmed during Estimates Committee A, to contribute a proportion of the \$117m of the Queensland Government's telecommunications expenditure over the next five years to Optus?

Mr SCHWARTEN: I think the Premier adequately answered that question the other day.

Mr LAMING: And your department has been made to contribute a proportion?

Mr SCHWARTEN: I said that I think the Premier answered that question adequately the other day.

Mr LAMING: What is the total value of the Department of Public Works telecommunications expenditure per annum?

Mr GRIERSON: We do not have the exact figure, but it is of the order of \$3.4m for our voice telecommunications. We also pay fees to CITEC for data communications.

Mr LAMING: What is the value of the Department of Public Works telecommunications expenditure that will be expended through Optus?

Mr SCHWARTEN: You mean at the present time?

Mr LAMING: In this present financial year, yes.

Mr GRIERSON: With the Minister's indulgence: we have called tenders for telecommunications services and we are evaluating those tenders right now. That involves packaging up a whole range of services—mobiles, long distance, spectrum services, PABX, managing changes—and at this point in time we are evaluating the various components of those packages. Each component could be awarded to a different carrier. So we have made no decision as to which carrier will get which slice of our telecommunications work.

Mr LAMING: Can you confirm that the Department of Public Works had, prior to the Optus deal, reached a verbal agreement with Telstra for the provision of whole-of-department telecommunications services?

Mr SCHWARTEN: Not as far as I am aware.

Mr GRIERSON: No. The Minister is correct. We have not finalised that tender at all.

Mr LAMING: Was the Optus agreement subjected to an open and competitive tender, or any other competitive procurement process?

Mr SCHWARTEN: I have no idea. You had better ask Terry Mackenroth that.

Mr LAMING: I refer to the Operating Statement table on page 1-23, and in particular to the totals in the 1999-2000 financial year for user charges, employee expenses and supplies and services. This is in three dot points and I will read it right through because that might be the easiest way to do it.

When you add together the corresponding figures for user charges contained in the Output Operating Statements —Building Procurement and Asset Management at page 1-14 you have \$214.248m, and for procurement at page 1-18 you have \$1.78m. That gives me a total of only \$216.028m. In the Operating Statement on page 1-23 you display a total of \$220.668m—a discrepancy of some \$4.64m. Is there an explanation for this, or is it just a simple calculation error?

Mr SCHWARTEN: I am sure there is an explanation for it and Tony will give it to you.

Mr WOODWARD: The parent entity also includes corporate services, whereas the two output statements exclude corporate services.

Mr LAMING: I see. We could have the same answer to the next question, but I will go through it to make sure. Had you finished your answer?

Mr WOODWARD: The parent entity also includes corporate services. The two output statements also include corporate services but what they exclude is the moneys that are returned from Housing. That is actually the amount that was mentioned.

Mr LAMING: And that adds up to the difference?

Mr WOODWARD: Yes.

Mr LAMING: We could have the same answer to the next question. When you add together the corresponding figures for employee expenses and supplies and services contained in the Output Operating Statement — Building Procurement and Asset Management at page 1-14 and procurement at page 1-18 you get a joint total of only \$208.915m; yet in the Operating Statement on page 1-23 you display a joint total of \$213.55m—a discrepancy of some \$4.64m. Are we talking about the same reason?

Mr WOODWARD: Yes.

Mr GRIERSON: If I could just interrupt. You remember we said there was \$3.7m returned from business units to corporate and \$900,000 that Housing paid our department as their share of legal and contractual? That \$3.7m plus the \$900,000 gives you your \$4.6m. That is where those figures come from.

Mr LAMING: That balances up with the variance that I finished up with?

Mr GRIERSON: Yes.

Mr LAMING: Thank you for that. I would like to ask a question concerning the Roma Street development. When do you anticipate work commencing on the site and what will be the initial scope of this work?

Mr SCHWARTEN: At the end of this year. It is timed to finish in March 2001. The work will proceed. We have \$72m to spend on that project. If you so desire, we can show you plans of the site.

Mr LAMING: My follow-up question is this: given that you were unable to expend \$9.5m of the projected budget last financial year—which roughly equates to 140 jobs that went uncreated—what guarantees does the Committee have that you and your department will expend the budgeted amount this financial year?

Mr SCHWARTEN: I am very confident of it but, to share that confidence, I will get the director-general's advice.

Mr GRIERSON: The project was funded last year but, as you will recall, there were some negotiations regarding an international garden festival. The decision that that festival would not proceed was not taken until late 1998, and it was not until March 1999 that the city council and the State Government finalised all the negotiations and agreed to proceed with the Roma Street redevelopment. So the project was really only started at about the end of March or early April this year. It was less than three months, and most of the work involved planning.

Mr LAMING: I refer to page 1-21 and I make reference to the Hervey Bay Government office complex and to the underspending in the 1998-99 financial year of \$1.22m. Given that the supposed can-do Labor Government slowed this project down from one year, as was proposed in the coalition's 1998-99 Budget papers, to two years in your 1998-99 Budget papers, why did you fail to achieve even the lower target?

Mr SCHWARTEN: The reality of the question shows your ignorance of how these jobs are funded. They are funded on the basis of a financial year. As the honourable member for Hervey Bay will tell you, the project ran into two financial years and, as such, is funded accordingly—just the same as the Cairns Convention Centre. However, I will get you further details from the director-general.

Mr GRIERSON: The only delay in those projects was where there were some discussions with the city council regarding changes to drainage requirements that were required on the site. Otherwise, that project has proceeded on schedule and will be completed December this year ahead of budget.

Mr LAMING: December this year?

Mr GRIERSON: Yes.

Mr SCHWARTEN: I was there a couple of months ago and the project is well and truly advanced.

Mr LAMING: Is it not also a fact that this Labor Government has slowed this project down even further and now does not expect to complete this office complex until the 2000-2001 year?

Mr SCHWARTEN: No.

Mr LAMING: Not correct?

Mr SCHWARTEN: No. Whoever wrote that question for you has not been to Hervey Bay for a while.

Mr LAMING: So the expected completion date—

Mr SCHWARTEN: Is around December this year.

Mr GRIERSON: The building is scheduled for completion in December 1999.

Mr SCHWARTEN: 1 December.

Mr LAMING: I refer to page 1-71, which relates to QPM. What was the total staff numbers, including vacancies, for QPM immediately before its dissolution?

Mr GRIERSON: You will have to bear with me while I just look that up. I will get Ms Jan Phillips, the director of personnel, to give you the full details.

Ms PHILLIPS: I have the total number of staff who were in QPM. That does not include vacancies. I do not have the vacancy numbers available today. The total staff by full-time equivalent was 528.

Mr LAMING: So you do not have the vacancies?

Ms PHILLIPS: No, I do not.

Mr LAMING: No idea approximately what they might have been?

Ms PHILLIPS: No, I do not.

Mr LAMING: What was the break-up of staff resources from QPM to other areas within the Public Works portfolio?

Ms PHILLIPS: Again, in full-time equivalent numbers?

Mr LAMING: Yes, please.

Ms PHILLIPS: Three went to the corporate area, 54 to Building Division, 75 to Project Services, 396 to Q-Build.

Mr LAMING: Thank you. On what basis was the decision taken to dissolve a highly profitable and above-target performing business unit?

Mr SCHWARTEN: I took the decision on the advice of the department that we could

make savings by doing that work in other business units within the Department of Public Works, and that advice has proved fruitful.

Mr GRIERSON: There had been for time some duplication between QPM and the other business units—Project Services, Q-Build and the Building Division. So there was an overlap in functions that was causing me some concern. The second problem was that we were facing Y2K issues. The first quote that we received from Andersen Consulting to upgrade the system to Y2K compliance in QPM was \$2.9m. Those systems, or the majority of them, were already existing in the other business units. For example, a real estate module existed already in Project Services. So rather than upgrade the modules in the systems in QPM, we saved at least \$2m—closer to \$3m—by spreading those functions across the other business units.

Mr LAMING: So we had the dissolution of a highly profitable and above target performing business unit, which QPM was, and this had nothing to do with propping up a less profitable and below target performing Q-Build?

Mr SCHWARTEN: There you go attacking Q-Build again, as you always do.

Mr LAMING: No, it is a question.

Mr SCHWARTEN: I am waiting for you to get on to the bricks question that you got on to last year. By the way, since that dominated so much of the proceedings last year, I thought you might like to know where the bricks are: they are at 184 Boundary Street, in the fence there. We did manage to get them back. In terms of that project, I think that the director-general has adequately answered that question.

Mr GRIERSON: Those functions of security and cleaning that are in Q-Build, I would not regard those as being highly profitable elements of QPM. In fact, they are units that we continually have to watch closely regarding their bottom line performance.

Mr LAMING: Thank you.

The CHAIRMAN: That concludes that period of non-Government appointed members' questioning. I will now proceed to Government appointed members' questioning. I call the member for Nicklin.

Mr WELLINGTON: I understand that recently your department has undertaken some significant maintenance works on public housing in my electorate of Nicklin. For the benefit of my electorate, can you please explain the reasons behind the need for this maintenance work?

Mr SCHWARTEN: I presume that you are talking about the \$4.4m special maintenance program that became available as of March this year. To answer your question specifically, at some stage your office contacted us about some projects that required doing. Indeed, let me say that, as part of that particular program, every single electorate here benefited. As I recall it, there were three high schools that had urgent and ongoing maintenance issues that were looked at. Indeed, all of us who have schools of such a nature in our electorates—the older-type schools—could relate to this. As I said, the money became available and it was used for requests, such as yours, that had come in over a period of time. If you like, I will get you the figure. I think that it is between \$60,000 and \$70,000.

In that regard, Nambour, Palmwoods and Woombye State Schools in your electorate were treated. As you probably know, we do not control the maintenance on schools. I am still constantly amazed at the number of people who write to me asking for that sort of maintenance to be done. So we keep a register in the office of those verbal and written requests that come in for exigencies like this. When this money became available, we were able to use it straight off on those sorts of projects. For example, I know that there were a few projects in the electorate of the member for Gregory. The same applies to the member for Hervey Bay. He would remember the situation at Pialba school where there was that debacle with the private contractor and the asbestos roofing. Out of this project, we were able to fix that up.

I cannot give any guarantees that every year that sort of money will be able to be found within the budget of Public Works but, where it is, I think that we have an obligation to put it to good use and to put it to use right throughout Queensland as best we can. We could have just divided the \$4.4m between the 89 electorates, but that would not have resolved anything. This way, we are able to get over urgent needs in various parts. For example, there was an ongoing problem in the electorate of Moggill with a roof. It cost some \$85,000, or in that vicinity, to get it fixed. It sat there for years. In my electorate, there was a swimming pool that was leaking. This list came up to me from the department and we acted on those accordingly. Out of that program, about \$1m went into asbestos removal.

All in all, I think that it was value for money and created jobs. Most of the work was delivered through Q-Build, which gave the necessary skills and training to those

apprentices. I can get you some more details on that.

The CHAIRMAN: I refer to an issue raised at these hearings last year about Q-Fleet and plans by the former coalition Government to enter into a sale and lease-back deal with a private financier. In light of your decision to scrap that proposed arrangement, have you had any reason to review your decision?

Mr SCHWARTEN: No, I have not. I acknowledge that this matter was raised by the shadow Minister at these hearings last year when he accused me of wasting taxpayer's money over the decision that Cabinet and I took in September of last year to scrap the Macquarie Bank deal to effectively privatise the fleet in Queensland. I am glad that I took that decision and there is a newspaper article that will tell you why. This is the West Australian of last week. The headline reads "Car fleet fiasco costs State \$30 million".

The West Australian Government went down the same path that the previous Government intended to go down, and which I was criticised for stopping last year. The decision to privatise is costing the Western Australian Government \$1m per month. I guess some people have the view that if you privatise something, you will save the taxpayers money, but the people of Western Australia would not agree with that. They will have lost \$12m this year. The last time I mentioned this in the Parliament, it was costing them \$1m per year, but now it has blown out of all proportion to \$1m per month. They are tied into that arrangement till the year 2006, which means that the taxpayers of West Australia will go without \$84m.

If the coalition Government had been re-elected, in the course of this year this proposal would have cost the equivalent of the cost of building three primary schools. I say to people who are criticising this Government's willingness to continue public ownership of these facilities and services that they really ought not to be lured into the fool's paradise of believing that the private sector can save them money. I stand by the decision that I took last year. If I had my time again, I would take that decision again. If the West Australian Government had the benefit of hindsight available to it, the last thing that it would have done was embrace the deal that the Queensland Government was going to embrace prior to the election last year.

Mrs ATTWOOD: With reference to the Rockhampton Smart City project, mentioned in the Ministerial Portfolio Statements at page 1-10, would the Minister provide an update of

this project and advise how it will benefit the community of Rockhampton, particularly in job creation?

Mr SCHWARTEN: Upon coming to Government, you always seem to have people knocking at your door expecting you to deliver. However, on this particular occasion when the university approached me about the new concept of Smart City, which was part of the urban renewal program that it was proposing for Rockhampton, it was certainly an opportunity for the Government to respond and respond decisively.

Within a matter of weeks of coming to Government, we were able to hand to the university three old court buildings in East Street, Rockhampton, that had very limited future application to the Government. In fact, I think that they would have provided us with a lot of headaches over the years. Another building on Quay Street that used to be a TAFE college was also handed over. All four buildings have been turned over to the university and we have made available some \$2m for refurbishment, which has provided very valuable work experience for our local apprentices. Indeed, we put on 29 apprentices this year. When Cabinet met in Rockhampton this year, an extra amount of money was made available. The total funding for that refurbishment work was \$2.75m.

The project itself is a very exciting one and I think it augers well for similar sorts of projects. As we all know, all over the world CBDs are on the decline. A lot of people have been trying to come to grips with the development of new concepts for the CBD.

I was talking to the university chancellor, Lachlan Chipman, on Monday. Sixty students have already come into the complex, which has added a much-needed boost into the CBD area. The local business houses have taken a considerable interest in what is occurring and Telstra has now come on board. The Federal Government has made another building available, although I will say that the Federal Government charged for its building. Part of our Smart State initiative is to try help universities like the CQU. However, there is no doubt about the capacity of this project to enthuse people. International visitors have come to look at it.

I am delighted to be part of the Government that has handed over those buildings to the university. It shows the benefits of recycling buildings. For example, the old Supreme Court is where they held the kangaroo court that looked into the shearers' strike of 1891. It is a significant historical

building that really has a new lease of life. It still remains in public ownership and it is still being used for the benefit of the taxpayers of this State. I think it is a great idea.

The CHAIRMAN: What is the current status of your revision of the State purchasing policy, mentioned on page 1-16 of the Ministerial Portfolio Statements?

Mr SCHWARTEN: At the moment, the State purchasing policy, or the State procurement policy, is in draft form and is out for a period of consultation. If any honourable members do not have a copy, I will certainly make one available to them. I hope that the document is embraced by both sides of politics in this State and, indeed, by all honourable members. It is an attempt to try to get some consistency into State procurement. We spend about \$5 billion a year on procuring goods and services for the State.

I am sure that every member sitting at the table has heard a constituent say, "Don't bother about putting in a quote to the Government. It's only interested in the bottom line." I am sure that, like me, the member for Gregory has heard that from his own constituents. For example, small contractors often get knocked off by larger contractors from down here because of price. I understand why that is the case. In this post-Fitzgerald era, public servants are very keen to ensure that nobody comes knocking at their door for not letting a contract out to the lowest bidder.

In my view, we have to end up with a transparent system that defines what value for money is. I believe that value for money lies in a Government's priorities. It does not matter whether it is your Government or our Government. Every Government gets elected on a certain number of points which form their platform. We happen to have a seven-point platform: jobs, protecting the environment, growth in regions and so on. I believe that those points should be taken into account when determining what value for money is.

Let us say that a contractor in Longreach puts in a price on a job. If he wins the contract, his money will stay in the region. That will help to grow jobs and give young people opportunities in the region. That should be factored into the situation while, as the director-general points out, retaining the probity and transparency that is expected. There are no pea and thimble tricks about it, although the people who put in the lowest price would complain that they missed out.

There ought and there will be a mechanism to determine what value for money is for the Government of the day. If the

Government changes and the priorities change accordingly, those priorities should be inserted beside the procurement policy, so that the people who are procuring goods and services on behalf of the Government can do their job. This is about Governments who are accused of saying one thing and doing another. It is about using our procurement policy to create jobs in regions and to do what the Government promised to do. As far as I am concerned, it is a tool of Government and it ought to deliver for the people who elected that Government.

Mrs ATTWOOD: Minister, I refer you to page 1-32 of the Ministerial Portfolio Statements, which states that Q-Build provides services to the community on behalf of the Government, specifically apprenticeship training. Would you please advise how Q-Build's job creation initiatives in 1998 and 1999 contributed to the development of regional Queensland?

