

ESTIMATES COMMITTEE C

Mrs J. M. Attwood (Chair) Mr B. E. Laming
 Mr V. G. Johnson Mr P. T. Lucas
 Mr J. A. Knuth Mr R. J. Mickel

TRANSPORT AND MAIN ROADS**IN ATTENDANCE**

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

Transport—

Mr B. Wilson, Director-General

Mr J. Gralton, Deputy Director-General

Mr D. Hunt, Executive Director (Land
 Transport and Safety)

Mr M. McShea, Executive Director (Public
 Transport)

Capt. J. Watkinson, Executive Director
 (Maritime)

Mr M. Hobday, Executive Director
 (Services Group)

Ms H. Stehbens, Acting Executive Director
 (Rail, Ports and Aviation)

Ms J. Oswin, Acting Director (Finance and
 Business Services)

Mr L. Ford, Executive Director
 (Metropolitan Transport
 Development)

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

Mr R. Scheuber, Deputy Chief Executive
 (Queensland Rail)

Main Roads—

Mr S. Golding, Director-General

Mr D. Muir, Deputy Director-General

Mrs K. Peut, Executive Director (Roads
 Programs)

Mr N. Doyle, General Manager (Strategic
 Policy and Development)

Ms D. Anderson, General Manager
 (Finance and Business Services)

The Committee commenced at 8.30 a.m.

The CHAIRMAN: I declare this meeting of Estimates Committee C now open. On behalf of the Committee I welcome ladies and gentlemen to today's hearing. I am Julie Attwood, the member for Mount Ommaney

and Chair of this Committee. My fellow Committee members are: Mr Vaughan Johnson, the member for Gregory, who is also our Deputy Chair today; Mr Jeff Knuth, who is not present at the moment; Mr Bruce Laming, the member for Mooloolah; Mr Paul Lucas, the member for Lytton; and Mr John Mickel, who will be joining us shortly. The Committee will examine the proposed expenditure contained in the Appropriation Bill 2000 for the portfolios of Transport and Main Roads and Public Works and Housing, in that order.

I remind the Committee and the Minister that the time limit for questions is one minute and for answers is three minutes. A bell will ring once 15 seconds before the end of these time limits and twice when the time is expired. I will allow more time for answers if the questioner consents. The Sessional Orders require that at least half the time for questions at today's hearing be 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 opening statements. For the benefit of Hansard, I ask advisers to the Minister to identify themselves before speaking. Please also ensure that mobile phones or pagers are switched off while the Committee is in session so as not to disrupt the proceedings. Members of the public are reminded that they cannot participate in today's proceedings. Sessional Order 195 provides that strangers to the Parliament may be admitted or excluded from the hearing at the pleasure of the Committee.

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 of Queensland Rail and other Government owned corporations that report to the Minister, followed by Queensland Transport. We will continue after morning tea with the Department of Main Roads. I declare the proposed expenditure for the Minister for Transport and Main Roads 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, thank you. I will start by introducing those people at the table

with me. To my right are the Director-General of the Department of Transport, Bruce Wilson; the acting divisional head of the Rail, Ports and Aviation Division, Helen Stehbens; and the Deputy Director-General of the Department of Transport, John Gralton. To my left are the Chief Executive Officer of Queensland Rail, Vince O'Rourke, and the Deputy Chief Executive Officer of Queensland Rail, Bob Scheuber.

This Beattie Government State Budget delivers \$3.3 billion for the Transport and Main Roads controlled operating budget, with the major focus on rural and regional development and the provision of basic community and industrial infrastructure. Budget funding for the portfolio for the 2000-01 financial year will give a major boost to transport road infrastructure operations and services and give impetus to economic development throughout Queensland.

Queensland Transport's controlled operating budget is more than \$1.2 billion for this financial year, whereas Main Roads has a \$2.1 billion operating budget which includes a \$1.2 billion allocation to allow Main Roads to conduct its business. Analysis of the funding spread reflects the Government's commitment to jobs growth, regional development, improved roads and improved public transport facilities and services. I would like to emphasise that there is a balance in the portfolio and, increasingly, decisions are reflecting an integrated view of the transport task. While the passenger transport issues being handled in Queensland Transport are predominantly urban, road issues and road investment are more significant outside south-east Queensland.

The programs within the Transport and Main Roads portfolio provide a strong foundation for future economic growth throughout the State while meeting the demands of existing communities and rapid population growth and industry expansion. Transport is about delivering more than just economic outcomes, and I am confident that Main Roads and Queensland Transport will continue to deliver roads and other related transport infrastructure and services which will help progressively to increase the standard of living and quality of life for all Queenslanders.

Queensland Transport's controlled operating budget of \$1.269 billion will strongly assist in developing, maintaining and enhancing transport systems controlled and administered by the department, both in regional centres and in south-east Queensland. Headlining my Government's

focus and commitment to regional Queensland is funding of \$80m to upgrade the rail track between Rockhampton and Cairns as part of a \$330m project.

Maryborough will enjoy a substantial investment boost with the Beattie Government confirming three major rail construction projects for Walkers. These include \$51m towards the construction of two new tilt train sets to operate between Brisbane and Cairns, \$26.6m towards the construction of the Brisbane Airport Rail Link car sets and the construction of a further 16 three-car SMUs as part of a \$245m project. The tilt train project alone has already created 80 jobs and will eventually lead to employment for up to 500 people. In fact, QR will invest \$646m in capital works in 2000-01 to stimulate economic activity and employment opportunities.