Mr SCHWARTEN: As I said before, Q-Build copped a caning, especially from the shadow Minister for Education. In my view that was very unfair, because most of the things that were said were completely untrue and demonstrably so. Indeed, they were very hurtful to the people who work in Q-Build. Notwithstanding that, I think it is timely that people ponder just how important Q-Build is to the regions in Queensland and to the building industry generally. For example, take the 29 apprentices put on in the Capricornia region of Q-Build—my area and that of my good friend from Longreach. Some of those young kids have come out of Barcaldine. If Q-Build was not there, you could guarantee that those kids would not have got an apprenticeship. The day you close down Q-Build, the first people knocking at the door of the honourable member and I will be the little businesses that hang off Q-Build. Sixty per cent of the work that Q-Build gets goes out to private enterprise. There is a lot of small business. The day it goes and is replaced by a large agency that specialised in it, you could bet your bottom dollar that all of those little businesses from Coolangatta to Cape York and the Torres Strait islands and west to Bedourie and all of the businesses in Mount Isa and so on that hang off Q-Build would dry up. When people criticise Q-Build, they should understand that that is the case.

Also, Q-Build buys locally from the suppliers in places such as Mount Isa and Rockhampton. All of the material, for example, the joinery and so on, is sourced locally. It really is a bit like the Q-Fleet privatisation argument. Value for money—going back to

the old procurement line—is expressed in many different ways. I think we get value for money out of Q-Build. I know that we do. It is a very important part of regional and rural Queensland, not just because it trains apprentices. For example, in the electorate of the member for Mooloolah, on the Sunshine Coast, there are 22 Q-Build apprentices. That is 22 young people who in the last 12 months have got a start in the building industry. It performs very well. Ninety-five per cent of the people who are trained in Q-Build come out of their time, as opposed to about 51% in private enterprise. The runs are on the board and the runs are there more particularly in regional Queensland.

The CHAIRMAN: On page 1-32 of the Ministerial Portfolio Statements Q-Build's role is shown to include assisting indigenous communities to develop an internal capacity in building and construction areas. Can the Minister explain what has been achieved to date and what outcomes are expected in 1999-2000?

Mr SCHWARTEN: In the last 12 months we have had the opportunity to trial what I thought was a very good idea, which came to me, by the way, via a Q-Build employee, who suggested to me that at Woorabinda there was a golden opportunity to train some young people in the construction industry. One of the things that I have found—and I am sure anybody else who has visited Aboriginal communities has also found this—is that there is a paucity of skills in those areas. The local communities are getting tired of people coming in, constructing buildings, walking away and leaving no skill base behind. Accordingly, one of the first decisions that I made was to ask the director-general to provide a dedicated officer to look into the possibility of creating indentures for Q-Build in Aboriginal communities. At the moment we have nine young people at Woorabinda and it is proving very good. So far they have built the new hospital. When I was there recently, I saw the new child-care centre. Also, there are a number of housing projects for the community. The trick is to get a whole-of-Government approach, which this officer has been able to do. Every bit of work that has come into Woorabinda has been worked on by these apprentices. I will be trying to make sure that, as far as possible, in respect of any work that comes there, private contractors take on these people and provide them with the skill base that they need.

In terms of the northern cape, we have 30 apprentices being funded across eight communities in that area as a result of this. I

think it is an excellent program. I think it also reinforces the value of having Q-Build there. Q-Build can go into those communities on a not-for-profit basis and assist in those training programs. Wherever I have been in any of those communities, they have been welcomed as an honest broker in terms of providing quality training. The Woorabinda apprentices have been into our Q-Build depot in Rockhampton and worked in the joinery shop there. In my view, they have a very good future ahead of them if we are able to keep the amount of work up to them. I have said to contractors who are going into these communities that our expectation as part of the procurement policy will be that locals get a start. Accordingly, I have written to Aboriginal communities and indicated that that should be the case. The director-general reminds me that the program has been extended to Palm Island, Injinoo, New Mapoon, Umagico, Bamaga, Seisia and Kowanyama, with approximately 30 apprentices in those places. It is a very good scheme and I am delighted to be associated with it.

The CHAIRMAN: That concludes this period of questions from Government appointed members.

Mr LAMING: I had one more question on QPM, which is referred to on page 1-73. I note that at the point of the dissolution of QPM in February 1999 the trust account balance was in surplus. What was the balance of the trust account upon dissolution and what happened to the trust account balance at the dissolution of QPM?

Mr SCHWARTEN: I will get Tony Woodward to answer that question.

Mr GRIERSON: While Mr Woodward is looking for that answer, I will correct something that I said before. I mentioned to you that there was \$900,000 from Housing for our Legal and Contractual Branch. That also includes a payment for the library. Housing also shares a library with Public Works. So the \$900,000 includes their share for the Legal and Contractual Branch and the library branch of the department.

Mr LAMING: Are you able to split that up for me? Can you take that on notice?

Mr GRIERSON: I do not have it here, but we will take that on notice.

Mr WOODWARD: The balance of cash available at the date of the dissolution of the business unit was \$8,485,701.83.

Mr LAMING: What happened to that balance on dissolution?

Mr WOODWARD: The balance was broken up across the various business units. In effect, the distribution was as follows: Q-Build received \$3,321,972.27, Project Services received \$1,839,046.51, the Building Division received \$958,572.71 and Corporate received \$2,366,110.34.

Mr LAMING: What was the basis of that split-up? Was it based on where the functions went?

Mr WOODWARD: It was based on the assets and liabilities associated with the functions being transferred to each of the individual business areas.

Mr LAMING: I wish to ask some questions about the backflow program. I refer to page 1-11. What is the total budget allocation for the Backflow Prevention Program in the 1999-2000 year?

Mr SCHWARTEN: \$1.5m. There will be \$6m over four years.

Mr LAMING: Has a new contract for a project coordinator been signed?

Mr SCHWARTEN: No.

Mr LAMING: Given that the previous arrangements expired in September of this year what, if any, temporary arrangements have been put in place?

Mr SCHWARTEN: BHF has been extended until December. As you should be aware—you are a member of the parliamentary committee investigating this arrangement—it would be highly inappropriate to extend any arrangements until the findings of that parliamentary committee are brought down. That is the reason for the extension.

Mr LAMING: Is it intended to appoint someone after that December extension?

Mr SCHWARTEN: We will wait and see what the parliamentary committee says.

Mr LAMING: What was the total cost of the backflow rectification for the Gympie Hospital?

Mr SCHWARTEN: We do not handle hospitals.

Mr LAMING: That was paid for by Queensland Health, was it?

Mr SCHWARTEN: We do not have responsibility—yes, it was Queensland Health. Yes. That has been one of the red herrings all the way along in this whole debate, that somehow the Department of Public Works is responsible for the budget of the Department of Health. It has not been for as long as I can remember.

Mr LAMING: I note that in question on notice No. 18 it states that you had an end of year underspend of \$222,000 in the backflow prevention program. Why was there an underspend of this size in a \$1.5m project?

Mr SCHWARTEN: As I understand it—and I will get the director-general to elaborate on this—that shortfall is to do with the fact that that work had been allocated but had not been completed at that stage and, therefore, had not been paid for. But the work had been authorised and, as such, the money needed to be there to pay for that service.

Mr GRIERSON: If I can enlarge, I think there were three projects involved. In two, the councils involved had not given approval and were still wanting to talk to us further about the work. The third one, if my recollection is correct, was a DPI project where the DPI was going to undertake further work on the building in question and, therefore, it asked us to wait until that other work that they were doing had been organised so we could do it all at once. All three projects were committed. The funds, I suspect, have been spent by now.

Mr LAMING: I refer the Minister to his testimony before the Public Works Committee on 13 July in which you state—

"That is the program I am responsible for. As it is the end of the financial year and as the \$1.5m set aside ran out, so too did the work."

Are you responsible for the \$222,000 underspend and is this an example of a can't do Government?

Mr SCHWARTEN: I would have thought that there was nothing more contemptuous of a parliamentary committee than a member of that parliamentary committee using this process to take exerts out of a committee that has not even reported to the Parliament yet and using it at this level. I am happy to answer the question. I think it shows the sort of interest that this honourable member has in that particular committee. In the Parliament he asked me a question that presumed a number of facts that were subsequently part of the inquiry itself, yet he sat there in judgment of those very same facts himself. Today he comes here and, before the parliamentary committee even hands down its report to the Parliament, he seeks to use this forum to promulgate yet again his case. I think that it is appalling that he would seek to use this process to undermine the parliamentary committee in such a way, having undermined it already, as he has, by his biased approach in sitting on it already when he had clearly

made up his mind, as he indicated in the Parliament.

Let me say this before I hand over to the director-general to answer that question: what I said at that committee I stand by. I have already said that that money was allocated. The answer has been given in that regard. I will ask the director-general to further elaborate on it. Before he does, I will also say this about the backflow issue: I have just been to an international works conference in Denver, Colorado, that has had amongst the greatest engineering experts from all over the world. One would have thought that, if backflow was a big issue, it would have been on that agenda. One would have thought so—not so; no papers were delivered on it. I went from county to county and asked them about it—not one issue. I have yet to find anybody anywhere in the world who knows somebody who lost their life from backflow. Mr Director-General, you might like to elaborate.

Mr LAMING: Before the—

Mr SCHWARTEN: Do not waste our time.

Mr LAMING: Before the director-general answers, I think I should respond.

Mr SCHWARTEN: No, you are wasting our time.

The CHAIRMAN: No. The Minister answers the questions in the manner that he sees fit. If he wants to refer his answer to the director-general, that is fine. You can raise the issue you want to raise in your question if it is a question. Carry on, Minister.

Mr GRIERSON: In relation to the \$220,000, the way we operate with the accrual process is that, once money is committed, we cannot then redivert those funds to another project. If I say that I have allocated \$220,000 to a project, in accrual terms that money is spent. The cash may not have left the building, but the money is committed and I cannot spend it on another project. That is the way we work.

Mr SCHWARTEN: That is the way you should.

Mr LAMING: Thank you for that response. I do have another question to ask. This is a matter for the Estimates Committee. We are talking about the estimates for the coming year on a program. The matters I refer to are on the public record. They are not confidential information of the committee. We are talking about what appeared in the Budget documents as an underspend in your department, and I have every right and every responsibility to ask a question on it—

Mr SCHWARTEN: To show your bias before this Committee?

Mr LAMING:—and I will continue to do so. I will ask my final question on this matter. Can you confirm whether or not funds have been quarantined within the current program for backflow and will remain unexpended as a means of funding any legal settlements that may come about through this matter?

Mr SCHWARTEN: No.

Mr LAMING: I now turn to the matter of asbestos. I refer to page 1-11. In reference to the asbestos program, has the asbestos management plan been completed and, if not, when will it be completed?

Mr SCHWARTEN: It is the management plan you are asking about?

Mr LAMING: The management plan.

Mr SCHWARTEN: It has been completed; that is my understanding.

Mr LAMING: So it has been completed? The management plan has been completed?

Mr SCHWARTEN: Yes.

Mr GRIERSON: Can I just clarify?

Mr SCHWARTEN: Yes.

Mr GRIERSON: We have a plan for asbestos removal where we audited buildings. We identified high risk buildings and we have addressed high risk buildings. When we talk about an asbestos management plan under the national standards, it usually refers to a plan per building. So in relation to this building here, if there was any asbestos in it, we would have a management plan for this building so that any builders who came on this site before they undertook any work would take that plan, read the plan and make sure that whatever work they were doing was not going to interfere with any asbestos material.

Mr SCHWARTEN: That is what we have just done in Hervey Bay—private contractor.

Mr GRIERSON: That is what we referred to as a "management plan". There is no overall State plan. We have gone through our audits, we have risk categorised buildings and we are addressing buildings now as we go through.

Mr LAMING: I refer to page 1-14. Can you expand on note 1 as to why there was an increase in the other revenue of approximately \$24m in the 1998-99 financial year, which may help your bottom line, yet you only project deriving \$502,000 in total from these recognised assets in the 1999-2000 financial year?

The CHAIRMAN: What page?

Mr LAMING: Page 1-14.

Mr SCHWARTEN: I will defer to the director-general on that one.

Mr GRIERSON: You are talking about the figure of \$28,238,000?

Mr LAMING: My notes say \$24m. I will have to check.

Mr GRIERSON: Note 1 on page 1-14? The difference is \$24m. That may be what you are referring to.

Mr LAMING: Yes, that is correct.

Mr GRIERSON: Under the new presentation of accounts, it has become necessary for us to cost every asset we have and include them in these figures. I will give you the layman's answer and my financial colleagues can go into the technical detail—

Mr LAMING: I will probably understand yours better.

Mr GRIERSON: I will give it a go. As an example, in past figures we would not have had, for example, the Port Office land on which the Heritage Hotel stands. That is on a 99-year lease and is really not an asset that is cashable to us.

Mr SCHWARTEN: A bit of difficulty.

Mr GRIERSON: Under this process now—it is an asset, though, because it is a lease, so the State still owns that land—we have had to value those assets. In that figure of \$28m, for example, would be a figure of, say, \$12m for that asset. It is an asset of the State. It is valued and it is now in those figures.

There is also \$3.9m for some land we have in Cairns. These are properties which we would not in the past—we have had them in our asset register, but we never actually put a value alongside them. Under this process, as you are aware with equity injections and the whole new financial process, every asset must be costed, valued and inserted into our accounts. That is why that figure is there now. The reason it is only \$502,000 next year is that this year we are collecting up all of those assets and putting them in our books now so they will all be in there for next year.

Mr LAMING: Is there any further financial aspect? I can understand that.

Mr GRIERSON: I am happy if you are happy.

Mr LAMING: I refer you to page 1-7, to staffing for the procurement output. Given that the 1998-99 estimate for staffing and procurement was to be 52 yet at the end of the year the actual reported figure was 58, was

the increase of six in 1998-99 due to the filling of vacancies?

Mr GRIERSON: As Mr Woodward indicated before, we have now had to apportion corporate people into those two outputs. So there are in fact eight corporate people included in that figure of 58. If you look at the figures in that table, you will see that there are no figures for corporate. The corporate has to be apportioned over our outputs under this new accounting regime. So 73 of our corporate people are included in the 229 for the building area for 1999-2000. Included in the figure of 65 for procurement services there are eight corporate people. We have designated those numbers equivalent to the services that would be provided to those output areas.

Mr LAMING: So they are not included in the 58?

Mr GRIERSON: They are not actual people working in procurement. They are people working in finance or HR.

Mr SCHWARTEN: You would not find their desks down there.

Mr GRIERSON: No, but they have to be apportioned under this accounting treatment against those two outputs. I guess what I am saying is that there is no output there for corporate.

Mr LAMING: So perhaps that first question has been answered.

Mr GRIERSON: Yes.

Mr LAMING: Secondly, why do another seven vacancies need to be filled? I was assuming that would be 13 vacancies, but after your first answer that is now only seven.

Mr SCHWARTEN: Could you repeat that question?

Mr LAMING: The first question related to the increase of six in 1998-99. That is an increase from the last MPS to this one. I think perhaps Mr Grierson might have answered my second question a moment ago. My first question was to do with the increase on last year to the 58 in the actual for 1998-99.

Ms PHILLIPS: As you correctly said before, it actually is an increase from 50 to 57 once you take account of the eight corporate. That increase is to fill vacancies to work on specific projects. They include electronic commerce and procurement and some roles in procurement management.

Mr LAMING: Is that the increase to 58 in the actual for 1998-99?

Ms PHILLIPS: That is the increase in Queensland Purchasing, which will take the numbers in Queensland Purchasing, excluding corporate, to a total of 57 for this financial year.

Mr LAMING: What accounts, then, for the increase to 65?

Mr GRIERSON: That is the eight that I mentioned for corporate.

Mr SCHWARTEN: You will not find them sitting down there, but they are apportioned there for costs.

Mr LAMING: Are there any outstanding vacancies now in procurement or have they been taken up?

Ms PHILLIPS: I believe there are several vacancies.

Mr SCHWARTEN: I will ask Ms Tonkin to answer that question for you.

Mr LAMING: For my benefit you might just go through the budgeted and the actual for 1998-99, which was 52 to 58.

The CHAIRMAN: Mr Laming—

Mr LAMING: It is all part of the same question.

The CHAIRMAN: You asked the Minister a question. He referred it to Ms Phillips. Now you are asking the Minister for further details and he is referring it to another officer.

Mr LAMING: I am asking about the two steps of the increase. Which part of it is because of the corporate people and which part of it is for vacancies?

Ms TONKIN: The difference is seven full-time equivalents, and we maintained a number of vacancies during 1998-99 because of various project changes and so on. This year we will fill those vacancies and increase our numbers by the seven. We are just under by the seven.

Mr LAMING: And that will take it to 65?

Ms TONKIN: Yes.

Mr LAMING: And I think Ms Phillips said that there would still be some vacancies, even when you get to the 65. Is that right?

Ms TONKIN: No. That will be the full complement.

Mr LAMING: That will be the end of the vacancies?

Ms TONKIN: Yes.

The CHAIRMAN: That concludes that period of non-Government appointed members' questioning. I now proceed again to Government appointed members' questioning.

Mrs ATTWOOD: Minister, you talked about Hervey Bay in answer to an earlier question. Why is a new Government office building being constructed in Hervey Bay and what benefits will be provided to the community by the development?

Mr SCHWARTEN: That issue of whether we should be building Government buildings in places such as Hervey Bay has been raised before. I am sure that the member for Hervey Bay will agree with me when I say that Hervey Bay is one of the largest and fastest growing cities in Queensland. As such it is time, in my view—and it is probably over time—that the Government worked out what its agenda is going to be in terms of providing services in that area.

It took something like 100 years before they developed a proper Government building in Rockhampton. It was not until my election in 1989 that we actually got one. I use the example of the Transport Department in Hervey Bay. My friend from Hervey Bay will be able to attest to the fact that, as I understand it, they were actually testing cars out on the street. There was a lot of complaint from council and various other people.