My Government has also again recognised the vital economic role that ports throughout Queensland play in terms of business opportunity, economic development and job creation. To that end, \$208m will be spent this financial year on capital works at ports throughout Queensland. The funding represents a 9.5% increase on 1999-2000 ports spending. This figure includes \$15.7m at Dalrymple Bay, \$7.9m at Townsville, \$8.3m at Mackay and \$25m in Cairns to commence implementation of the 12 precincts of the city port project.

While the needs of regional Queensland have been strongly recognised this financial year, my Government's commitment to developing a world-class integrated transport network in the south-east corner of the State will also be strongly progressed. The busway component of the South East Transit Project will be completed this financial year, following budget funding of \$156m. There are a range of other initiatives there that I will probably mention during questioning.

Main Roads has a \$2.1 billion operating budget, which includes a \$1.2 billion budget to manage, plan, construct and maintain Queensland's State controlled road network within the overall transport task. This Main Roads budget outcome reflects the Beattie Government's continuing commitment to improving Queensland's road system. It provides \$984m to deliver the Roads Implementation Program through its four regional and 14 district offices throughout the State. This Regional Roads Program covers Federal Government funded national highway projects and roads of national importance contributions, State funded allocations for works on the State controlled road network,

subsidies to local governments for local road upgrades and supporting network planning, network administration, road network operation and use, and programmed administration activities. The roads funding allocation will sustain jobs for about 17,500 workers in roads and other industries supporting the roads effort.

This Government's commitment to regional and rural Queensland is reflected in 2000-01 regional roadworks programs approved as part of the current Roads Implementation Program. Highlights are \$700m for State funded construction and maintenance of State controlled roads, which continues in 2000-01 and includes an ongoing allocation of \$30m a year for the Rural and Regional Roads Improvement Program; \$215m from the Federal Government for the national highway system and \$7.8m for black spot funded works; \$37m in subsidies to local governments for local road upgrades as part of the Transport Infrastructure Development Scheme; \$16m for natural disaster relief; \$7m for motorway land acquisition; and \$215m for other road expenditures, including buildings, plant, equipment, and interest and redemption charges.

For the benefit of Committee members and perhaps to save time a little later, I advise that bonuses paid to the directors-general of the Transport and Main Roads Departments, whilst included in my budget, are administered and decided by the Premier. Questions related to those matters should be raised in the Premier's Estimates hearing.

The CHAIRMAN: The first round of questions will be from non-Government members. I call the member for Gregory.

Mr JOHNSON: I refer to the decrease of \$410m in the estimated net worth of public tender enterprises contained in the Budget Overview document, page 91, and note that this decrease is due to an expected increase in borrowings by GOCs. What are the total increased borrowings by the various port authorities? Are these increased borrowings supported by the port authority boards? Has any assurance been given that these funds taken from the boards will be spent in their communities?

Mr BREDHAUER: I thank the honourable member for the question. I might actually refer him to the answer to question on notice No. 1 from the Government members, which relates to the issue of borrowings at Government owned corporations. In terms of his specific question, the final details of the borrowings by Government owned corporations, including

port authorities, are still in the process of negotiation. The State Government has engaged Deutsche Bank to undertake an analysis of the debt-to-equity ratios of the Government owned corporations, the Queensland port authorities, and in that process, they have had consultation with port authorities around Queensland in order to make a determination about appropriate levels of debt that the port authorities can sustain. Essentially, as I say, those matters are still being discussed and negotiated. The final reports of the Deutsche Bank have been received by the port authorities in recent times, and Queensland Treasury and Queensland Transport officials are having discussions with the port authorities.

It is no secret that there has been some concern expressed in the Gladstone community, for example. However, after Treasury officials and Queensland Transport officials visited Gladstone to explain the details of the proposed borrowings program, the Gladstone Port Authority is now satisfied with the information that it has been provided. There have been no concerns directly raised with me by any of the other port authorities in relation to this matter. We made sure in the process of Deutsche Bank undertaking this study that we could guarantee the future operations, efficient operations of all of the port authorities, including ensuring that there was capacity for expansion. I have already mentioned in my introductory remarks that there is actually almost a 10% increase in capital expenditure by Queensland ports this year, and we anticipate that there will be further capital expenditure in ports which will occur in future years, including, for example, in Cairns, the Cityport project, to which \$25m has been allocated this year. The total project cost for the Cityport project is \$60m, so we expect that further borrowings will be approved in subsequent years.

I might point out that this is not a new Budget strategy. The Government of which the honourable member for Gregory was a member undertook a similar strategy in relation to the electricity authorities when it took \$850m out of the electricity authorities two years ago. The difference is that, under your Government, you allocated some of that money to recurrent. We have made the proper budgetary decision and ensured that that capital will be spent in those regions.

Mr JOHNSON: I refer to the tilt train allocations. I know you addressed tilt trains in your brief introductory address. I refer to the tilt train allocations in the Transport and Main Roads capital statement, page 48, which

shows a total estimated cost of \$137m for two nine-car sets. I also have a document here which I will table in relation to a letter from the then State Secretary of the ALP which refers to the Labor election promise of a budget of \$122.3m for the train, which was to comprise \$94.7m for two 10-car sets and \$20m for the track upgrades. I also table a recent press article which is in that document. Has any funding for track upgrades associated with the tilt train been undertaken to date or been budgeted for in this Budget, and can the Minister advise if the member for Townsville is right or wrong?