The previous member for Hervey Bay was known as the member for Hervey Bay Hospital and the member for Hervey Bay public buildings. He was adamant that there was a demand for that building there. I think it is part and parcel of this Government's commitment to proper planning in this State that we provided it. We made the decision in 1995. In fact, it was an election commitment that we made. The previous Government purchased the land there and we have built the building. I guess one could say that there is some sort of a bipartisan ownership of this issue.

The project will cost \$4.1m. The shadow Minister asked earlier whether it will be finished next year or the year after. I really do not know the logic behind that. I am sure that the member for Hervey Bay is as bewildered as I am by that question. I really do not know the relevance of it. There seems to be some suggestion that perhaps that building was not needed. We have tenants for about half of it. People have been critical. Notably, the person who sold the land was one of the largest critics of the Government for building the building there in the first place, claiming that we were taking private enterprise tenants and so forth.

I believe that we will tenant the building. I think it is sensible to provide that sort of infrastructure in growing communities such as that, and not do it later on when there is no land and you have to put the services out of

town. I think it is proper planning and I look forward to opening the building some time early next year.

The CHAIRMAN: Minister, I notice from the Ministerial Program Statements that a new tendering and selection process for building contractors and consultants incorporating a new prequalification system has been implemented. What indications are there of any real benefits from these initiatives?

Mr SCHWARTEN: Let me answer that by going back one step. All of us in political life would have had cause to have somebody at some stage come up to us and advise us of a contractor who is doing work for the Government who went broke previously. I know the former Minister for Transport, who is well acquainted with large contracts, would have heard that sort of criticism, as well. The PQC is an attempt to try to straddle that hurdle, for a start.

In my view, the tender box should only be filled with people who have the financial capacity to do the job, who have the expertise to do the job and who are all on the same level playing field. How many times have all of us heard somebody say, "What chance do I have of competing with him or her? They don't pay their people right. They don't have any observance of workplace health and safety. And here am I, I pay all my workers comp. and all the rest of it, and I am disadvantaged because I can't deliver on this basis." That is why the people who are in that tender box, as far as we can possibly guarantee it, are going to be okay. I am not here to guarantee that every contractor who ends up in the PQC tendering system is going to be able, on 100% of occasions, to do the job. But what I can say is that it is far better than the system we had previously. And as we go along, I believe it will get better.

The feedback I am getting from contractors—even in my own electorate, people are saying to me, "We have never done business with the Government before because it is just too hard. You can't get into the tender box. What is the point of preparing a tender if you are going to be knocked off by somebody who is a fly-by-nighter who runs on the smell of an oily rag, cuts the guts out of the price and knocks us off? He goes broke, does not pay anybody, and then pops up down the track under another name."

I believe that, over time, PQC will weed that out. This contractor, who has won a number of contracts and has never won them before, believes that it is fairer. Everybody knows the ground rules. It is, as far as we can

possibly get, an even playing field. It is something that has been long overdue, I believe, in the building industry in this State. It gives an opportunity for the honest brokers out there in the building industry to get a slice of the Government action. And certainly if I have anything to do with it, there will be an unceremonious tipping out of the tender box of any person who is proven to be an unworthy contractor in this State. Over time, I hope that we can get a better industry as a result of it.

Mrs ATTWOOD: Minister, the Ministerial Portfolio Statements at page 1-11 mentions an additional 31 dwelling units for Government employee housing. Where will they be built and how will they be funded?

Mr SCHWARTEN: The GHS scheme—I can see my old friend here from Longreach. He loves this scheme. Of course, the pain comes for people like me on the coast when they sell the houses on the coast and rebuild them. My old boss Tom Burns was the one who actually started this whole idea.

I have a briefing note here that indicates that they are in places like Charleville, Mount Isa, Thursday Island, Cloncurry, Hughenden, Goondiwindi, Karumba, Innisfail, Longreach and Mitchell. How this system works is basically a commonsense approach. It is about how Governments—just the same as any other individual or private concern—make their assets work for the best return; sell houses on the coast to build better houses where there are none, in places like Longreach, Goondiwindi and those sorts of places. It certainly creates, from time to time, a bit of drama in places on the coast. The trick is to get rid of the houses in areas where the market rent is reasonable and where people who have gone there are not under some contractual arrangement.

We have sold 200 since we started there—330. This year we are going to build 31 of them in those locations. Seventy-five were sold last year, and \$3.5m was expended on the upgrade of another 347 houses in remote parts of the State. We still own about 100 of them, and disposal should realise a total of \$9m over the next two years.

The CHAIRMAN: Minister, will the department's portfolio of office buildings be in a state of year 2000 readiness in plenty of time?

Mr SCHWARTEN: As you well know, I am not absolutely computer literate. In fact, I am totally computer illiterate. And I am not completely Y2K savvy. But I am not like the shadow Minister, who has been out spraying his lawn for the millennium bug. I know a bit

more about it than that. I will leave it to the experts.

Mr GRIERSON: The short answer is: yes. We have a program which is looking at our entire portfolio of buildings. We have 178 buildings for which the department is responsible. These are our buildings that we own. They range from very complex buildings to low-risk and very simple systems and small office buildings. What we have had to do for each building is initially to identify any remedial work that has been required, where we identify components that have to be upgraded. We have to tender and then manage the rectification of that work. We then have to test the work—the new parts that have been installed—and issue Y2K compliance certificates. Those certificates have been issued for all but 13 of those buildings. In fact, it is probably 12 now. Gabba Towers, I think, was tested last weekend and is now compliant. All of our key buildings, the Executive Building, Neville Bonner, 111 George, 80 George—all the key buildings, including the building we are in right now—we are very happy that our buildings are compliant.

The other thing that, with the Minister's indulgence, I might touch on is that it is not just saying that the buildings are ready now. We also are concerned, obviously, about what happens at midnight on 31 December. So we have put in place a control room which we have tested. We tested it on 8 September. It will be staffed by technical officers, building experts, security people—a range of people who will be available should something happen in one of our buildings.

Mr SCHWARTEN: They are going to have a great New Year's Eve, aren't they!

Mr GRIERSON: Yes, it is a problem for them. But we will be ready to deal with any problems that come up. We are very confident with the tests that we have done of all our major buildings. We have not found anything that causes any undue concern. But as I mentioned during the last Estimates debate, it has cost us a lot of money to test all of our buildings. We will spend about \$1.7m this year in 1999-2000.

Mrs ATTWOOD: Still on office buildings, Minister: how is the cost of fitting out Government office space being controlled?

Mr SCHWARTEN: I will defer to Gary May on that particular subject. But you would be aware that there is a need across Government to set standards of compliance for other departments to ensure that we are getting value for money out of the way that we fit out our buildings. I think it is 16 square metres that

we allocate per person where we can. The fit-out costs are about \$550-odd a square metre. I will allow Gary to enlarge on that.

Mr MAY: Essentially, I am confirming the Minister's comments. We do have a maximum occupancy rate target of 16 square metres per person and a new fit-out cost of some \$550 per square metre. We also have processes for approvals for projects of \$100,000, which need to be assessed by our Government Office Accommodation Unit in the Building Division. Accommodation projects of over a quarter of a million dollars are considered for approval by the Office of the Premier. So we have a double-barrelled approach of introducing guidelines and streamlining the approval process.

Mr SCHWARTEN: The director-general has expressed a wish to add to that.

Mr GRIERSON: This issue of Government accommodation has obviously been around for a long while. In August last year the Government Office Accommodation Committee met and established guidelines for Government accommodation. Those guidelines cover the space standard, as the Minister has indicated, of 16 metres per person to ensure that we use our space sensibly, as well as occupancy rates and quality standards to ensure that there are good quality workplace health and safety standards for our public servants. We also have a furniture policy. There is a complete set of guidelines and standards for Government accommodation which agencies have to follow. These guidelines determine the size, the quality, the location and the fit-out of Government accommodation. This extends to ministerial accommodation as well. In that case, as the deputy director-general mentioned, approvals for all ministerial accommodation and accommodation valued at over \$250,000 goes to the Office of the Premier for approval.

The CHAIRMAN: Minister, the Ministerial Program Statement refers to the pending completion of the Cairns Convention Centre Stage 2. Will you please provide the Committee with an update on this facility and what benefits it will bring to Cairns?

Mr SCHWARTEN: As I mentioned earlier, the building concerned has come in on time. It just shows that even though we had cyclonic weather in Cairns it did not take the petrol and oil out of the engine that was driving it. This project was one of those that was always going to be tough to get on line because anyone who knows anything about Cairns knows that it is a brave builder who goes in

there in the month of January. That is what happened in this case. There were yards of rain in Cairns in January.

As I said, the building has been completed. Practical completion has been certified. In a moment, I will ask the director-general to comment further because he has been up there. The building will be opened on the 30th of this month by the Premier. I believe it is an excellent building. It has yielded a lot of work for local subcontractors. I am particularly impressed with the sail-type roofing. The deputy director-general, as an architect, would probably truly appreciate that. I was particularly interested in how the builders were able to get the sails on site and put them up in such inclement weather. I must say that I had some doubts about it. The project has been very well managed by this department. It has come in on time and on price. I do not think we can wish for anything better than that. I believe the first big game is on this weekend.

Mr GRIERSON: Yes, the first basketball game is scheduled for 12 October. The building was certified for practical completion the weekend before last. It is a fantastic facility. It has 5,000 seats in concert mode, thus allowing the facility to hold a full concert. It has 5,500 seats in basketball mode. I have seen the floor which has been put down. The facility is equipped and ready to go for the first match. The seats fold back into the wall, unlike the Brisbane Convention Centre where the Committee may recall that the seats lift up. The facility provides 1,800 metres of exhibition space, and that is a critical element because one of the problems that the Cairns Convention Centre has faced in the past was in the area of attracting international conventions. The centre has not had exhibition space. A medical convention could be interested in coming to the area, only to find out that there is nowhere for suppliers to erect their stalls and exhibit their displays. We have not been able to provide that facility in the past. This 1,800 metres of exhibition space will give the facility the advantage of attracting exhibitions.

It also has art work under the 2% art work policy. The Cairns City Council is completing the footpath and landscaping Hartley Street at the present time. We are confident that the building is now ready to go and we look forward to the first match on 12 October.

The CHAIRMAN: That concludes this period of Government appointed members' questioning. I now proceed to a further period of non-Government appointed members' questioning.

Mr LAMING: I would like to refer back to a previous question about the new Hervey Bay office building. I would like the Minister to refer to Budget Paper No. 5 at page 73. I ask: what is the \$186,000 in post 1999-2000 expenditure for?

Mr SCHWARTEN: I would say that would be for fit-out, but I—

Mr LAMING: It is a fit-out which would be for the year after this financial year?

Mr SCHWARTEN: That is what it would be. It would be for the ongoing letting of the building. I am told it is contract retention.

Mr LAMING: It is a retention fund, is it?

Mr SCHWARTEN: Yes.

Mr MAY: Retentions are held on contractors for six months or 12 months, or whatever, after completion of the contract.

Mr SCHWARTEN: I thought it might have been a fit-out for the top floor which has not been let.

Mr LAMING: My next question is in relation to Project Services. I refer to 1-43. I would like to ask a question on bills of quantity. I refer the Minister to the information provided in the answer to question on notice No. 743 on 8 July regarding the trend in the construction of schools in Queensland of not supplying bills of quantity to tenderers. Can you explain why this appears to have occurred?

Mr SCHWARTEN: I will get Max Smith to answer that.

Mr MAY: I may have to call upon Max who is a little closer to the detail. Whilst it is our policy to try to provide bills of quantities on projects of \$2m and above, we frequently encounter circumstances where the time compression for documentation of the project mitigates against actually providing a bill. There have been a few cases like that but, as a general policy, we certainly try to provide bills. I am not familiar with any particular instances to which you might be referring.

Mr LAMING: Perhaps to help Mr Smith: the answer to the question on notice indicated that for the construction of the last five primary schools and high schools in Queensland—and this goes back beyond the current Government—a bill of quantities was not provided to Project Services. I was wondering whether you could tell me why this has occurred and whether you had any comments on the ultimate cost of the project in the absence of a bill.

Mr SMITH: Firstly, yes, there have been a number of projects that have gone out without a bill of quantities, as you are well aware, but it

is a matter now for the Department of Education to make that decision on bills of quantities. Whilst there are preferred guidelines, the call at the end of the day is that of the Department of Education.

Mr MAY: A lot of it has to do with the advice that they give us as to timing, and the rest of it.

Mr LAMING: But the Department of Education has the principal responsibility?

Mr SMITH: The Department of Education has the prime responsibility.

Mr LAMING: The principal has the responsibility of whether or not they want a BQ?

Mr SMITH: Yes.

Mr LAMING: This leads me to my final question on this matter. Minister, have you at any time made a request of your ministerial colleague, the Minister for Education, to increase the lead times on briefings so that your officers are able to provide the best possible documentation to tenderers, thus saving Queensland taxpayers considerable expense? Some research I encountered indicates that there could be up to a 10% increase in the cost of a job if there is not sufficient briefing information, including a bill of quantities. I wondered whether any approach had been made to your ministerial colleague to change the system that seems to be locked in at the moment.

Mr SCHWARTEN: I cannot recall ever raising that particular issue with the Minister concerned. However, while I was acting Minister for Education on a couple of occasions, I can remember one memorable occasion when we all sat down as a big happy family around the board table at Education House and we had a full and frank discussion. As you are aware, the Department of Education now has its own advisers and consultants in the field. These people advise the department. This is something that was introduced by your colleague, the former Minister for Education. I have made no secret of the fact that I am not a supporter of that view. I believe that the service offered by this department by Project Services is very, very good and I do not regard highly that practice at all. You would have to get your colleague to ask my colleague, and I doubt that your colleague will ask the question.

Mr LAMING: What was that last bit?

Mr SCHWARTEN: You will have to get your colleague to ask my colleague in his Estimates—the Minister for Education to be asked by your colleague the shadow Minister

for Education. I will lay you a little wager now, my friend, that I bet that he does not ask that question. He set up that system himself, because he has a pathological hatred for Project Services, as he told me, and a pathological hatred for Q-Build. He stands condemned on both of them.

Mr LAMING: In an endeavour to try to do the best thing for the Queensland taxpayers even from Opposition, I posed the question on notice to the Minister for Education and he said that it was one for you. So you should speak—

Mr SCHWARTEN: I thank you for the privilege.

Mr LAMING: The next question is in relation to Q-Fleet. I refer to page 1-7, which refers to the staffing for the Public Works portfolio. How do you explain the staff resources for Q-Fleet being estimated for the 1998-99 financial year as 113, yet the actual figure being only 94?

Mr SCHWARTEN: I am sure that can be explained, but let me say that I am delighted that we still have Q-Fleet and that we have not the Western Australian model that you people wanted to have.

Mr CLARENCE: In relation to the staffing figures for Q-Fleet, the reason that we did not meet our original target was simply that we had a large number of temporary positions. We held off filling some of those positions until such time as our new computer system was made active, which occurred on 7 July this year.

Mr LAMING: Thank you. That might also answer my second question. How do you reconcile the staff increase in Q-Fleet to 121?

Mr CLARENCE: That is resulting from the fact that we are going to be taking jobs that are now held by temporary employees and turning them into permanent jobs.

Mr LAMING: When the number of 121 is reached, will there still be temporary positions or vacancies, or should that be a full complement at that point?

Mr CLARENCE: There would be some casuals still employed in Q-Fleet's workshop. We do that for operational reasons because of fluctuations in demand.

Mr SCHWARTEN: They are certainly flat out. They needed panel beaters during the hailstorm.

Mr LAMING: Page 1-50 also refers to Q-Fleet. Why, when the after tax operating profit for Q-Fleet for 1998-99 was only \$37,000, was a dividend of \$350,000 taken?

Mr SCHWARTEN: Les can answer that, but I tell you it is better than a \$12m loss.

Mr CLARENCE: In relation to the dividend that is shown, whilst the after tax profit was \$37,000, we had a \$222,000 operating profit, or retained profit brought forward from the previous year and a dividend in 1998-99, which is an accrued amount, will be paid next year.

Mr LAMING: Paid—

Mr SCHWARTEN: It is the result of retained profits from previous years.

Mr LAMING: Thank you very much.

Mr SCHWARTEN: The other point, Mr Clarence, that you might like to point out is that this has not been the easiest times for us in the car market. I would have thought that, given the competition from overseas imported vehicles, which is pretty significant, that is a fairly good result. I think that certainly the Australian motor vehicle manufacturers are very pleased that Q-Fleet are in the game, because we buy only Australian-made vehicles unless there is a specific need for Toyota four-wheel drives or something. I think that we would be among the biggest—

Mr CLARENCE: Certainly the biggest in Queensland, Minister, yes.

Mr LAMING: Thank you very much. My next question is in relation to Goprint. I refer to page 1-57 of the MPS. What were the sales per employee for the 1998-99 financial year?

Mr SCHWARTEN: Sales per employee?

Mr GRIERSON: Per employee?

Mr LAMING: Yes. I think that was expressed in last year's MPS, but not this year. I could not find it this year; it might be there.

Mr GRIERSON: I am not sure that we could answer that here today.