Mr BREDHAUER: Look, I am sorry, but I am not privy to the documents that the honourable member has just tabled, and I think it is a bit unreasonable for him to expect me to comment on quotes that are allegedly in that article which I have not seen, apart from which, I am not sure that I believe everything I read in the newspapers; I am not sure about the honourable member for Gregory. But let me just say that the Budget allocation for the tilt trains is \$137m for two nine-car sets. This has been discussed by the honourable member at last year's Estimates and in fact at the Estimates before. We have allocated this year, I am pleased to say, \$51m for construction of the rolling stock, which is creating important employment in Maryborough. The member for Gregory doesn't seem to care about the important regional impetus that we are providing for the Maryborough community—

Mr JOHNSON: I think you have got that wrong, and you know it, too.

Mr BREDHAUER:—by providing employment of up to 500 people at Maryborough. Let me just say that we discussed in detail the cost of the tilt train project at last year's Budget Estimates. The \$137m was after we had had detailed discussions with our partners in the alliance contract, EDI, about the cost of delivering the two nine-car sets. We also had the opportunity to discuss last year the investment in track which has been undertaken by QR. As to the \$330m upgrade between Rockhampton and Cairns, \$240m of that was approved by the QR board, and that was a commercial decision based on their freight business so that they could improve the efficiency of the freight. The State Government has this year, I am proud to say, allocated an additional \$80m to upgrade track over the next three years between Townsville and Cairns. Essentially, that is track upgrading which would have been required in any event to maintain the track in reasonable working condition. Of course, the tilt train will

benefit from those track upgrades, because it will run on that track.

But I might add—and I thought the member for Gregory might have appreciated this fact—that as we upgrade the track between Rockhampton and Cairns, using concrete sleepers between Rockhampton and Townsville and a combination of concrete and steel sleepers between Townsville and Cairns and putting in place heavier rail, we have actually taken a decision that the displaced rail on that track will go to some of our western lines primarily, which means that we will be upgrading and securing the future of many of QR's western lines. So there is a double benefit through that which, as I say, I thought the member for Gregory might appreciate.

Mr JOHNSON: I certainly do. I refer to the promised relocation of the Townsville South railway yards and ask: has a specific allocation been made in this Budget for this relocation? If not, when is this relocation to take place?

Mr BREDHAUER: Yes. The total budget for the Townsville Railway Station relocation is around \$23m. It is somewhat in excess of what we promised as our election commitment. Primarily, the reason for that is that when we made the election commitment, it was anticipated that the Townsville Railway Station would be relocated to a place called Reid Park, which is opposite Townsville State High School, I think from memory, and in close proximity to the Townsville Cultural Centre. The reason we changed the location of the proposed station upgrade was because we were approached by a range of people in Townsville, including the Townsville CBD Redevelopment Task Force, who believed that there might be a better option in relation to that. So essentially we had a consultation process with the local community and we decided that the best place to put the railway station was Flinders Street West, approximately where the old Townsville North railway yards used to be. That required some additional capital cost. I am very happy to say that the State Government has included in this Budget and in the Forward Estimates an allocation of just over \$23m to cover the cost of the relocation. That also includes the associated track work, the elimination of the loop. That will help, of course, the operations of the tilt train when it occurs and when it comes into operation in late 2002.

The other thing, of course, is that the existing Townsville Railway Station is an important heritage building. It will remain the administrative centre for Queensland Rail in Townsville, so that building will continue to be

used. Of course, in addition to that, we have said that if there are important occasions, ceremonies or celebrations in Townsville where they would like to use the old railway station as part of those celebrations, we will have the capacity there to use those historic buildings for heritage and historical purposes. So I think the decision that we have taken there demonstrates our Government's commitment to the upgrade of rail infrastructure. I think it also demonstrates our commitment to Townsville, which is one of Queensland's most important regions and has been a critical element of our QR network. Of course, all of our rail freight from Mount Isa comes through Townsville. It is an important centre for our Traveltrain network. I think what it demonstrates is that this Government has a strong commitment both to rail and to the Townsville region.

Mr JOHNSON: I refer to the Safe Station Citytrain security package allocations in Queensland Rail capital statements at page 47 and ask: does this package include the installation of duress alarms? If so, was a public tender called for these alarms and who was the successful tenderer?

Mr BREDHAUER: Yes, it does include the installation of some duress buttons. Tenders were called and four duress button security companies expressed interest in participating in the trial: Guardian Angel Security, Queensland Independent Security Group, Secura Call and James Hardie Industries. I am advised that James Hardie Industries withdrew prior to commencement of the trial. Representatives from Citytrain sales and marketing and Citytrain's ticket inspectors attended stations to assist station staff in extending an invitation to passengers, specifically those using the service while the station was unattended, to participate in the trial. Twenty-eight companies expressed initial interest with only four submissions received by the due date. Each of the expressions of interest submissions was reviewed. QR called open tenders and has awarded a contract to DKS-Building Automation for the design, supply and installation of a system for each railway station in the Citytrain network. The contract is expected to be completed by mid-2001.

Mr JOHNSON: That will be in place by mid-2001?

Mr BREDHAUER: The contract is expected to be completed by mid-2001.

Mr JOHNSON: Do you or Mr O'Rourke

have any idea at how many stations or how many places that could be used right across the network?

Mr BREDHAUER: It will cover the whole network.

Mr JOHNSON: While we are on the security of QR, I think an issue that is on the minds of everybody is the security trains or the guardian trains. Have they been increased in number? What is the current situation in relation to those trains?

Mr BREDHAUER: We have had a major program to upgrade security on QR's network. We are spending a total of \$35m on the Safe Station program and the budget allocation for 2000-01 is \$8m. It incorporates a range of initiatives like the safe zone, CCTV, public telephones, the duress buttons and a variety of other things. So we do recognise that one of the most important elements of public transport usage is that public transport customers need to feel safe and secure. So in all of our public transport efforts basically we put a considerable emphasis on trying to design in safety elements. The \$35m program which has been undertaken in respect of QR has seen expenditure roll out right across the Citytrain network. As I said, \$8m will be spent this year, so there is significant additional funding which will be provided in this year's budget to continue the roll-out of safety and security implementation across the Citytrain network. We have undertaken the provision of CCTVs. There has been an expansion of the safety zone concept at various stations, increased CCTV, public telephones installed at 143 of 144 stations and a range of other initiatives that we have undertaken.

Mr JOHNSON: Is that inclusive of increased or further upgrading of park-and-ride facilities—car parks?

Mr BREDHAUER: Well, the park-and-ride facilities are provided—

Mr JOHNSON: Are there new proposals in some of that finance?

Mr BREDHAUER: The park-and-ride facilities per se are not part of the Safe Station program, but we do actually provide security as part of the Safe Station program for car parks at the park-and-ride facilities. So we have got CCTVs and security lighting, fencing in some cases—those kind of things. So the actual provision of car parking does not come out of the safety and security budget. However, the security elements which are upgraded in our car parks at our rail network are, in fact, provided out of the Safe Station program.

Mr JOHNSON: Last year's capital statement for Transport at page 85 showed an allocation of \$12m for the Brisbane light rail project and the employee expenses in the MPS for integrated transport planning refer to an increase in staff associated with the project. Will you advise if the \$12m was expended, and has any provision been made in this budget for compensation to the four preferred tenderers who were required to spend up to \$3m each in responding to the tender documents?

Mr BREDHAUER: The answer to your first question is no, \$12m was not expended. There was some expenditure that has been incurred obviously, as you would expect, in advancing the project as far as we did. I am still awaiting final advice from the department. You would probably be aware that the Brisbane light rail project was being planned in close conjunction with a number of other major transport infrastructure projects in south-east Queensland, like the South East Transit Project and the inner northern busway and in some cases where the two projects coincided or even overlapped we have to determine—there were cost sharing arrangements between those three projects.

So in the process of wrapping up, I guess, the light rail project we need to be able to identify those costs which would have been incurred by the other transport infrastructure projects and will still be necessary as part of those transport infrastructure projects and which of the costs are specifically attributable to the Brisbane light rail project. Departmental officers are still working through those issues. I would anticipate that we would have a figure in the near future which would give an indication of the costs that have been expended. We have had some preliminary discussions with Treasury about how those costs might be accommodated in a Budget context, but that matter has not been finalised to this point in time.

In terms of the issue you raised about compensation for contractors—for the people who put in bids—the documents which we put out clearly stated that the Government reserved the right to terminate the process at any time. I have spoken with representatives of probably four or five of the companies which were involved in bids up until this point in time. None of them has specifically requested compensation from me. A number have said that they appreciate the fact that the Government reserved the right to terminate the process at any time. In fact, in one case I was advised that they had taken legal advice

and the legal advice was that they had no entitlement to compensation.

I have to say that I do appreciate the time, the effort and the money that was put in by the bidders. I think it is unfortunate that ultimately for a variety of reasons the cost of the project was more than was anticipated, but the Government has made no provision for compensation because I do not think there will be any paid.

The CHAIRMAN: The time for non-Government questions has expired. It is over to Government questions. Can the Minister advise regarding progress on the south-east busway?

Mr BREDHAUER: Yes, I can. I think this is a very important project. I should pay recognition to the member for Gregory who, during his time as Minister, continued this project, which was initiated by the previous Labor Government earlier in the 1990s. The south-east busway project is important for a number of reasons. It will be a major boost to the efficiency of public transport in south-east Queensland. I think probably the most exciting element of it at this stage is that as we approach the Olympics, we intend to have the busway between the city and Woolloongabba operational in time for the Olympic soccer matches which start, I think, on 13 September. The bus stations and the busway will be operational at that time.

There has been an additional budget allocation in this year's budget, of course, which will enable us to move into Stage 5 of the project. Next year we will extend the busway operations via the new busway as far south as Eight Mile Plains, again on a permanent basis. To date, completed construction includes the Upper Mount Gravatt busway tunnels and bus interchange, Watland Street overpass at Springwood, Vulture Street station tunnel, the Southpoint building underpinning, rail relocation and busway formation at South Brisbane, busway tunnel under the Convention Centre, loading dock drainage works at South Brisbane, service road and off ramp at Springwood, widening of the Beenleigh-Redland Bay Road bridge and service relocation schemes at Melbourne and Stanley Streets, South Brisbane.