Mr LAMING: I am quite happy to take that—

Mr GRIERSON: We will have to take that on notice. That is not in the MPS.

The CHAIRMAN: Sales per employee?

Mr LAMING: Sales per employee for Goprint for the 1998-99 financial year.

Mr SCHWARTEN: Fine.

Mr LAMING: What new products or services were developed by Goprint in the 1998-99 financial year?

Mr SCHWARTEN: Russell Giles, the manager of Goprint, will answer that. Congratulations on your latest award.

Mr GILES: Thank you. It is very pleasing to win an international award, certainly. Could you repeat the question, I am sorry?

Mr LAMING: What new products or services were developed by Goprint in the 1998-99 financial year? The genesis of the question comes from questions asked last year when the Internet threat was identified. I think that it might have been in the Minister's answer that there was a reference to new services or products needing to be developed as an alternative to the lost sales.

Mr GILES: There has been some very concentrated effort put in by Goprint, particularly over the past 12 months, to develop Internet opportunities to gain access to Government information, so much so that Goprint now has put on board the Internet free access to the Government Gazette entirely. That is basically so that there is wider access across the community and within Government.

The other site that has been developed from Goprint's point of view in a commercial sense has been the development of our printed catalogue, which sells all of the Government legislation, and other products on behalf of Government departments. It is now in an e-commerce type form, where you can actually electronically access and place your orders online.

They have been the two major concentrations that we have developed. There are a couple of others that we are looking at right now, but they are really just a trial and then it is testing the market to see if it is acceptable to them.

Mr LAMING: The first one mentioned, I would like to know whether that actually generates any income for Goprint. It sounds more like a service that you are providing for the community. Maybe there is a payment or a community service payment. If it is not commercially in confidence, could you tell the Committee those other ideas that we might hear about next year in more detail? If it is commercial in confidence, I understand.

Mr GILES: The second question is certainly. I would not like to divulge that.

Mr LAMING: That is fine.

Mr GILES: The first part of that question, yes, Goprint has actually got a hook that comes from the access to that site where you can cast and read the information directly to our retail sales outlet. If you feel that that is what you want, you can actually buy it by that. So there is a connection just for increasing our retail sales.

Mr LAMING: That is the catalogue, but I think that the first one you mentioned was —

Mr GILES: No, sorry, I meant that there is a connection from the Internet site for access of the Government information, which are the Government Gazettes and vacancies. That then says that if you wish to purchase—

Mr SCHWARTEN: It is a way of advertising the product, I think is what you are saying. You and I both know that if we are not on the net, we are not in it. That is the whole point of it. Although these products are available on the net, people still want hard copies. This is a way of advertising our products. Going live on the Internet has certainly made it very difficult for Goprint. There are no two ways about that. What people used to pay for, all the valuable words that you and I utter in the place up the road here that they were prepared to pay dollars for, they now can get for free. That is a problem for us and I do not deny that that is the case.

In my view, Goprint is still performing very efficiently and is continuing to respond to the demands that are placed on it and the competition that it faces. Goprint needs to be congratulated for the way that it has embraced other Queensland firms, such as we saw recently with the printing of the postal ballots for the referendum. That shows the security that Goprint offers, which a lot of other States do not have. That is why we print examination papers for other States. All of that comes at a cost. In my view, a Government needs a secure Government printer of its own. New South Wales tried to get rid of its printer, which is why things are not all that they would like. It is a bit like the Q-Fleet deal. That is what happens if you throw the baby out with the bathwater.

The great thing about Goprint is that with all the Budget papers that we receive, never once has there been a leak. That is a fantastic result and tells a lot about the credibility and the honesty of the hardworking and very gifted people who work there. I will send you a copy of an award-winning poster, which highlights the competence that exists in Goprint. I am proud to be part of a Government that delivers that level of service and expertise, and that trains people to that extent.

Mr LAMING: Minister, can you explain the purposes and source of the \$3.952m grant that is budgeted to be paid to Goprint in the 1999-2000 financial year?

Mr SCHWARTEN: That is part of the CSO. I was just referring to the fact that Governments have to realise that this agency

will cost money if we want to have Hansard in hard copy, if we want our statutes and other articles printed in hard copy. For example, the honourable Chairman lobbied to have something printed on the spine of the MPS. I congratulate him for his initiative in taking that issue up and for convincing Goprint to do it.

The bottom line is that this costs money and I am thankful that our Government, through Treasury, has accepted that these things do cost money. If Governments want to preserve these sorts of agencies, they must acknowledge that they cost money. I am pleased that we have taken the steps to preserve this agency. I do not see any advantage whatsoever in the privatisation of Goprint.

Governments are expected to provide a certain level of security in printing things like ballot papers. The people who elect you and I vote on a piece of a paper that was printed by our colleagues down at Goprint. The security of betting slips, which are printed by Goprint, is important. There will always be a need for Governments to have a secure Government printer. When I have spoken to people from other States that have got rid of their printers, they tell me that they rue the day that that happened. We are printing exam papers for States that chose to get rid of their Government printer, which is a shocking indictment on those other States. That will not happen in Queensland while I am the Minister. As I said, the CSO that has been provided by our Government is very welcome and I will be fighting to have it increased.

Mr GRIERSON: The difficulty we face is that some of the printing services that the Minister just referred to—what we call reserve services—are required by law. We have to have a hard copy of documents that nobody really wants to buy these days because they can get them for free on the Internet. That \$3.9m is a CSO, as the Minister indicated, to make up for the costs of those documents.

Mr LAMING: Can you explain what appears to be a refunded income tax equivalent paid to Goprint in the actual Budget figures for the 1998-99 financial year?

Mr SCHWARTEN: I will refer that one to the accountant.

Mr GRIERSON: We have had discussions with the Auditor-General regarding the treatment of tax.

Mr WOODWARD: I will come back and verify this, but I am pretty sure that that amount refers to future income tax benefits that were taken into account in 1998-99.

Mr LAMING: Why would there be future income tax benefits?

Mr WOODWARD: Under accounting treatments, in certain cases you will have write-offs out of your normal accounts, but under tax you cannot take those into account until some later point in time, so they will stay there. With things like, possibly, long service leave, you cannot actually take that into your tax until you physically pay it, whereas you may take into your books provisions for it.

Mr LAMING: My next question relates to SDS, and I refer to page 1-64. What formula is used to calculate the gearing level?

Mr SCHWARTEN: You might have to repeat the question.

Mr LAMING: What formula is used to calculate the gearing level?

Mr HUNT: I am not an accountant, but as I understand the formula, it is a debt plus borrowings divided by debt and borrowings plus equity in order to determine who owns the business.

Mr LAMING: Why is the gearing level figure for the 1998-99 financial year unavailable?

Mr HUNT: There were no borrowings.

Mr LAMING: I refer to the employee expenses on page 1-65 and to the increase for the 1999-2000 financial year over the 1998-99 financial year, which is explained as the costs associated with converting casual and temporary staff to temporary positions that were previously accounted under supplies and services. If this is in fact the case, why is it that there is no equivalent decrease in the expenditure under the supplies and services category?

Mr HUNT: The reason is that that is masked somewhat by the increased costs associated with an increased sales volume, which appears under the supplies and services category. We expect to increase sales, therefore we have to buy more stock and that is masking that decrease.

Mr LAMING: In actual fact, there is an equal and opposite decrease?

Mr HUNT: Yes.

Mr LAMING: I refer now to page 1-34, which relates to Q-Build. On what basis, given that the after tax and dividends profit for the 1999-2000 financial year is to be just under \$2m lower than the 1998-99 result, do you forecast an increase in the return on net assets?

Mr GRIERSON: Could you repeat that question?

Mr LAMING: Certainly. I will just repeat the question while Mr Waters is coming. On what basis, given that the—

Mr GRIERSON: Excuse me. What is the page number?

Mr LAMING: Pages 1-34 and 1-35. The figures are on both pages. The RONA is on 1-34 and the after tax and dividends profit is on 1-35.

Mr SCHWARTEN: We will take that on notice.

Mr LAMING: Do you want me to ask that question again?

Mr GRIERSON: We will take that on notice. We will get it from the Hansard and get back to you. We think we have the answer, but we will check it out and give you an accurate answer.

The CHAIRMAN: That is the end of the time for questions from non-Government members for this portfolio. The last question was taken on notice, was it not?

Mr SCHWARTEN: Yes.

The CHAIRMAN: We will now proceed to questions from Government appointed members.

Mrs ATTWOOD: Page 1-47 of the Ministerial Portfolio Statement outlines activities of the Q-Fleet business unit. Can you provide an overview of the process of the disposal of motor vehicles, particularly the auction process?

Mr SCHWARTEN: As members would be aware, the auctioning process has been around for a long time. We auction them in Brisbane at Pineapple Street and in regional centres at places such as Rockhampton. We auction them in interstate locations as well. One further step that we now need to take is to auction them on the net. That will probably be good news, for example, for the honourable member for Gregory.

Mr JOHNSON: I am like you; I cannot use it.

Mr SCHWARTEN: My big fear is that one of my kids might buy one from home using my Bankcard. The reality is that we have to accept the fact, as the manager of Goprint said, that if you are not on the net you are not in it. The reality is that it is increasingly becoming the way of selling merchandise. I am no big fan of it. Recently, when sitting in my electorate office in Rockhampton, a mate of mine came in and showed me a fishing reel that he had bought

from the United States over the net for \$40 less than he would have paid for it down the street in Rockhampton. I see the member for Hervey Bay shaking his head. I feel the same way. I wonder how we are going to compete in that sort of market, but I am told that we can. Certainly, Q-Fleet has to extend every opportunity it can in auctioning these vehicles. I think it is also a great plus for the consumer, because it enables them to buy over the net just as if they were standing in the auction yard. I do not know whether Les wants to add more to that?

Mr CLARENCE: In an earlier answer to a question about the payment of dividends I referred to a retained profit figure of \$222,000. There was also a transfer from reserves of \$450,000 which went in to the P and L for that year as well.

As the Minister said in relation to auctions, all of our vehicles are offered for sale to the public via auctions conducted by the Public Trustee. The auctions are held weekly at our Zillmere workshop and monthly in regional locations, such as Cairns, Townsville, Rockhampton, Maryborough and Toowoomba, and every three months in Bundaberg and Mackay. In Brisbane, on a three-monthly basis, we hold a prestige sale. We are also now trialling auctions early on a Friday of high-quality vehicles that have RACQ inspections. That is part of our policy of offering assurances to the public about the vehicles that they are buying. It has been slow and it is starting to pick up very well.

The CHAIRMAN: Minister, you mentioned the refurbishment of heritage buildings in Rockhampton as part of the Smart City initiative. In the Ministerial Portfolio Statements I noted a reference to the restoration of the old Woolloongabba Police Station and the old museum. I also note recent statements about refurbishment work at the Commissariat Store in William Street. Can you provide an update on the department's activities in respect of these heritage buildings?

Mr SCHWARTEN: The Commissariat Store is an interesting building, because it is our oldest. It was built in 1829, from memory. If you go inside it, you can see the 1980s influence there. Sitting next to the hand-hewn floor joists is a great slab of precast concrete done in the style of the 1980s with exposed aggregate. It sticks out like olives in rice pudding. The reality is that that building does need some work done on it and \$1.5m will be spent on it this year, which will include work on the roof and work on the foundations. It has been a victim of salt intrusion and it would be a

great pity to lose that great building, which is so much a part of our heritage.

Probably not so close to us—and I have never had the misfortune to be in there in anything other than an official capacity—is the Woolloongabba Police Station, which has been a problem for us for a while. It is the heritage listed pigeon roost located near the Gabba. It is in sore need of repair. We will spend \$1m on that in the coming year to try to get it back to some of its former glory. As I pointed out, the deputy director-general was an architect who started his time in the Public Works Department. He was not there quite long enough to have designed that building. As he highlighted to me the other day, some magnificent designs were done under the old Public Works Department, and that is one of them. Also, \$475,000 will be spent on the museum site this year. Extensive work has gone into that over the past few years.

One question that will confront all Governments is: what will we do with these buildings? All over the world, that is a question confronting every Government. We must hold on to the magnificent buildings, but we must also find a use for them. The Woolloongabba Police Station is one such example. We want it looking at least a bit more respectable than it currently is for the 2000 Olympics. Major events will be held at the Gabba. Certainly, it would be an embarrassment to this State and to this department in particular if it were to be left as it is.

The whole question of heritage buildings is something in respect of which we will forever be tormented. The amazing thing about a heritage building is that every group wants one, but they never want to pay for the upkeep on them. With the amount of money that we are spending on those buildings, we will get them into shape, but it requires continued maintenance and upgrading work over time. I look forward to the day that we can get rid of the concrete beams from under the Commissariat Store.

Mrs ATTWOOD: The section headed "Departmental Overview" on page 1-1 of the MPS states that the department has a role to support the development and monitoring of the Government's Capital Works Program. What action has been taken to streamline the processes of building project procurement in a way that will create more job opportunities for the community in an efficient, consistent and equitable manner?

Mr SCHWARTEN: I will defer to Gary May on that. At the outset, by way of providing an overview, one of the issues that fits hand in

hand with our PQC is the need to have a whole-of-Government approach and framework for capital works delivery. That includes contracts and so on. Again, I am sure every member of Parliament has heard somebody say, "You would swear these departments were run by Governments from different parts of the world", when they are trying to deal with two different departments. We want to try to get around that issue, for obvious reasons. The same tax dollar is being used. Therefore, there should be consistency across agencies.

Mr MAY: The pressure for the capital works management framework really came in large part from industry, which was getting awfully confused through having to deal with a number of agencies and finding inconsistent practices across those agencies. We developed the framework in consultation with industry representatives and with client agencies. Its main feature is that it provides a consistent framework for capital works procurement right across all of the revenue funded client agencies.

It is perhaps leading edge stuff. I have recently been looking at equivalent initiatives in other countries and there has been a great deal of interest shown in our own capital works management framework. It covers issues like the capital works planning process. It is critical with capital works to get the up front planning sorted out and properly defined. It includes standard forms of contract. To remove the proliferation of contracts we were getting with agencies engaging legal people to prepare their own contracts, we now have a standard suite of contracts. We have standard tender selection processes for contractors and consultants and we have guidance on tender evaluation. That tender evaluation can take into account some of the Government's priorities that the Minister mentioned earlier, including issues of employment creation, skilling and support for regional communities. So it is an initiative that we are proud of. Its implementation is going very, very well. It continues to be supported strongly by industry and to be adopted by client agencies. So we are very encouraged with progress to date.

The CHAIRMAN: That concludes the Committee's consideration of the Public Works portfolio of your Ministry. The Committee will now adjourn till 4.30 p.m. Would it be convenient for you to commence Housing 15 minutes early?

Mr SCHWARTEN: Absolutely.

The CHAIRMAN: Thank you, departmental officers, for your attendance.

Sitting suspended from 4.16 p.m. to 4.31 p.m.

The CHAIRMAN: I now declare the Committee's hearing resumed. Before I call the Minister to make a short statement about the Housing portfolio, I would remind members in the public gallery that audible telephones and pagers are to be switched off. Minister?

Mr SCHWARTEN: The Housing budget has been framed in extremely tight financial circumstances. We have managed to address key areas of need in the face of declining Federal funding and a legacy of cuts by the former coalition Government. Queensland stands to lose over \$60m in Federal housing funds over the next four years through the Commonwealth's reduced funding of housing, and we are still suffering from the cut of \$130m made by the Borbidge Government to housing programs. These financial handicaps have occurred even before we confront the GST that will erode a further \$30m a year from housing programs. We expect to receive only part compensation for this loss.

In addition, we are confronted with the following challenges: increasing expenditure on an ageing portfolio of housing stock which is poorly matched to current and predicted need; decreasing Commonwealth/State Housing Agreement funding through a lack of indexation over the term of the agreement and the efficiency dividend of 1% imposed each financial year; increasing costs of delivering the department's outputs with the introduction of the GST; increased operating costs; increased demand for services and unmet housing needs; and community expectations of a more effective and integrated approach by Government departments in service delivery.

In response to these challenges, the Department of Housing has been re-examining its approach to the provision of housing services. This process is designed to focus on its clients—the families and individuals needing housing assistance. It is expected to result in a better assessment of housing and support needs; more choice for clients through the development of a greater range of housing options; longer term planning, including a 20-year financial plan and stock management plan to be over four to five years; a greater emphasis on integrated service delivery across Government and the community sector; and coordination of support at the earliest possible stage to the most vulnerable client. I now declare open our 1999-2000 budget for your examination.

The CHAIRMAN: We will proceed first to

non-Government appointed members' questions.

Mr DALGLEISH: How many new homes, units or duplexes will be constructed under the budget in the Hervey Bay electorate for non-indigenous people and how many new homes, units or duplexes will be built in the Hervey Bay area for Torres Strait Islanders and Aboriginals? I would also like to acknowledge the good work that Q-Build has done in my electorate and the officers involved in that during the past 12 months.

Mr SCHWARTEN: Thank you for that. We cannot break down exactly the sort of detail by electorate that the honourable member would like. I can give him basically some cash amounts that we will spend across the whole portfolio. I am wondering what the source of the question is, what the concern is about Aboriginal housing in Hervey Bay.

Mr DALGLEISH: Nothing. It is just that the two departments operate separately, so I just wanted to know how many in total we were going to get. I split it into two so I got a reasonable response for both departments.