The design of the Cultural Centre station at Melbourne Street has been finalised in consultation with the Cultural Centre stakeholders and the Department of Public Works. There have been a number of property acquisitions and the project is actually proceeding significantly. It will provide a major transport—especially public transport—benefit

to people in that corridor who are not well serviced by rail. That is one of the reasons why that corridor was chosen.

The additional budget allocation this year will allow us to continue work on the South East Transit Project. Importantly, we are starting to see the project get to the stage where it will be providing public transport benefits to people down in the Logan area where people like the member for Logan and his parliamentary colleagues in that area have been campaigning hard over their time in Parliament to make sure that we see those kinds of improvements in public transport for people in the Logan area.

Mr MICKEL: On the same topic, I refer to page 1-2 of the Budget documents. I take your point that the south-east transit is welcomed by the people in Logan City and also the southern Brisbane outskirts. Can you give me the details of what the proposed busways will do not just for the south side but also for my colleagues on the north side of the city?

Mr BREDHAUER: Yes. I thank the honourable member for his question. I think that the Brisbane busways plan was developed initially by the Brisbane City Council and anticipated at that stage something like 75 kilometres of busway around the city and 65-odd stations. The State Government became involved in the mid 1990s, as I say, under the previous Labor Government. As we were advancing the Integrated Regional Transport Plan for south-east Queensland, we identified that the regional busway network would be an important part of increasing public transport patronage.

I have already mentioned the South East Transit Project in some detail, but the Government is now moving to commence development of the busway network on the north side of the river in the form of construction of the inner northern busway. You might recall that this was actually raised in Parliament a week ago.

Mr MICKEL: Yes. I remember the member for Gregory being very articulate on it.

Mr BREDHAUER: Yes. Planning has been in progress for some time on delivering the inner northern busway, which will ultimately extend from the Queen Street bus station through Roma Street to Normanby and the Royal Brisbane Hospital. This project has an estimated total cost of \$251m and is already under construction, in fact. Preliminary works and service relocations commenced on the inner northern busway—

Mr MICKEL: So the Opposition had the wrong information, did they?

Mr BREDHAUER: Let me just say that the work has already commenced. Construction has also commenced on section four through the Normanby intersection to Gilchrist Avenue as part of Leighton's contract with the BCC to deliver the inner-city bypass.

On page 1-41 of the MPS, we have an estimate of \$19m for this project for 2000-01 under the Brisbane busways program. In Budget Paper No. 5, we deal with Transport. On pages 43 and 44, it mentions expenditure of \$156m for SETP and \$19m on the inner northern busway.

If you have driven past the Normanby lately you will notice significant traffic rearrangements and work in progress. A rock-drilling rig is currently drilling holes for temporary supports for the sides of the tunnel excavation behind the barrier in Countess Street. An eight-metre high soil and rock nailed wall is currently being constructed on the southern approach to the Normanby tunnel beside and below Countess Street. Work has also commenced on the overbridge across the inner-city bypass with the piles for the northern abutment already in place along with the foundations for one of the piers.

Expenditure on this project will continue in future financial years. A further \$21m is earmarked for 2001-02. The BCC has also agreed to contribute \$5m towards the project in that year. The project will be staged to enable construction to be carried out in a manner which minimises disruption to traffic operations in the city.

I might also say that Bicycle Queensland approached me the other day about getting a link through that Normanby area for bicycles. I have that matter under consideration with the BCC and other stakeholders.

The CHAIRMAN: Thank you, Minister. The member for Lytton?

Mr LUCAS: Minister, I refer to the rail link being constructed to the Brisbane Airport, and I ask: how frequently will the trains run and how soon will they start? Is it correct that passengers will be able to travel direct from the airport to the Gold Coast? Also, how much is the project costing?

Mr BREDHAUER: I think that the Brisbane Airport Rail Link is a very important project. Once again, it had its genesis in the previous Labor Government. Some progress was made when the member for Gregory was the Minister for Transport, but I am very pleased to say that it was our Government and myself as the

Minister who was able to push it over the line last year and get construction under way.

It is an exciting project for a number of reasons, one of which is that it is a very good example of private sector investment in public infrastructure. It is a BOOT scheme—build, own, operate and transfer. If anyone has been to the airport recently—and I guess most members of Parliament have at least, if not other people who are with us here today—you will see—

Mr JOHNSON: I do not have to go there, unfortunately.

Mr BREDHAUER: Yes, I know how much you hate flying. Notwithstanding that, we do have to do it from time to time and the—

Mr LUCAS: You can go for the train ride, if you like.

The CHAIRMAN: The member will cease interjecting.

Mr BREDHAUER: Substantial progress has been made. He still cannot take the train to Longreach all the time. The train will run at 15-minute intervals between 5 a.m. and 11. It will stop at both the international and domestic air terminals. It will be seamless with the Citytrain network. The work on the integration with the Citytrain network near the Toombul Shopping Centre is well advanced. At half hourly intervals, people will actually be able to continue on the train to the Gold Coast. So people will actually be able to go directly from either of the domestic or international terminals all the way to the Gold Coast on the train when it starts.

It is due to be completed in January of next year. Of course, QR has the contract for significant work in the track work—the overhead traction, power and communications and that kind of thing. There is a benefit there. There is a benefit to Queensland wagon manufacturers. The cost of the trip into the city is expected to be around about \$10, or a little under. Down to the Gold Coast is expected to be around about \$20, probably a little under. We expect that operations will begin probably around about April next year, although I understand that construction at this stage is slightly ahead of schedule.

I think that Brisbane Airtrain Citylink Limited deserves a pat on the back. Transfield is the major contractor. They are doing good work—the consortium that have come together there. It is a great example, in my view, of private/public sector partnerships, which are delivering public transport benefits to the people of Queensland. Of course, being a

BOOT scheme, ownership will revert to the State Government after 35 years, I think it is.

The CHAIRMAN: Page 1-2 of the Ministerial Portfolio Statements refers to coordination and integration of transport related services and infrastructure. What is the Government doing in terms of rail capital works to promote jobs and economic growth in Queensland's rural and regional areas?

Mr BREDHAUER: This is a really good news story. As I mentioned previously, QR's capital budget for this year is of the order of \$646m. That will mean that QR, over the past 10 years, has spent around \$6.5 billion on capital upgrades of its network. I was very proud to address a national railways conference in Melbourne last week and to be able to stand there as the Minister responsible for QR in Queensland; we have put our money where our mouth is. Our investment in capital in QR is really important for its capacity to help contribute to the development of economies in regional and rural areas. This year we will allocate \$79m towards the \$251m Rockhampton to Townsville track renewal project involving rail and sleeper replacement in central Queensland; a further \$18m towards the additional track renewal work between Rockhampton and Cairns; \$51m towards the continued manufacture in Maryborough of the Cairns tilt train; \$3m towards commencing works associated with the construction of the new passenger station at Townsville; and \$47m in Maryborough towards the continued manufacture of the additional 30 three-car SMU passenger trains for use on the Citytrain network. In addition, there is \$27m for Maryborough towards the manufacture of four three-IMU passenger trains for use on the Brisbane Airport rail link, to which I was just referring; \$22m towards the continued assembly of 38 diesel locomotives in Maryborough; \$5m in Townsville towards the continued overhaul and manufacture of vintage passenger cars; \$5m to continue work to upgrade track capacity in the Gladstone area; and \$1.8m to continue the manufacture in Townsville of the 300 KOJX cattle wagons. Additional significant works that are expected to be completed this year include \$7m in Rockhampton to complete modification works to approximately 3,000 existing coal wagons. That is the bottom dump door program, which is actually significantly improving the efficiency of freight logistics for the coal industry. There is \$2.9m to complete works associated with the Western Mining Corporation phosphate project in north Queensland.

Mr JOHNSON: Can you repeat the figure for the cattle wagons?

Mr BREDHAUER: There is \$1.8m to continue the manufacture of those wagons. The total project was 300 wagons. That was the figure that I mentioned.

As you can see, Queensland Rail's continuing investment in capital and track upgrades is giving a major boost to regional economies. I think it is a great news story for QR. I think it is a great news story for the State Government. But, importantly, it is great news for those regional economies.

Mr LUCAS: Page 1-2 of the Ministerial Portfolio Statements refers to Queensland Transport's objectives, namely, a well planned and managed transport system and the integrated delivery of transport related services and infrastructure. What initiatives is the Government supporting in south-east Queensland in terms of improving rail's capacity to strengthen and improve its contribution to the transport system?

Mr BREDHAUER: I think it is important to recognise that in addition to the kinds of initiatives that I have just mentioned, which are providing a significant benefit through QR investment and services in regional areas, we have to note that QR carries about 25% of all public transport journeys in the CBD during peak periods and has an important role to play in reducing road congestion. While we are doing a lot of work and good things in the regional and rural areas, we also have an important focus in south-east Queensland and in the CBD. Existing passenger numbers have been excessive on some peak hour services, requiring not only additional rolling stock but also the necessary track works to allow the introduction of extra train services, including express services during peak periods. In recognition of this, the Government is supporting expenditure of \$245m for the acquisition of 30 three-SMU car sets for the Citytrain passenger rail services. Of these 30 new train sets, 12 will be used to provide additional services during peak hours, four will allow QR to improve its preventive maintenance planning and 14 will be used to replace the silver SX car sets which have been taken out of service. Nineteen of the new three-car sets had been accepted as at 21 July 2000, and delivery of the remaining 11 is expected to be completed by August of next year. The Citytrain rail service agreement also supports expenditure of \$69m over the seven years of the contract to overhaul and re-engineer the older 88 three-EMU passenger car sets, which are aged between 11 and 19 years. In addition to improving the operating reliability of this rolling stock, the interior fittings will also be refurbished to as new condition.

To complement this expenditure on rolling stock, the Government is also supporting the expenditure of \$170m to provide additional peak period services. This expenditure is supporting the following improvements to the track network used by Citytrain passengers. There is the third track between Northgate and Lawnton, which is expected to be completed early next year at a cost of \$125m; a new platform and separation of track at Park Road Junction, to be completed by mid 2001, costing \$13m; resignalling between Petrie and Caboolture, to be completed by the end of 2000—this year—costing \$13m; new rolling stock stabling at Cleveland; a third platform at Kuraby; and a loop and new crossover at Manly, to be completed by the end of this year, costing \$6.5m. The rail service agreements between QR and the Queensland Government provide for cashflows which support the provision of additional rolling stock and infrastructure capacity. We are seeing a major investment in the Citytrain network to complement the work that QR is doing in regional train areas.