Mr SCHWARTEN: As the director-general just reminds me, there is no discrimination in regard to people who are housed in public housing, so what we do give you in the final analysis will not really tell you what you asked, but I am happy to provide those amounts on notice to you. It is not a problem.

Mr JOHNSON: With the establishment of the Appropriate Housing Vision 2000 project, a major research and development initiative for indigenous housing, can you inform the Committee of any advantages for indigenous housing resulting from this project in the very needy areas of remote Queensland in this budget?

Mr SCHWARTEN: I am aware of the project, but Alex Ackfun will have all the information on that at his fingertips. It is about design standards.

Mr ACKFUN: The Vision 2000 Appropriate Housing project commenced in 1997. The project was aimed at building a body of knowledge for the provision of Aboriginal and Torres Strait Islander housing on deeds of grant in trust communities looking at best practice, looking at appropriate housing design, looking at making sure that councils actually used appropriate design and processes in consultation within those communities to get the best outcomes for the dollar and value for money, etc. There is an interim report out at the moment which indicates that a lot more work needs to be

done in terms of indigenous youth housing and in the area of disability housing as well. We have acted on some of the recommendations of that interim report already, but the final report is not yet finalised.

Mr JOHNSON: The last part of that question was: what do you envisage will be in this project for those remote areas of Queensland in the current Budget?

Mr ACKFUN: In terms of the current budget there is a proposal of \$250,000 for the Umagico Council, which has indicated a willingness to take on the project and develop a body of knowledge about youth housing in that particular community to see whether there are special needs for youth in indigenous communities that we can actually identify that we can transplant from that particular pilot program to the rest of the communities throughout deeds of grant in trust communities.

Mr JOHNSON: Minister, with the native title issue still creating havoc, has your department been stifled in fully implementing its building program, especially in areas of need and inadequate availability of land in rural towns away from Aboriginal reserves?

Mr SCHWARTEN: No.

Mr JOHNSON: Minister, you would be well aware that in many western parts of the State there has been a drastic shortage of appropriate housing blocks because of the lack of available Crown land through native title. Winton is one town in which this has been a concern. There must be numerous other towns throughout the State. That is why I asked.

Mr SCHWARTEN: I understand why you asked the question, but in the case of Winton, for example, we have not been building any houses there. Actually, I think we have some vacant land there.

Mr JOHNSON: I notice that some has just been transferred from the Department of Health to the local authority for that reason.

Mr LAMING: I also welcome representatives of the Department of Housing. What is the level of any funding or subsidies being paid from any entity of the Department of Housing to the Department of Public Works?

Ms APELT: There are three lots of payments that go from the Department of Housing to the Department of Public Works. There are costs that relate to shared corporate services across the library and also Legal and Contractual. That involves \$388,500 for library services and \$592,000 for Legal and

Contractual, and we also pay for services that we receive from the built environment research unit of \$250,000.

Mr LAMING: Are there any payments being made to the Department of Local Government and Planning?

Ms APELT: Yes.

Mr LAMING: Can you elaborate on the quantum of that?

Ms APELT: Actually, I have to retract that. The payments are not made to Local Government and Planning. It is a Treasury arrangement.

Mr SCHWARTEN: Which was established by the previous Government.

Ms APELT: That is right. It was established with the previous administration and it is a Treasury arrangement.

Mr LAMING: And the funds do come from the Department of Housing?

Ms APELT: Yes, they do.

Mr LAMING: Are they able to be identified in the MPS?

Mr FULTON: The amount is not able to be identified clearly in the MPS, but \$3.2m is paid to Treasury.

Mr LAMING: In relation to staffing and with reference to the corporate services of the Housing portfolio, since last year's Estimates you still have a shared legal and contractual service and marketing and corporate communication unit. Is that correct?

Mr SCHWARTEN: No. That was answered previously. There is no shared marketing. The only shared units we have are the library and the legal and contractual services.

Mr LAMING: These are similar questions to those asked before. I think Mr Grierson said he could answer for only Public Works.

Mr SCHWARTEN: I said he could answer for only Public Works. I can answer for both of them.

Mr LAMING: You have a separate resources and planning section?

Mr SCHWARTEN: That is correct.

Mr LAMING: An internal audit unit?

Mr SCHWARTEN: Yes.

Mr LAMING: A finance and IT unit and an executive services unit?

Mr SCHWARTEN: Yes.

Mr LAMING: So they are all separate?

Mr SCHWARTEN: Yes.

Mr LAMING: What are the separate staffing resources for each of these units?

Ms APELT: These are estimates for 30 June 2000. In full-time equivalents, for the Director-General's office there are four; for the general manager's office, corporate and executive services, five; for employee and workplace services, 38; for information management, 79; for marketing and communications, 10; for internal audit, five; for finance, 68; and for the executive services unit, eight. That is a total of 217 as projected, however the actual as at 30 June 1999 is 191. That is the total corporate staffing.

Mr LAMING: Are you able to advise the Committee of the separate budgets for each of these units?

Mr SCHWARTEN: Yes, we can.

Mr FULTON: Financial services, \$5.225m; Director-General's office, \$0.52m; general manager, corporate and executive services, \$0.729m; executive services unit, \$0.605m; marketing and communications, \$0.837m; information management, \$4.620m; internal audit, \$0.492m; employee and workplace services, \$3.957m; SAP3, \$11.044m, SAP R3 financial services, \$0.970m; QAO fees, \$0.270m; payment to Treasury for financial systems, \$0.363m; and legal and contractual and library, \$0.980m.

Mr LAMING: What is the separate quantum of payments made or received by Housing for the shared service?

Mr SCHWARTEN: That would be the \$980,000 that Ian just referred to that Housing pays to Public Works.

Mr LAMING: And how many staff are there in the executive services unit for Housing?

Ms APELT: Eight.

Mr LAMING: I would like to ask a question regarding the housing reforms. I refer you to correspondence from Councillor Charlie Pisasale of Ipswich City Council and also the Ipswich Regional Tenants Group Inc., which condemns your decision to remove the need for housing applicants to provide tenancy references. In fact, Councillor Pisasale going on to say—

"Frustration creeps in when a decision is made by your Government to discontinue the requirement of character references for public housing. We have been down this track before. Why do families have to be disrupted and endure the nonsense of the grim and difficult days?"

On what basis of community consultation was this unpopular and backward decision made?

Mr SCHWARTEN: On the basis of an election promise that we went to the people of Queensland with at the last election. That will pretty well do me for consultation. The fact of the matter is—we have been down this path in the Parliament before, as you well know—that the references are not worth the pieces of paper they are written on, because nobody is going to present a bad reference. There is just nobody who is going to go in there and say, "I am a bad tenant." In fact, there is some body of evidence that suggests that bad landlords are giving bad tenants references to get them out of their houses.

The fact of the matter is that the reference system is favoured by some people. I do not know what Charlie Pisasale would know about it; you could probably write it on the back of a postage stamp with a crowbar. He is acting upon the advice that he has been given by certain groups of people.

But let me say this. You do not require a reference to get into a public school in this State, nor should you. You do not need a reference to get onto a public bus, nor should you. So why is it that you should require a reference to get into public housing? The answer to that is: you should not. The fact is that it prejudices people. And this is the sort of looking down your snout, Liberal philosophy that I have come to get used to in the last six or seven months, when you have shown your real colours on this. The fact is that you are prejudging the people who want to come into public housing by saying, "You are not going to get in here unless you can get somebody to write you a reference."

The fact of the matter is that the tenancy arrangements that we now have—and by the way, it is your nonsense that the 12 to 36-month tenancies were going to cost us \$1.2m per year—will be reduced to six months. The staff in the area offices are expected to monitor people in the first six months. The people in public housing out there are far better, as far as I am concerned, than the people in private housing—2% in arrears, for example. That is just one indicator of the people that we have. It is 10% out in the private market.

The fact of the matter is that some people in this department are not happy with it. The area manager up there is one of them. He is not happy with the reference system being taken away. He sees it as a method of weeding out people who are undesirable in

public housing. What I say is that if people are misbehaving in public housing, we should evict them. We should not prejudice people before they come in. We should not say to people, "You go out and get yourself a reference." I do not know how somebody gets a reference, by the way, if they have never rented a house before. There are plenty of people who come to us who do not have a rent record. I wonder how somebody who comes out of prison, for example, gets one. Or perhaps you think that they should not be housed in public housing. But the fact of the matter is that the referencing system will never be introduced while I am the Minister; it will never, ever be reintroduced.

Mr LAMING: I now refer to page 2-8 and, in particular, to the description of the "Housing Infrastructure sub-output". What is the budgeted \$1.5m in capital expenditure this financial year to be expended on?

Mr SCHWARTEN: These are the seed projects. What we are trying to establish here is that, where there might be commercial ventures available that can yield some benefit to people who otherwise would not necessarily fit into our books, there are commercial arrangements that we could use. I will defer to the director-general. She can provide further advice on that matter.

Ms APELT: This initiative relates to what has been developed within the department as the Housing Infrastructure Program. This is based on significant research within the Australian housing system, and also internationally, where there is evidence that there is market failure for people who are not necessarily seeking social housing through the traditional public housing, community housing or Aboriginal and Torres Strait Islander housing but are unable to access the private rental market for various reasons. Or, for example, in some areas of the State there is simply a lack of housing supply.

Examples of initiatives that we have supported through Housing Infrastructure relate to the transfer of six houses recently from Blackwater to Normanton to provide student accommodation which would otherwise not have been there. That is not subsidised public housing; it is infrastructure provided to meet a housing need within that area. Likewise, there are other examples of where caravan parks, for example, which house low-income people, have been under threat. Those people will not necessarily be seeking public rental housing or some of the other social housing tenures as an option; but through Housing Infrastructure we can look at

arrangements with either local government or the private sector to ensure that those people still get a housing supply. The initiative does not compete with the private sector; it is there to fill in a gap which the private sector does not supply and social housing does not traditionally supply.

Mr LAMING: If I could follow up on that—Minister, does it come in the form of a subsidy to a private landlord, or does it come in the form of a subsidy to a tenant like the Federal rental assistance scheme, or neither?

Mr SCHWARTEN: No. Let me just use the Blackwater houses in Normanton as an example. What occurred there was that the Normanton council was concerned about the accommodation being provided for students who came to the Normanton TAFE college. There is no provision in the town of Normanton for that sort of accommodation. They had students accommodated in hotels and so on. They came to the Cabinet meeting in Mount Isa and put up a proposal that we build a boarding house or some such arrangement there. When you looked at the economics of that, it was very difficult to justify—in terms of waiting lists and so on that guide us through the Commonwealth and State Housing Agreement. It traditionally does not fit there. But what was definite was that there was a need and there was a commercial return, because Pasminco was paying the board and lodgings of the students concerned.

Initially, I suggested to council that we would shift the Blackwater houses up there, set them up, and they would then pay us—the same as the deal, which the honourable member for Gregory is aware of, that we did in Bedourie and Birdsville, which is a very good scheme. Council thought that that did not suit their needs. So we then went down the path of entering into an arrangement by way of commercial rent. The Monte Carlo Caravan Park in Kynock Village in your colleague's electorate in Toowoomba is another example of where we had some 50 or 60 housing units in one of those unpleasant developments of the late seventies, early eighties. That is a community housing model.

I think that we have an obligation in housing people, especially in rural areas where you see people who have no wherewithal to raise money to buy a house themselves because the land value in those communities is worth nothing. Even if you own a block of land in, say, Thargomindah or wherever, the bank will not take that as security. So I see this as an option for us in assisting to meet a housing need where there is not necessarily a

financial need, I guess, and where people have the capacity to pay full market rent but nobody is providing it for them.

Mr LAMING: So it is a very flexible program?

Mr SCHWARTEN: Yes, it is. I mean, it is flexible to this extent: that we would never go into a situation where we are going to lose money on it. It is not a subsidy program, if you like. It is a program of fulfilling housing needs and getting a return. I hope that, one day in Normanton, this department can walk away completely from that deal; that somebody will come in and have the vision or the money to do it. But I see us as helping rural communities in that sort of way, rather than with the traditional community housing model, for example.

Mr LAMING: The director-general mentioned caravan parks. Is the department planning to purchase or are any investigations being made regarding the purchase of further caravan parks under this program?

Mr SCHWARTEN: Yes, we are. That is the one south of Cairns. We are looking at one in that area. We are not looking to purchase that outright, but we are looking to have some interest in that one at Gordonvale. It is not a straight-out purchase. We are looking at ways in which we can assist in the flexibility you are talking about.

The CHAIRMAN: That concludes that period of non-Government members' questions. I will now take Government members' questions.

Mr WELLINGTON: The media has recently highlighted that, whilst there are significant numbers of public houses and public units vacant, there are at the same time a significant number of people waiting to access public housing. What are the numbers of public houses and public units currently vacant and what are the current numbers of people seeking public housing?

Mr SCHWARTEN: I have those figures here. As at 31 July 1998 there were 1,623 homes vacant. I want to explain something about vacancies because recently the member for Mooloolah put on his best media face and trotted out and made all sort of allegations about vacancies and so on. One thing he did say, and with which I agree—and I thank him for his honesty and frankness in this regard—was, "There will always be waiting lists and there will always be vacant homes." It is the definition of "vacancy" that troubles me in this whole arrangement. As a department, I

believe that we have to confront this issue in a better way.

I am advised that 60% of the 1,623 vacant homes are untenable. In other words, they are either dangerous, they need refurbishment, or whatever. I do not know about members of the Committee, but my view is that "vacant" implies that someone can move into it tomorrow. As far as I am concerned, we have to find another definition. This means that we can effectively get rid of 60% of those homes as being available for people to move into.

The figures that we have here indicate that 609 homes were vacant for 12 weeks or more, but the department advises me that only 22% were actually tenable. These are clustered in lowly rated areas and are of the stock type which is not in demand—for example, the older bedsits. There is some accommodation in which people simply do not want to live. We find difficulty in tenating those premises in certain places throughout the State. We have a couple of hundred of them vacant at Blackwater at the moment and we do not know what to do with them.

There are currently 24,243 people on the waiting list. The waiting lists are going to get worse for a number of reasons. One reason is that the GST will make the situation worse—there is no doubt about that. The GST will drive up the prices of accommodation. There are 250,000 families in Queensland who, after they pay their rent, live in poverty. That is a shocking indictment. What will happen to those 250,000 families? The situation will get worse because rents are going to go up in the non-public housing area. The waiting list is going to get longer. We will be less able to respond to that need because it is going to cost us \$30m.

The member for Nicklin has hit on a very important point. We have to come up with a better definition for what we describe as a tenable house, or a vacant house, and we will do that. I will keep the honourable member posted on the situation.

Mr WELLINGTON: In your answer to an earlier question you referred to there being 2% of arrears of rentals in relation to public housing. How does that compare with previous years? Is that the best we have had?

Mr SCHWARTEN: We are getting better at it all the time. We have a graph here. The target is 5% and we are under 2% at the moment. If you go back to January this year, it was about 3.5%. It is coming down. Basically, this has come about as a result of better management of tenancies. I come back to the

referencing system which I mentioned before. That system was not worth a tinker's cuss. What is worthwhile is managing the tenancies that one has. We must get it down to that level. If we compare the figure with that for private enterprise, it is a very good figure. The figure is 10% in private enterprise. I know people who will never rent a house again because of rent arrears. The figures are as follows: in 1994-95 it was 3.42%, in 1995-96 it was 3.85%; in 1996-97 it was 2.66%; in 1997-98 it was 1.42%; and in 1998-99 it was 1.90%.

This indicates to me the unfairness of the stigmatisation that is directed at people who live in public housing. We are housing people who are among the lowest income earners in the State, by and large, and they can manage to come up with only 2% of tenants in arrears. I think that speaks volumes. I am delighted and proud to be the Minister who houses those people. I become really angry when people look down their noses and start to make pre-judgments about people who live in public housing. They ask for references and they say such things as, "We can't have them living in Paddington."

I wish the media would more often report those sorts of figures. Whenever there is a bad tenant you can guarantee that the media will be out there with their cameras, but they will not be out there for these people who are scratching but who are managing to pay their rent every week. As far as I am concerned, these people are the salt of the earth.

Ms ATTWOOD: I refer to pages 2-12 and 2-13 of the Ministerial Portfolio Statements outlining home purchase assistance measures offered by the department. I know some questions have been raised in the past about products such as the old HOME loan scheme. Can you outline your view on such products and tell us whether you believe that the department should be in that market?

Mr SCHWARTEN: In relation to the HOME scheme, it is funny how, if you give a dog a bad name, it will stick to it. I had a look at the net effect of the HOME scheme. About 10,500 Queenslanders are now in a home of their own thanks to that scheme. Hindsight is a wonderful thing. When the ship is sunk everybody knows what caused it to go down. People say, "Oh, I would have done that differently." I do not know how we would have done that differently because what we forget is that, at that time, I know of people who were paying housing interest rates of 19% and 20%. These people were handing in their keys in droves. What was the howl at the time? "The Government should do something about it!"

We were not in Government at that time. The HOME scheme was part of a fundamental policy that we took to the people of Queensland. That scheme was brought in at a time when interest rates were at 16%. I cannot remember any of the economists saying at that time that interest rates would be down to 6% or 5% in the next 10 years. They would have been locked up if they had said anything like that. At that stage the talk was about interest rates going higher.

The reality is that we ended up in a situation where interest rates improved. We assisted 10,500 people. I know we must look at the 500 people who failed, but I would like to go to the ANZ Bank or the Commonwealth Bank, or any other bank for that matter, and see what their failure rates were.

This was a product that was brought in in very difficult times. I guess it is a matter of whether or not one believes that Governments should intervene. I know that the previous Government really did not come up with a package that would suit those people. People tossed their keys in and walked away from their family homes. That created a tremendous amount of trauma. There was a hands-off approach and the saying was, "Let the market dictate."

I believe Governments have a responsibility to intervene in those situations. When the fund is wound up at the end of the day I do not believe it will lose anything. If it does make a slight loss, I believe that, for those 10,500 people who are in their own homes, it is worth it. Being a politician, some days one has to be prepared to say that Governments and taxpayers should be prepared to take a loss in order to help someone who is a little less fortunate. Having put 10,500 people in their own homes speaks volumes for that scheme. I know it has had its detractors and I know it has been widely ridiculed by the Opposition over a long period of time, but I would like Opposition members to doorknock any one of those 10,500 people who are now in a house as a result of the HOME scheme. If the question is whether I would do it all again, the answer is yes.

The CHAIRMAN: On page 2-1 of the Ministerial Portfolio Statements you note that Queensland will receive some compensation for the impact of the GST on the cost of social housing. What role did you and your Department of Housing play in securing compensation for these impacts? Can you advise the Committee of the estimate of budgetary impact that the goods and services tax will have on the Department of Housing?

Mr SCHWARTEN: I thank you for the question, and the answer, without being boastful, is that if I or this department had not taken on the Federal Government over the GST impact on housing we would not have any compensation for this State. I do not think that is too proud a boast to make. The fact of the matter is that at the very first conference that I attended with other Ministers in Sydney—and it was only about a week after I became the Minister—there was absolute disinterest in the subject. It was this department and this director-general here who put the shoulder to the wheel and came up with the hard statistics.

Believe me, the effects are devastating. We estimated \$90m over the three years of the four years that it will operate in the next CSHA. In that context, you do not have to be Einstein to work out what that is worth in terms of jobs and, more importantly, housing that we have lost and that we were never going to be compensated for. It was at another one of those meetings that we were able to convince the other States that that was the case. This State became the lead agency in preparing the documentation and doing the research. I have to say that it was a bipartisan approach that was then taken. Dean Brown over in South Australia was very, very good in his support for it and in Tasmania, I remember him ringing one of his colleagues in another State, who did not bother to turn up to the meeting, and explaining almost in cartoon form just what a dramatic effect it would have on the State of Western Australia.

We managed to get it on the agenda of the COAG meeting. As a result, we put in a bid for \$90m, which was our estimate. The other States said that we were overestimating and all the rest of it. Of course, subsequent events have proved that they underestimated it. They did not take it as seriously as we did. As a result, we were allocated \$60m. When we got to the next meeting, they all decided to have a hack at what Queensland got, because they had \$38m and so on. They expected us to average it all out. I just would not do that. I will never forget the meeting where they handed around the hat and said, "Somebody should give \$2m here and somebody should give \$2m there to help poor old New South Wales." Even though I love dearly my friends and Labor colleagues in New South Wales, my friendship did not extend that far. I said, "Bugger them."

The facts are that that has now gone back to the Feds. We will probably end up with something in the vicinity of \$50m, or a bit over \$50m. Make no mistake, the GST is really

going to affect this department in a lot of ways. I reckon that, by the time we have finished, it will more than \$90m.

Mrs ATTWOOD: On page 22 of the MPS, you note that appropriate housing infrastructure is critical to sustaining local, rural and regional communities. Can you advise the activities of the department in meeting the needs of rural and regional Queenslanders?

Mr SCHWARTEN: Thank you very much for the question. This year, we will spend over \$110m in rural and regional Queensland. I want to say that if all members of Parliament were as committed as my good friend the member for Gregory was to finding quality housing for their constituents, it would be a better Parliament. I know how seriously he takes the issue of housing for all of his constituents. I am sure that he would be delighted to know that, for example, this year in community housing in his electorate we will spend almost \$4m. We will spend \$12.081m on construction, acquisitions and improvement in community housing. As well, in public rental in regional Queensland, we will spend \$45.498m in land and construction. In relation to the ATSI housing program, we will spend \$53.947m. In private housing assistance, there will be a Statewide expansion of the department's Home Assist/Home Secure Program, which you would all be familiar with, and which now includes all the electorates in the State and aims at keeping people in their homes in a safe and secure manner. In my view, and the research certainly shows it, if you can keep people in their own homes in secure circumstances, there is less strain on the public health system.

I believe that, regardless of where people live, they are entitled to quality housing. I am in the business of delivering that. I think that the sort of support that I get from people like the member for Gregory—and I will put that on record here today—is very heartening. In that regard, I just wish that you could teach your Liberal friends a few of those courtesies.

While time permits, the director-general has handed me a note here that states that in 1999-2000 there will be 22 dwellings commenced in the rural and regional program. In Cloncurry, there will be five by two cluster dwellings; in Croydon, one by three detached house; Emerald, three by one and four by two senior units; in Goondiwindi, six by two apartments; in Normanton, two by two duplex dwellings; in Tambo, two by two detached houses; and in Thargomindah, four by two dwelling units.

Mrs ATTWOOD: On page 2-22 of the MPS, reference is made to a review by the department of the 1997 changes to public housing by the previous Government, euphemistically referred to as "reforms", which included tenancy management in the form of an outsourcing pilot, which I understand was undertaken by a company called Chesterton. What did the department learn from this tenancy management pilot?

Mr SCHWARTEN: The first thing that I can tell you is that they might as well have got \$5m in \$50 notes and put them in the incinerator, because that is what that trial cost. Just think of the number of seniors units that we could have built with \$5m. This was another toehold into privatisation. This is the assumption that the public sector cannot do it as well as the private sector. I have to say that, by the level of complaints that came from tenants and the level of complaints that came from members of Parliament in that area—and you would be well aware of that, because it was in your area that it happened and, of course, Mr Chairman, you would be aware that in the Parliament this very issue has been raised on a number of occasions—in some ways this program helps us to know what a good job the department actually does in tenancy management and issues like that. I think that perhaps in their quieter moments Chesterton would be glad that they were away from it, because there is far more to running a Housing Department than just collecting the rent, which is what a lot of real estate agents have to do. I have to say that if I had a house on the market for rent, I would rather give it to this department to manage than—and I have had to do this in the past—give it to a private real estate agent. The tenancy management that is done by this department is very, very good.

I do not throw stones at Chesterton in terms of the people who worked there or anything else. There are some damned fine people who are tied up with Chesterton. That is not the issue at all. The issue is this philosophy—and if you were to win Government next time I will be waiting to hear the shadow Minister's policy as to how he intends to proceed and whether he would proceed back down the pathway of this semiprivatisation agenda. The sorts of difficulties that, increasingly, our officers have to meet is startling—what they deal with and how they manage people, especially people with disabilities. They do it very, very well. I believe that a measure of a strong public sector is how it treats people. The letters that I receive increasingly from tenants thanking me

and asking me to thank the staff of certain area offices is very good.

Of course, we do not get it right all the time. Of course, when we do get it wrong, no-one lets us forget it. That is the way of the world and we have to accept that that is the case. In reality, I can say that the performance indicators that were put up to refer it were not worth the paper that they were written on. As a result, I am confident that, firstly, while I am the Minister, I will never ever, entertain such a proposal; and secondly, in that regard we are doing a good job.

The CHAIRMAN: On page 2-23 of the MPS, reference is made to ministerial changes to public housing eligibility criteria. Can you advise the Committee of the approximate costs involved in reversing the changes made by the previous coalition Government in October 1997?

Mr SCHWARTEN: I think the shadow Minister would be interested in this subject, because I think that it is something that he has aired previously. In the first instance, I have to say that it is very difficult to isolate costs in this regard, because there was no budgeted amount by either Government to allow that to occur. But \$278,000 was the cost of implementing the reforms, as they were called by the previous Government. I do not use that word, because "reform" implies to me that that made it better, and it actually made it worse for the people who not only were the tenants but also the people who worked in Housing. As near as we can make out, the costs to our Government of reversing those changes was \$117,000.

What is not known about the changes that were implemented by the previous Government is that for two weeks they closed the books in this State. They have the hide to criticise and talk about waiting lists, but for two weeks you could not get a house. They told you to go away. That was the way they implemented the changes in the zonal system. That is a disgrace and it meant that, for a start, we lost \$20,000 in forgone rent.

I do not know what the motivation behind the absurdity of the fixed tenancies was, but I do know that there was no budget figure for that. People had to knock on doors, put on the white gloves and run their fingers around the louvre blades and goodness knows what else to see if there was any dirt in the house. I presume that that is what they meant by checking tenancies and so on. We were back to the old days of checking in the rubbish bin and the cupboards of public housing tenants. I

am advised by the department that that would have cost \$1.2m, which was not budgeted for.

The other issue is that this was supposed to help the turnaround times. I can cite cases where people rang my office to say, "I have lived in this area all my life." In one case that I can quote from the Mansfield electorate, a woman had a son going to the local school but was told to go to Kangaroo Point. That was in the zone. She had no say in the suburb or the street. She was told to go there even though she had no car. The kid was expected to be uplifted and taken away from his school. When she said no, they put her on the bottom of the list. That is how the zonal system worked. They did not say to the tenant, "You have the right to wait until something comes up in your area." They said, "If you don't not take that" —and of course the woman rejected it—"you'll go to the bottom of the list." Then of course they have to find another tenant. That went on and on and on. In fact, that is the worst sort of situation to have and it drove the staff in the area offices mad.

You talk about no consultation on other issues. I can tell you that there was no consultation whatsoever on those changes. They came via fax machines.

The CHAIRMAN: That concludes that period for Government appointed members' questioning. We will proceed to non-Government appointed members' questioning.

Mr LAMING: I would like to go back to an area that has been spoken about today, which is the home purchase assistance plan. I refer to page 2-13 of the MPS. What was the specific nature of the exemption sought for the reintroduction of the RPP or home share scheme?

Mr SCHWARTEN: It is not for the reintroduction of it. That was knocked dead on the head in 1996, I think it was. I have signed off on these, as have my predecessors from both sides of politics. This means—and whoever wrote that question for you should have known this—

Mr LAMING: Can I interrupt you. The second dot point on page 2-13 states, "Rental Purchase Plan share purchases for existing purchasers will be reintroduced ..." That is why I wrote the question that way.

Mr SCHWARTEN: It was stopped because the Consumer Credit Code system said that those people could not buy extra shares. If you owned 25% of the home and you wanted to buy extra shares, the new Consumer Credit Code said that you could not

do that. The director-general can elaborate on this in a minute. They had to get an exemption from the Consumer Credit Code to allow people to buy further shares in the home that they occupied. It is not about reintroducing that scheme at all. This relates to people who are already in the scheme who, because the Consumer Credit Code came in in the interim, were told that they could not buy extra shares because it was not in their interests—or for whatever reason.

David Watson, Ray Connor and Terry Mackenroth have signed off on that and allowed people to buy extra shares and I will certainly allow people to do that. The aim of doing that is to increase the share ownership that you have until one day you own the home.

Ms APELT: Just to reiterate what the Minister has already said, the Governor in Council actually approved a regulation that exempted the Rental Purchase Plan scheme from the Consumer Credit Code, which enabled existing purchasers to go ahead and purchase additional shares.

Mr LAMING: How do the terms and conditions of the loan agreements change for those who wish to purchase a greater equity in the property through additional shares?

Mr FULTON: There has been no changes in the terms and conditions applying to that scheme.

Mr LAMING: So they can continue under the same arrangements that they currently have for the increased shares?

Mr FULTON: They can.

Mr LAMING: Referring to page 2-16, note 4, what was the total loss due to the revaluation of RPP properties in the 1998-99 financial year?

Mr FULTON: The loss and revaluation was \$6.47m.

Mr LAMING: What is the budgeted total loss due to revaluation of the same properties for the 1999-2000 year?

Mr FULTON: It is \$5.7m.

Mr LAMING: Also referring to page 2-16, note 5, what was the nature and composition of the assumed liabilities in the 1998-99 financial year?

Mr FULTON: These related to the split of the department. They relate to the corporate services area where the employee liabilities in the corporate services area were taken over by the Department of Housing for those employees that related to the Department of Housing.

Mr LAMING: Are they detailed in any way?

Mr FULTON: No, they are not detailed in any way through the MPS.

Mr LAMING: Turning to community housing, I refer to page 2-18. Minister, why did you fail to meet your 1998-99 budgeted target of 35 dwelling units under the Long Term Community Housing Program youth housing initiative?

Mr SCHWARTEN: For the same reason that probably all my predecessors who have sat in this chair failed in that regard. If you were sitting here, you would not be asking the question because the answer is—and this is something that we have to do a lot more work on—that by its very nature community housing is complicated to deliver. We are not in the business of telling community housing groups to dig the foundations today, let the contract tomorrow and so on.

The problem with the community housing model is that often people in the community housing sector do not have the expertise to let contracts on time. They are dealing with very complex issues, especially with youth housing. For example, no-one wants a youth housing establishment built next to them. A block of land is bought and then all the neighbours put on a turn about it. There is opposition hell, west and crooked, questions are asked in Parliament, letters are sent to the Minister and heaven knows what else. They drop that place and find another one. Those are the sorts of problems that confront us. It has not been through any lack of financial commitment. If you are seeking to kick community housing groups by your reference there—

Mr LAMING: That is not the case.

Mr SCHWARTEN: That is what you are doing. I do not think that will go over too well in the sector, and I will make sure that they know about it. Do you want to add to that?

Ms APELT: I can add something to that. The variance of six dwelling units resulted from one of the organisation's inability to commence its project, which was two dwelling units, and it subsequently returned funds to the department. One local government project, which was four dwelling units, was delayed pending an investigation into audit issues which have now been resolved.

Mr LAMING: How many dwellings were commenced under that same program in 1998-99 financial year?

Mr SCHWARTEN: Under the youth housing initiative, there were 29 commencements. They were in Burke, Carina,

Cooktown, Gatton, Gympie, Kedron, Rockhampton, Sandgate, Sunnybank and Strathpine, totalling \$2.354m.

Mr LAMING: Of the 221 dwelling units to be completed in the 1999-2000 financial year, how many will be commenced in the 1999-2000 financial year?

Mr SCHWARTEN: As I understand it, they will not only be commenced; they will be completed in this year. That is what I was told, anyway.

Mr LAMING: But they will not all be commenced in this financial year? The completions will be units that are currently under construction?

Mr SCHWARTEN: All will be commenced and all will be completed this year.

Mr LAMING: All 221?

Mr SCHWARTEN: I will elaborate on that.

Mr LAMING: It is just a little unclear in the MPS.

Mr SCHWARTEN: I understand that. There is a reason for that. A lot of those are carried over. You will find that some of those, for example, are two years old in terms of their approval, and for the very reasons that I stated. For example, the community organisation might suddenly say, "We can't build it", and then it hands it back to you. That has happened on a couple of occasions. That is bound to happen. It highlights the need to do what we are doing this year in this Budget, and that is getting those completions this year, consolidating what we are doing and looking at Community Housing and seeing where we are going to head from here. Community Housing is going to play an even greater role, according to the Federal Government, than it currently is. We will have to look at options for how Community Housing performs. For example, take the British Columbian experience, which the sector here proclaims as one of the leading edge models. They do not do what we do; in other words, hand over a pile of cash. They guarantee the loan that the not-for-profit sector gets. That is something that we will have to look at down the track. But with 450-odd agencies in this State, some with as few as three housing units, you do not have to be Einstein or an economist or have the skills of Ian Fulton—the resident accountant; and he is very good—to work out that three houses is not a sustainable way to go. Over the long term this is what we will have to do, that is, consolidate and give skills to those community organisations to deliver at that level. I urge you to involve yourself in that. If you ever end up in

this position, it will be an issue that will confront you.

Mr LAMING: What was the value of the total carryover by Community Housing from 1998-1999 to 1999-2000?

Mr SCHWARTEN: The Community Housing carryover was \$27.5m. I will just read out what it states here. You are welcome to this document, if you want it. Approximately \$27.5m in committed funds will be carried forward into 1999-2000. Of this, \$14.4m relates to capital works projects and \$13.1m relates to capital grant construction or acquisition projects.

Mr LAMING: From the previous answer, I understand that none of those buildings has been commenced; they were allocated and funded but they did not actually commence?

Mr SCHWARTEN: No, some of them would have been started. It is just that the funding is being carried over to complete them. For example, the Abbeyfield project in Babinda would be one of those projects. It will cost around \$900,000. That is a very complex project. The local housing group has been trying for years to get the Abbeyfield project up. It is a pilot project. I gave them that through our Community Cabinet process. The council is giving us the land, for example, and there were difficulties there. That \$900,000 sits there while the council and the community housing group resolve their problems. Abbeyfield is the sponsoring group. You just cannot go out and call yourself "Abbeyfield". You have to do certain prescribed things. It makes up its mind that that money is committed. The day that that is ready to go, the process all starts. That project is part of that \$27m worth of work that will be completed this year that is carried over from the beginning of last year.