Mr MICKEL: Minister, I take you to the final dot point on page 1-10 of the MPS, dealing with the tilt train services to Cairns and a new passenger rail station in Townsville. What commitments are we making in north and far-north Queensland for new passenger services? But, more importantly, what are the budget implications for that new rolling stock?

Mr BREDHAUER: This is a bit of a follow-up to the earlier question asked by the member for Gregory. As I have said previously, we made an election commitment to introduce the fast tilt train service between Brisbane and Cairns, with the principal objective of increasing the frequency of weekly services to the north. The Government has \$137m budgeted for the Cairns tilt train project and \$51m this year for the construction of rolling stock. The project target of \$137m covers the design and building of the two diesel tilt train sets and their garaging and maintenance facilities. Importantly, we are talking about pioneering technology here.

Due to commence service in late 2002, the two Cairns tilt train sets will enhance services to north Queensland. The final schedule of weekly services to Cairns will be developed by Queensland Transport and QR closer to the completion of the Cairns tilt trains. I am already getting questions about what the fare will be, what stations it will stop at and so on. Those issues have not been resolved. As we get closer to the operational date, that will be negotiated between QR and Queensland Transport.

The Cairns tilt train initial design is for one-class premium sitter only. Each train will consist of two diesel power cars, five premium class sitter cars, a club lounge car and baggage staff car. The Cairns tilt train will offer premium sitter class accommodation for up to 183 passengers at a standard of comfort better than the business class seating currently available on the Rockhampton electric tilt trains. Passengers will enjoy world-class seating technology, including the provision of in-seat video and audio entertainment suited to long-distance rail travel. Each passenger will have in-seat video and audio entertainment.

Mr MICKEL: Does that make them world class?

Mr BREDHAUER: We will have the best in the world on this train. Special facilities have been designed into the cars to accommodate the needs of wheelchair dependent passengers. The train offers an innovative alternative service for long-distance passenger travel in Queensland and will complement the conventional combined sitter/sleeper services presently provided by the Queenslander and Sunlander Spirit of the Tropics services. With a view to the future, capacity has been designed into the power cars of the Cairns tilt to allow for possible future expansion of the train to haul up to 12 carriages, including sleepers. Conventional sleeper car services will continue under the Queenslander and Sunlander Spirit of the Tropics train services. The project enables the Government to fulfil a commitment that the Cairns tilt trains would be built in Queensland by Walkers in Maryborough. It is really a Smart State decision which means keeping job skills and rail technology within regional Queensland. There are significant employment benefits in Maryborough directly. Coming from Cairns, I can say that the people of tropical north Queensland are really excited by the prospect of the tilt train adding an entirely new dimension to our tourism services in tropical north Queensland. The Rockhampton tilt train has been a fantastic success beyond our expectations. The prospects for the Cairns tilt train are just terrific.

The CHAIRMAN: The time for the Government block of questions has expired. It is over to non-Government members.

Mr JOHNSON: I refer to the answer provided to Opposition question on notice No. 7 relating to projected speed camera revenue of \$30.5m this year, and I ask: what is the \$4.25m administration charge by QT spent on; which of the three programs approved for spending does the \$4m payment for the

Queensland Blood Bank belong to; what programs will the \$10m Queensland Transport road safety programs compromise; and were any of these programs or administration expenses previously funded from consolidated revenue?

Mr BREDHAUER: Queensland Transport—let me just flick through this for a minute.

Mr JOHNSON: That is question on notice No. 7.

Mr BREDHAUER: Yes, I have got that. The \$4.2m is part of the Australian Road Rules initiative, which I guess serves a dual-fold purpose. Its primary purpose obviously is to make travelling on Queensland roads safer by eliminating discrepancies between road rules that exist across States of Australia. It has been a very successful program. It has been very well received. It is also part of our commitment to reform of national transport initiatives which was, in fact, approved initially by the member for Gregory at the ATC when he was the Minister for Transport. From memory it was 1997 when that was first approved.

The revenue from the speed camera program—the money which has been allocated for Queensland Health to support the Blood Bank program—sorry, what was your question again?

Mr JOHNSON: Are you referring to the Blood Bank part of the question?

Mr BREDHAUER: Yes.

Mr JOHNSON: There is a \$4m payment for the Queensland Health Blood Bank. What was that for?

Mr BREDHAUER: Essentially, the cost of operating the Blood Bank has increased. Under the legislative requirements, the Government decided to allocate a proportion of the funds. As you know, any excess revenue has to go into rehabilitation programs for accident victims, improvements to road infrastructure or road safety programs. So the allocation to the Blood Bank is basically part of the first of those. It is part of the allocation for rehabilitation programs for accident victims. Sorry, there has just been a misunderstanding there. Can I correct it?

The money which we receive goes to policy development surrounding the speed camera program, because we have to assist in things such as determining the sites where the speed cameras can be operated and those kinds of things; public education, because we pick up the costs for public education; processing costs for speed camera tickets;

implementing a program; improving the legibility of number plates; and evaluation of the speed camera program. So they are our direct costs that are associated. I am sorry if I have confused you in relation to the Australian Road Rules program. If I can correct the record—

Mr JOHNSON: Just the last part of that question: what programs will the \$10m Queensland Transport road safety programs comprise and were any of these programs or administration expenses previously funding from consolidated revenue?