Mr LAMING: I might have misunderstood the answer to a previous question when we were talking about the 221 units to be—

Mr SCHWARTEN: That will be started and completed this year. Under long-term community housing, 180 dwellings will be commenced this year. The number of dwellings completed this year will be 221.

Mr LAMING: So the difference is in the ones that come through?

Mr SCHWARTEN: They are similar to the Babinda one. I am just using that as an example. I understand where you are coming from.

Mr LAMING: You were talking about the policies for Community Housing. Why have you not proceeded with the Community

Housing advisory board, the establishment of which you approved in place of the pre-existing Community Housing Grants Board?

Mr SCHWARTEN: There is a good reason for that. I had a look at the Community Housing Grants Board. It was there to advise me on what projects should get the nod. We have a section of the department that was basically the secretariat to that agency. It cost a lot of money—over \$200,000 a year—to have that body there. I said, "Let's give it a trial and see what the department comes up with." I found that the department had made those recommendations. They were usually the same, if not always the same. To me that begged the question: what is this group doing? I say that with no disrespect intended to those people; they worked hard and they were very committed to what they were doing. I have to put on the record that one of the people on it was a friend of mine. But \$200,000, which could have built pensioner units or gone some way towards building a boarding house or whatever the case may be, needs to be justified in my own mind. I then thought, "Perhaps we need an advisory board." But to advise on what? We have this Community Cabinet process that advises. I have got you as an adviser opposing me. I have got advisers around me. I have a department full of people who advise me. Ultimately, I make those decisions.

Mr LAMING: Do you take my advice sometimes, Minister?

Mr SCHWARTEN: When you provide proper advice, I do listen to what you say. I would not say that it is always advice that you render. Sometimes one could be forgiven for thinking that it is criticism. I make those decisions and I live or die by those decisions. I am prepared to do that. I could not in my own mind justify \$200,000 worth of hard-to-get housing dollars on a group of people who met on a semiregular basis to talk about community housing. In this sector we have Shelter and the Community Housing Coalition. There are lots of bodies that could advise me. We spend a lot of money on assisting them. I do not think I need one more level of advice.

Mr LAMING: I now refer to note 8 on page 2-20. What was the nature and composition of the assumed liabilities in the 1998-99 financial year?

Mr SCHWARTEN: I think that is one for Mr Fulton.

Mr FULTON: This is the same answer as the previous one. It relates to the transfer of corporate service employees from the Department of Public Works and Housing.

That total cost has been spread across each of the outputs and will appear in that particular line item through the document.

Mr LAMING: I refer now to note 14 on the same page. What are the "changes in financial arrangements with regard to administered revenue" proposed for the 1999-2000 year?

Mr FULTON: That is a change in the financial arrangements in terms of the payments that the Department of Housing makes to Queensland Treasury.

Mr LAMING: In the public rental housing area—and I refer to page 2-23—in last year's MPS you set a target of 803 dwelling commencements. Why is it that you failed to achieve this target, with commencing only 763?

Mr SCHWARTEN: There was a time when this department could rattle up 1,500 or 1,600 houses a year and that is why this year I think we will be spending \$36m on urban renewal. If you build a house off the plan—I started my apprenticeship working on those houses—the reality is you can do that. I admit that that was ambitious. I tried to set myself a target that I could deliver and I did not do too badly, I do not think, out of it. The reality is that, if you are building purpose-built accommodation for people with disabilities particularly, you have to go through a lot of consultation. You just do not go and buy a block of land somewhere—especially with some of your mates looking down their snouts at us and having public meetings about providing public housing in places like Paddington. That sometimes makes it a bit difficult for us to build houses.

The consultation process is a lot greater now than it ever was before. The times of construction and letting the contracts and all that is the easy stuff. The hard stuff is managing the people—the tenants—who are going to be there. In one case that I can tell you about, there were needs for a deinstitutionalisation program where we had three quite aged, disabled people come out of long-term institutions. We have had to provide in that set of instances a laser beam to stop one of the people climbing up a tree. This person climbs up a tree because of their disability. That then triggers—

Mr LAMING: A disability?

Mr SCHWARTEN: Yes, it is a disability. I hope you are not laughing at it.

Mr LAMING: No, but climbing a tree? A disabled person?

Mr SCHWARTEN: A disabled person, yes—a mentally disabled person.

Mr LAMING: I am sorry, mentally disabled. I thought you meant physically.

Mr SCHWARTEN: What I am trying to highlight here are the sorts of issues—and I would expect you to take them seriously—

Mr LAMING: I was listening, Minister.

Mr SCHWARTEN: Deinstitutionalisation is a very serious issue. This person has a predilection to climbing and the only thing that discourages this person from doing so is water. So a laser beam trips the water and down that person climbs. That is the reality of deinstitutionalisation. This is about providing needs for people and families. If it was your brother or sister, you would not be sitting there with a smirk on your face, I can tell you.

Mr LAMING: I am not smirking, Minister.

Mr SCHWARTEN: You were smirking and I do not appreciate it. The fact of the matter is that they are the sorts of people for whom we are out there delivering housing options, and that is hard to deliver. It is not back to the old three bedroom chamferboard house that we could rattle up on demand.

The CHAIRMAN: That concludes that section of non-Government appointed members' questioning. We now proceed again to Government appointed members' questioning.

Mrs ATTWOOD: I understand that the Community Renewal Program is but one part of the Government's overall response to crime prevention. On pages 2-23 and 2-24 of the MPS, reference is made to the possible expansion of this program. I therefore ask you for your assessment of the program, for which I understand the Department of Housing is the lead agency.

Mr SCHWARTEN: Can I say at the outset that I think this department is ideally placed to be the lead agent in this delivery. Basically, we are trying to do what I referred to before—\$36m between urban renewal and community renewal; one is \$21m and the other is \$15m that we will spend this year—undo the mistakes of the past, the one size fits all estates that we saw.

Just recently the director-general and I were in London, parts of Canada and so on to see how they have been doing that. This is not something confined to Queensland; this is something that is basically worldwide where the options were thought to be one size fits all—put everybody into a community and away you go. Of course there were going to be

problems with that. There were always going to be long-term problems with that. After the war it was a great option. As a result, everybody got on with their lives. There was a shortage of housing. I think a lot of us still think in that postwar era about housing needs. They were married parents who just could not get a house. So they rattled up the housing, and people had families and so on.

These estates that we were talking about were not aimed at that at all. They were aimed at putting everybody in together and, as a result of that, you had on your hands a socioeconomic disaster. If you go to Manoora in Cairns—and I invite each and every one of you to do so; we will show you around there—you will see the sort of things we are doing.

From where I sit I think all roads lead to housing. If you do not have a decent house to live in, then you cannot expect the kids to do their homework properly, you cannot expect the general demeanour of people who live in that house to be good. If it is overcrowded and if you have an overcrowded situation next door as well and you have a two foot six high fence between you and the neighbour, the chances are that the kids are going to kick the ball across the fence and that, when they go to retrieve it, they are going to get an earful and they are going to give an earful back. Then you have a domestic dispute between neighbours, and so it goes on.

In terms of what we are doing in community renewal, I am very confident that we are as good, if not, better than what is happening all over the world. I have some stats here. Ten communities were endorsed by Cabinet in 1998-99 as target areas. They are Garbutt, Manoora, Goodna, Riverview, Leichhardt, Woodridge, Kingston, Loganlea, Inala and Eagleby. Two additional areas are now being added to that—Caboolture and Deception Bay. They are being considered in this round—subject, of course, to Cabinet approval.

I think the program has already yielded results. We have to be a bit careful about the assumptions we make as well. I am not saying that people who live in public housing are criminals or anything like that, but I do know that enhancing these neighbourhoods and making them more attractive ensures that they do not become the housing option of last resort.

The CHAIRMAN: On page 2-23 you refer to upgrades to dwellings. I draw your attention to a series of attacks on the elderly, particularly in Brisbane's southern suburbs. As part of this

program, what was done to deter attacks on senior citizens?

Mr SCHWARTEN: I think all of us would join in our condemnation of anybody who preys on the elderly. We were witness to that last year when we had what appeared to be serial-type activity which targeted elderly people in Department of Housing seniors' accommodation. Thanks to this director-general and this department's wisdom, we were able to find \$4m which was a result of smart activity by this department in paying its rates. They were able to get a \$4m rebate. They should not have told me about that because the moment I learnt we had that, it went straight into providing security for, I think, 8,500 seniors in Queensland.

That, thankfully, is something that old Housing Departments never had to contend with. We did not have to worry about security 20 years ago. It is an ongoing cost of public housing. It is something that, regrettably, we have to meet. I am sure that I speak for everybody in this room when I say that I could not stand by—none of us would—and allow that situation to continue to occur. I acted immediately that it became known to me that there was a problem and that it was our residents who were being targeted. We are now providing screening in accommodation, some lighting where it is required, and foliage and so on has been stripped back in some cases so that areas that may have harboured undesirables have been removed.

I would rather have spent the \$4m on something else, but the fact of the matter is that we had to do it. You will notice that this year we will spend in the vicinity of \$25m in upgrading accommodation. I would expect that some of that would go towards seniors who live in non-seniors' units. I know a number of you have written to me about your constituents in that regard. I wish I could fix it overnight. We just do not have the money at this stage to do that.

We do have a policy that, if we are alerted by police to a potential danger or whatever, we will go in there and screen. Unfortunately, when people are attacked we will go and screen as well; it is a bit like closing the door after the horse has bolted, but we have a finite amount of money. If Bruce can go and talk to John Howard for me and get me a few more quid and get back that \$60m that they knocked off us—and about \$50m this year, actually—

Mr LAMING: That was to fill Mr Keating's black hole, you will recall.

Mr SCHWARTEN: You could have filled it with something else other than housing bodies, which is what you chose to do in Queensland—\$130m. I can tell you something now: that was the worst place that you could have taken it from in Queensland, considering the jobs it cost people in Queensland and the people it has disadvantaged. It has put this department back by decades.

Mrs ATTWOOD: Last year at this hearing the director-general referred to the development of a homelessness strategy. Can you advise of any developments in this area?

Mr SCHWARTEN: The director-general is an absolute expert on homelessness. One of the important things for a Housing Minister, and I guess a director-general, is to actually define what homelessness is. In my own electorate of Rockhampton we have recently had a very public debate about what homelessness is. Is it people who are laying around in a intoxicated state in the parks? Are they actually homeless? Does that mean that they have by desire no home to live in? Are the 25,500 people on our waiting lists homeless? The answer in relation to the waiting list, in my humble view, is that a majority of them are not, because they have a roof over their heads. It might not be the best roof in town and it might be an overpriced roof, but they have a roof over their heads. Ms Apelt has done a lot of work in this area, because it is something that we really need to know about. We cannot just fly by the seat of our pants on this issue. We actually have to do some research.

Ms APELT: The department has taken a lead role in addressing homelessness as a whole-of-Government issue within Queensland. I guess with that there is a recognition that it is not a responsibility of the Department of Housing alone but that the Department of Health, the Department of Families, Youth and Community Care and other departments also have a role to play, as does local government.

One particularly important area for addressing issues of homelessness is the Crisis Accommodation Program and the Supported Accommodation Assistance Program—the CAP and SAAP arrangements—which are both Commonwealth funded arrangements. We have worked with the Department of Families, Youth and Community Care to get better coordination between the two agencies to ensure that those people who are eligible for SAAP assistance are also eligible for CAP

assistance and that people do not get the run around.

With that, a joint ministerial advisory arrangement has been set up between the two departments to make sure that a lot of critical decision making does not get lost in departments and that Ministers are able to make quick decisions in a policy sense. We have also continued the expansion of the boarding house program, which of course houses some of the most vulnerable people within our community and those people who are most vulnerable to homelessness.

We have also established a chief executive officers group, at the instigation of the Minister, which looks at housing and support issues. That group has actually developed a better strategy for early intervention and prevention of homelessness across the departments of Health, Families, Youth and Community Care and Housing.

There has been an inner city affordable housing task force, which has focused on strategic land purchases in the inner city area for boarding house development and also transitional housing development. Finally, we have continued to contribute to the development of self-regulation within the boarding house industry and also the development of a statement on homelessness.

The CHAIRMAN: I note that on page 2-24 of the Ministerial Portfolio Statements you make reference to a property condition order. I refer you to a recent story on Brisbane Extra, which screened on 27 September 1999, regarding vacant public rental housing properties at Selina Street at Wynnum in my electorate and also at Fisher Road, Thorneside. What information can you provide about these two properties in particular?

Mr SCHWARTEN: The first bit of advice that I can provide to the shadow Minister is: before you go and put your face in front of a television camera, check what you are talking about. One of the buildings he was standing in front of is uninhabitable and in fact would be dangerous to put people in. I am sure that the Liberal Party policy does not include putting people into homes that are dangerous. That set of units is for sale. It is for sale on the condition that it is untenable under its current arrangement. The reason it is for sale is that we made a decision about its worth in terms of whether it is better to sell it or to keep it. The advice I have received is that it is better to sell it. We will realise a better market for it.

I must congratulate you, Mr Chairman, because you are one of the people who

embraced public housing in your electorate. It is a privilege to work with somebody who understands the needs of their electors. With regard to the other property you commented on, there was redevelopment there. Surely the member for Gregory was not suggesting that we should put people in there in the short term and then turf them out somewhere down the track, whether it be two months, three months, six months or whatever the case may be. I presume that the member did not know what he was talking about in suggesting both of those things. However, I understand the nature of politics and that as a shadow Minister he is obliged to make comment on things that he sees. You have to get a quick grab wherever you can.

The reality is that that story really was quite wrong and quite misleading in terms of the impression that it gave people about how this department does business. It follows on from the question asked by the honourable member for Nicklin about just what we are going to do about these sorts of situations. My view is that we can probably do better than we have been in advising neighbours and so on about our intentions for the house next door that they see vacant and about which they take it upon themselves to ring up the local newspaper or whatever. I think we bear some of the responsibility and some of the blame for that occurring.

In terms of what will happen in that area, we will end up with state-of-the-art pensioner units. While those current houses look all right, it will cost us a fortune to keep maintaining them and the demand in that area is for single pensioner type accommodation.

The CHAIRMAN: It will be better for the street, both for public housing tenants and private occupants.

Mr SCHWARTEN: Absolutely.

Mrs ATTWOOD: In the strategic directions section on page 2-2 of the MPS you note that the department works in partnership with Government, industry and the community. Can you give me some examples of how the Department of Housing works with local authorities and other State Government departments to improve housing outcomes for Queenslanders?

Mr SCHWARTEN: Local authorities are increasingly, and from where I sit necessarily so, becoming an important partner in delivery of public housing. Earlier this year I was in Isisford in the electorate of the honourable member for Gregory. The council there has looked at the issue of housing need in that area. This is similar to the answer I gave to the

honourable shadow Minister earlier. There is a need on the part of shearers in the town who cannot get housing. Council sees it as their responsibility to try to help and have advocated on their behalf. Increasingly I see authorities taking the lead in that regard.

My own council, Rockhampton City Council, has a number of seniors units through the long-term community housing program. Similarly in Brisbane, we are working closely with the Brisbane City Council on affordable housing in the inner city area. Long term, I would like to see councils having the planning authority to encourage that sort of development—similar to what is happening in other States and in other countries—and being very much part of any development program. I see it very much as a partnership.

The honourable member came to this Parliament having served in a local council, as did the member for Gregory and as did I. I think traditionally a lot of councils have involved themselves in housing. With this community housing model I think local authorities will eventually take an even stronger role in that area because they have the expertise. We are using them in the Home Assist/Home Secure arrangement as well. In a lot of cases—the Rockhampton City Council is one example—the local councils are auspicing that arrangement.

In terms of industry, we have got increasingly closer to agencies like the HIA, for example—and necessarily so—because I do not see myself as a Housing Minister just for affordable housing. I see myself as a Minister - and as a department—providing some leadership on housing design and so on in this State. The HIA, the UDIA, the QMBA—all of those—we have sponsored awards in those areas, as well, because I see our role as very much a partner with those agencies. In terms of other departments, of course, we have established better protocols than we had this time last year, as part of a program to develop better outcomes for our clients.

The CHAIRMAN: That concludes that portion of Government members' questions. We will now go back to non-Government members' questions.

Mr LAMING: I would like to ask a couple of questions on the ATSI housing program, if I may. Firstly, what was the value of the total carryover by ATSI housing from the 1998-99 to the 1999-2000 financial year?

Mr SCHWARTEN: I will get Alex Ackfun to answer that.

Mr ACKFUN: The carryover value was \$6.4m.

Mr LAMING: What was the actual number of commencements for the ATSI housing program for the 1998-99 financial year?

Mr ACKFUN: Are you talking about the community program or the urban program—the capital investment program?

Mr LAMING: There are two?

Mr ACKFUN: Yes.

Mr LAMING: Perhaps you could give me both.

Mr SCHWARTEN: One is what you would call mainstream ATSI housing and the other one is the community.

Mr LAMING: I was referring to the community one, but I certainly would not mind the other one.

Mr ACKFUN: The community one—331 dwellings were commenced. And in terms of the urban program—the rental program—146 were commenced.

Mr LAMING: Going back to page 2-23, with reference to the Community Renewal Program, of the \$7.5m in the 1998-99 budget, how much of that was expended?

Mr SCHWARTEN: \$7.4m out of the \$7.5m was spent.

Mr LAMING: And what was the value of any carryover? I suppose that is the same amount.

Mr SCHWARTEN: \$7.4m from \$7.5m.

Mr LAMING: How much was spent on each of the identified Community Renewal Programs in the 1998-99 financial year?

Mr SCHWARTEN: Manoora, \$0.69m; Garbutt, \$0.86m; \$950,000 in Inala; \$1.21m in Goodna; \$1.2m in Riverview; \$530,000 in Leichhardt; \$850,000 in Woodridge; and \$150,000 in Kingston. You can have this, if you want it.

Mr LAMING: Thank you. Also on page 2-23, I refer to your comments about the current public housing rent policies and to the supposed inequities that exist. What do you propose to do after the review? Is it to increase the rent of the pre-reform tenants up to 25% of household income, or is it to breach the CSHA agreement and to realign every tenant's rent to a flat and equal rate?

Mr SCHWARTEN: That is like cutting an athlete's foot off and then expecting him to win a marathon. I mean, how did this system come about? Your lot did it! I have been left with yet another mess to try to unhinge.

Mr LAMING: It did not have anything to do with the CSHA agreement or what CSHA required?

Mr SCHWARTEN: Not as far as I am aware. The reality is that you have left a pup in a basket, and when you open up the basket you find out that it is a dog with teeth that long. We have to try to resolve that problem. David Watson could not resolve it. But I guess that, like everything else that you left as a mess for me, I will have to try to find a way of fixing it.

Mr LAMING: I turn to page 2-25. You referred earlier to the vacancy turnaround. You have provided me with figures on vacancy turnaround as a result of questions on notice. I acknowledge that there was a change in the manner of recording those from working days to calendar days. I did the best I could to convert the calendar days back to working days; and if my mathematics are correct, it would indicate that, in the first six months of the financial year just completed, the average turnaround was 17.6 days and, in the second six months, it was 25.3 average days, which is about a 40% increase. I ask: how can you blame the housing reforms implemented in October 1997 on the blow-out of housing vacancy rates commencing around March 1999? And would it not be a more correct interpretation to say that the blow-out in allocation and vacancy turnaround time is of a direct consequence of your decision in November 1999 to actually wind back the coalition reforms?

Mr SCHWARTEN: No, it would not be. And you are asking me to rely on your mathematics.

Mr LAMING: I can table that.

Mr SCHWARTEN: You can, if you like.

Mr LAMING: They are your figures that you gave me.

Mr SCHWARTEN: But you worked them out. "Trust me, I'm a politician"! Jenny Clark can come up here and talk to you, if you like. Did you hear the question?

Ms CLARK: I would like to hear it again.

Mr LAMING: I am referring to the answers to questions on notice in regard to the vacancy turnaround for the 12 months of the last financial year. I understand that in December it went from working days to calendar days. I have recalibrated those to bring them all back to working days.

Mr SCHWARTEN: "Recalibrated"—that's a good word!

Mr LAMING: You are not the only one who has a mortgage on new words, Minister.

Mr SCHWARTEN: I know. I like it.

Mr LAMING: I am on a time limit to ask this question. So it would indicate that the first six months of the year had an average of 17.6 days in vacancy turnaround. The second six months—about the time that the reforms were turned around—became 25.3 average, which is a 40% increase in the vacancy turnaround. So my question was: would it not be more to do with the turning back of the coalition's reforms rather than the reforms themselves, which were right back in 1997, which had an effect on the vacancy turnaround?

Ms CLARK: Our figures, which have been calculated on the same basis over a whole year, can be tabled in order to clarify that point. We had a fairly steady maintenance turnaround period for the whole year, but there had been a steadily increasing allocation turnaround up until the early part of this calendar year. That allocation turnaround time has reduced since it peaked in the early part of this year.

Mr LAMING: I am still asking the question of the Minister. Would it not be more accurate to say that—

Mr SCHWARTEN: No.

Mr LAMING: Have you some other reason for the increase in those allocations?

Ms CLARK: Our internal reading is that the peaking in vacant turnaround times in relation to the reallocation of properties occurred when we were introducing a new system for tenancy management. It peaked for a number of reasons. One reason was the initial teething problems with the introduction of the system and the reliability of data from that system, together with this compounding effect of allocating houses to people who did not want them because they wanted a more specific location than the system was offering them.

Mr SCHWARTEN: That is your system.

Mr LAMING: It was the turning back—

Mr SCHWARTEN: No, no, no. Don't misconstrue what was said.

Mr LAMING: Well, you answer it.

Mr SCHWARTEN: The turnaround time was increased because people who were forced to make a choice to leave an area where they wanted to be to go to an area where they did not want to be said "No, we are not going to do it." That forced the area office to say, "We have to find the next tenant and make an offer to him." When that tenant

rejected it, another offer was made. However, if you go to somebody now and you say, "Do you want to go to Kangaroo Point?" and they say, "No"—right, end of story. You do not give them time to go and make up their minds. If people say, "No, I want to live in that suburb. That is where I want to stay," you say, "Righto, you are going to have to wait for six years." If you want to get into a house quickly you can go and live at Riverview, or wherever the house may be, but there is no compulsion. Under your zonal system people were offered a house and then were put at the bottom of the list. They then went to the next list and were again placed at the bottom of the list. And so it went on.

Mr LAMING: I understand that.

Mr SCHWARTEN: Logic would tell you, would it not, that that is going to take a lot longer than just dismissing a person straight off. You ring the person up and say, "Do you want that house?" and they say, "No." Unless you give them a period of time to make up their minds—

Mr LAMING: But, Minister, the blowout in times was at a time when you changed the system to what you favoured. When you rolled back the reform and put your system in, the vacancy allocation blew out—not when the reforms were introduced or at any time right through until the end of last year.

Mr SCHWARTEN: For Christ's sake, see if you can get through to him.

Ms APELT: I can add something to that, Mr Laming. When Jenny refers to systems, she is talking about the new information system that was introduced which actually recorded data differently from the previous information system which was called ISIP. The previous information system made a clear distinction between vacant tenable properties and vacant untenable properties; hence the data that was recorded was recorded as such. With the new system, SAP R 3, that is not necessarily the case. So there was an abnormal jump in the allocation time—

Mr SCHWARTEN: Because it included untenable houses which previously were not included.

Ms APELT: Which was recording untenable houses which, in effect, were not vacant for tenancy. So that was an aberration in terms of the recording at that time. We have since been able to rectify that by ensuring that we have a consistent approach in relation to recording data about vacant property.

Mr LAMING: If they are untenable they should not be put in a table for vacancies.

Ms APELT: That's right.

Mr SCHWARTEN: Exactly.

Mr LAMING: Perhaps that has to be rectified.

Mr SCHWARTEN: I can assure you it will be. I found out about it only as a result of recent events.

Mr LAMING: I refer to page 2-26, note 9. What was the nature and composition of the assumed liabilities in the 1998-99 financial year?

Mr FULTON: Those liabilities included the liabilities on the transfer of Corporate Service employees from the Department of Public Works and Housing to Housing. It also includes the output share of payments that are made to Queensland Treasury. That applies to each output. If I could just clarify my previous answer to note 8: while the increase in that item related to employee entitlements, that item includes payments made to Queensland Treasury as well as the transfer of employee entitlements from the Department of Public Works and Housing.

Mr LAMING: I refer to page 2-26, note 17. What additional borrowings or changes in circumstances are liable for additional debt servicing in the 1999-2000 financial year?

Mr FULTON: The department undertook a borrowing last financial year of \$50m. That was borrowed down on the last day of the financial year. So the debt servicing applied from this financial year. That is the reason for the increase.

Mr SCHWARTEN: That is the way it has always been done.

Mr LAMING: I refer to page 2-36, note 9. This refers to land acquisition. How many existing blocks of vacant land does the public housing output have on its books?

Mr SCHWARTEN: I would not have a clue. We will take it on notice.

Mr LAMING: What is the total value of vacant land held by the public housing output? I suppose that question might be in a similar position. Can you give me the number and the value?

Mr SCHWARTEN: We will take that on notice.

Mr LAMING: What effect do you estimate the land acquisition program will have on future equity charges levied on the public housing output by Treasury?

Mr SCHWARTEN: Nil. We are one of those departments where, increasingly, we will not have lazy assets. We will make sure that

the assets we have are going to work for us. We do not just go and buy big banks of land for the sake of having them. We buy them with a purpose. That is becoming increasingly the case. You will find that, as part of the realignment we are undertaking, we will dispose of some banks of land and purchase others for that very reason. We are ensuring that what we are providing is strategic for our needs.

The days of the big estates are finished. We do not need that sort of land sitting idly around. That is very much what the whole process is about. It is about not having lazy assets that are just growing grass. We need every block of land that we have doing something for us as part of our overall planning for the next five years. You will not find those blocks of land doing nothing. I think that has pretty well been the case for a good period of time. All our assets are expected to work in the interests of putting a roof over people's heads. The equity charge has been reimbursed to Treasury.

Mr LAMING: I have a question concerning housing maintenance. We have discussed this matter before. With regard to your decision to have Q-Build directly manage the public maintenance program in Rockhampton and Hervey Bay, was this course of action recommended by your consultant, Mr Battley, or was this course of action the result of consensus of regional Housing area office staff?

Mr SCHWARTEN: It is a bit like the curate's egg; it is true in part, I guess. The reality is—and you know it as well as I do—that we have a maintenance arm of the Government called Q-Build. Housing traditionally did its own. It was your Government that decided to marry them together. We used to have a day labour force in Housing which is now over with Q-Build. I make no secret of the fact that I despised what I saw when I went to area officers of Q-Build and Housing. We had people with stacks of papers that high checking on one another. Q-Build would send an invoice to Housing, and somebody would check it there and send it back and pay for it.

You asked me a question in the Parliament about a set of screens. To this day, Q-Build blames Housing and Housing blames Q-Build, and Q-Build then blames a contractor. The reality is that we cannot have the system that you had—a half and half system. You cannot have a system where the checker will be checking on the checker. We have an instance of a house which burnt down the

other day. The smoke alarm that was fitted in that case was fitted under your process of the checker checking the checker. It is ridiculous.

The whole aim of this process is to ensure that we get a single line of accountability between those agencies. Q-Build needs that work. In my view, I am confident that they can do that work. Q-Build tell me that they can do that work. They can provide value for money. If they can fix a louvre in a school, tell me why they cannot fix a louvre in public housing? Years ago when I worked for the Teachers Union, we had the ridiculous situation where you had Q-Build—in those days, the Works Department—carpenters fixing teacher accommodation in Emerald and right next door was the public housing properties rented to Education. But they could not go over and so much as fit a sheet of glass in a window.

It is absurd to suggest that people who are qualified tradespeople cannot do that work. I know that you do not support that. As I have said to you on a previous occasion, that is your ideological right. But I am determined to make this work. There is exceptional goodwill between those agencies where it is working at the moment. I know that some of the area managers are not too pleased about it, but they have to learn to get on with their lives. From day one, I have spelt it out very clearly that I expect Q-Build to deliver quality maintenance objectives, and I am confident that they will.

The CHAIRMAN: That concludes the questions by non-Government members for the day. We will now take Government members' questions.

Mrs ATTWOOD: As a local MLA, I have been approached by various people regarding the Housing Department's policy on floor coverings. I refer you to page 2-24 where you advise of the dwellings commencements this year. Can the Minister advise of any changes to the department's policy regarding floor coverings?

Mr SCHWARTEN: This issue is a bit like the airconditioning issue out in your electorate, Vaughan. The reality is that we are committing millions of dollars to quality housing for people. It must keep pace with the standards in the private market. Mates of mine who work in the real estate industry tell me that today it is pretty hard to find a house that does not have floor coverings in it. We get inundated with requests from people who have kids with asthma and God knows what to get floor coverings. I would like to be able to go back and fix up every house in Queensland and put floor coverings in them. However, what I can

do is make sure that, from 1 July this year, every house that we build, every house that we start in this program—the 700 that you are talking about—have floor coverings in them.

I am sure that all of you have been to openings of really quality housing. You go in the front door and you find that there is a square metre of tiles and then it is bare concrete floor until you get to the kitchen and to the bathroom. I think that it makes good sense to put those floor coverings in now. It is the community standard. The old saying was, "Why spoil the ship for a ha'p'orth of tar". This morning, they laughed at that. They thought "ha'p'orth" was pathetic. The fact of the matter is that, in real terms, in the context of putting up a \$100,000 house, you would not do that yourself. We have moved on. As I said, back in the 1950s the thinking was to put up the house, to put up the shell. They did not even have hot water systems in them then. We won Government in 1989; I was astonished to find the number of hot water systems that were put into public housing. Terry Mackenroth is one person who grew up in public housing that did not have a hot water system. The theory was that all of these things would be provided after the shell. Dealing with the people that we do on the low incomes that they have, they are never going to get the money to put in floor coverings and I really do not think that we want them to. I have bitten the bullet and made that decision and I stand by it.

The CHAIRMAN: On page 2-24 of the Ministerial Portfolio Statements, you advise that \$55.58m will be spent on improving and maintaining existing public housing dwellings in Queensland. Can you explain your rationale for upgrading the standard of public housing in Queensland?

Mr SCHWARTEN: I think that if any one of you owned the public housing stock in this State, you would do the same thing. The fact of the matter is that we cannot continue to accept a standard in public housing that is well below that which applies in the private rental market. I have seen some hovels in the private rental market but, by gee, I have seen a lot of hovels that we own, too.

The honourable member for Gregory will attest to those places out in Winton. That day that we were there, a lady complained about how she has a car, which is basically her only asset, but no carport. In the hot summers at Winton, which I remember very well and the honourable member knows very well, we have to try to do something about that. I know that, this year, \$50m odd will not address all of those wrongs. I know that, but it is a start.

Of course, the offset to it is that I am trying to also generate job growth in regions, because my experience in coming out of that industry in the early part of my working life is that there are more jobs created and there is more intensity of labour created out of those sorts of refurbishments—new kitchens, bathrooms, putting in steel stumps, steel stringers for stairs and car ports, that sort of activity—than there is in actual construction. What I hope to do over a period of four years—God willing and the electorate willing—is to provide rolled-out contracts to joinery works and places like that for long-term contracts so that they can put on some kids as apprentices.

The money does not come from nowhere. The fact is that we have had to cut areas of expenditure in community housing to do this. I make no apologies for that. The reality is that community housing, as the shadow Minister has pointed out, is an area in which we have had difficulty getting the projects up on task. This year, we will put 221 of those units on. Without loading more financial resources into that, it is time that public housing had a go. When you get a letter from a tenant telling you that her four year old kid has been burnt on external plumbing in the bathroom, you have to say to yourself, "We have got to lift our game in that regard", and when you go to Townsville and you have an autistic kid and his father sitting opposite you pleading with you to put a fence around the house, you have to try to make a start to redeem some of that damage that was done in the past. It is easy to point the finger of scorn at everybody. I am not here to do that. I am here to try to move on.

Mrs ATTWOOD: I refer to the budget for community housing at page 2-17 and ask: what do you see as the future for community housing in Queensland?

Mr SCHWARTEN: As I indicated earlier in community housing—and the shadow Minister has demonstrated interest in it this afternoon—I think that community housing is what the Commonwealth Government has in mind as a future model for housing. I think that I will live long enough to see Thatcherism come to Australia in the form of the Federal Government walking away from capital investment per se in public housing and handing it over to the not-for-profit agencies. Certainly, the emphasis of the current Federal Minister is to go down that path. It is not a path that I particularly want to go down, but the reality is that we have to look at where we are heading in terms of community housing.

The past three, four or five Budgets have been record Budgets—the last two particularly—in community housing. In this one, there is \$26m less in it, but we will consolidate what have been hangovers from the last three years. This year, our job is to consolidate the sector, to give it the skills that it needs to make some probably tough decisions about how big that sector has to be. The truth is that no-one could suggest to me that some of the community housing groups that we have are sustainable in the long term. If we are going to have to go down that path—and I think that we are—we are going to have to look at ways of training up the sector to ensure that, down that path, they can take over that responsibility. We have a bit of time to prepare the sector for doing it, but I can see us going to the British Columbian model at some stage whereby the Government becomes the host agency. The group borrows the money and pays for it via some subsidies for the people that they house—that comes from the Government—such as you see now with the recurrent expenditure that they are talking about, and that the Government goes guarantor for the loan.

I think that is probably a reasonable model that we can embrace in the future. It is certainly an area that we will be putting a lot of work into this year. I can understand the sector saying, "We copped the biggest cut of all", but the reality is that that is the area where we have to do the most work this year. That money will not be wasted; that is the sort of money that I was talking about before. That will go into bringing public housing up to a better standard.

The CHAIRMAN: That concludes the consideration of the Estimates for the Public Works and Housing portfolio. I thank you, Minister, and your advisers for your assistance and attendance. I also thank the Hansard staff who covered the hearing today and the Committee's research director, Mr Rob Hansen, for his assistance and the assistance of other staff.

The research director has asked me to note particularly that both Anne Lane from the Department of Public Works and Kayleen Moore from the Department of Housing were of particular assistance to the Committee in its dealings with them. We are always appreciative of extra assistance when we get it.

That concludes the Committee's consideration of the matters referred to it. I remind you that answers to questions on notice and any further information must be in

the hands of the Committee secretariat by 3 p.m. on Tuesday, 12 October. I declare the public hearing closed.

The Committee adjourned at 6.30 p.m.