Mr BREDHAUER: The \$10m is allocated basically to the Road Safety Action Plan activities. As you would be aware, the Road Safety Action Plan is determined on an annual basis each year after the Road Safety Action Summit. There are a number of programs which are the focus of the Road Safety Action Plan this year, including road safety programs related to people who are here for the Olympics, both pedestrian and motorist safety, related to the significant number of visitors we expect to have in Queensland prior to and after the Olympics.

We are also this year focusing on initiatives in relation to drivers who are affected by drugs other than alcohol, but the final allocation has not been determined yet because the Road Safety Action Plan for the forthcoming year has not actually been finalised. The summit was held on the Gold Coast around six weeks ago, from memory, and brought together key stakeholders from all over the place. We are in the process of finalising the Road Safety Action Plan. The \$10m, which is the speed camera revenue in excess of the cost of operation and maintenance of speed cameras, is being spent in accordance with the legislative requirements that are laid down in the Act.

Mr JOHNSON: I refer you back to the third question I asked today. You made reference to the new railway station in Townsville. There has been a fair bit of misunderstanding from personnel within the Townsville South yards. Has a specific allocation been made in the budget in regard to any relocation of any of that facility?

Mr BREDHAUER: The Townsville South yards?

Mr JOHNSON: Yes.

Mr BREDHAUER: No, we do not have a specific allocation for the relocation of the Townsville South yards in the current budget. I have been involved in discussions with the Deputy Premier and Minister for State Development. I have been involved in

discussions with the Minister for Public Works and Minister for Housing, obviously with QT and also with QR in relation to that.

The issue is that we would need to have considerable expenditure in Stuart, which is where it was at one stage anticipated that the Townsville South yards may be relocated to, prior to making a decision on that relocation. I think in the process there would also be substantial employment implications if we were to do that. I am very conscious of the need to maintain the viability of employment to the greatest extent possible in the Townsville workshops, as I am throughout the QR organisation.

So there is progress being made on the issue of the Townsville South workshops, but there is no budget allocation and no final decision has been made. It would need to be taken on a whole-of-Government basis. There has been some discussion about the possibility of establishing a centre for engineering excellence at Stuart, which would go wider than just QR engineering, but that is in a very preliminary stage at this point and no decisions have been made. So essentially, there is no budget allocation. I have no immediate plans for the relocation of the Townsville South yards for the reasons that I have outlined, one of which is trying to secure to the greatest extent possible employment for QR's workers in that area.

Mr JOHNSON: Can you give an assurance that a part of your Government's policy is the full retention of that Townsville South facility in its entirety as it currently stands?

Mr BREDHAUER: No, because operational requirements of QR change from time to time. Over the past 10 years, for example, there has been substantial redesign and upgrading of the Townsville South workshops. I would not know how much we have invested there. About \$8m has been invested there.

Part of that has been to provide better working conditions for the people who work for QR. Some 10 or 15 years ago the Townsville railway workshops were Dickensian, to be honest with you. That is one reason we have made substantial investment. The other reason for the investment is that we have invested to provide opportunities for them to continue to have work with things such as the construction of the GSPE. We will continue to talk with workers at Townsville South about the best configuration of the workshops so that we can provide ongoing employment.

Mr JOHNSON: Thank you, Minister. I refer to the Transport Capital Statement at page 44 for the South East Transit Project and to the allocation for the Moreton region, which has increased from \$127m last year to over \$206m this year. Can the Minister please advise me of the reason for this increase of almost \$80m?

Mr MICKEL: Good representation!

Mr JOHNSON: I did not realise the member for Logan was here. I should have realised.

Mr BREDHAUER: Was that page 44 of the Capital Statement?

Mr JOHNSON: Yes, of the Transport Capital Statement.

Mr BREDHAUER: I might just make a general comment in respect of the cost increases on the South East Transit Project, because it has come in over its original budget. The primary reason for the cost increase on the South East Transit Project was the decision that was taken by your Cabinet when you were the Minister to change the alignment through South Bank. Initially, the alignment through South Bank was anticipated to go down Grey Street, which would have been a relatively simple engineering operation. However, the member for Surfers Paradise was responsible for the South Bank Board at the time and I understand that discussions were held at your Cabinet and the preferences of the South Bank Board prevailed.

Mr JOHNSON: Be nice. I do not want to have to get nasty here today.

Mr BREDHAUER: It prevailed over the deliberations of your Cabinet at that time. The alignment of the route through South Bank, as the honourable member knows, was changed.

Mr JOHNSON: I will never forget it, I tell you.

Mr BREDHAUER: In the process, substantial additional costs have been incurred. In fact, at one stage my department estimated that the additional costs of going through South Bank alone are likely to tally somewhere in the vicinity of \$120m just from changing the route through South Bank from its original alignment on Grey Street. We have had to do massive rail relocations. We have had to do the tunnel under the Convention Centre. We have had to do all that work around Rydges and the loading dock. We have done tunnelling at the other end of Vulture Street, etc. As I say, the department's estimate at one stage of the additional cost—

Mr MICKEL: It would have fixed up the Mount Lindesay Highway at that cost.

Mr BREDHAUER: The \$120m could have been used in a whole variety of ways. The important thing is that this Government's commitment to the South East Transit Project and providing better public transport outcomes for people in south-east Queensland has been demonstrated by the fact that we continued to fund the South East Transit Project so that it will provide benefits down to Eight Mile Plains and transit lanes beyond that. There are always variations to contracts and the various packages that are part of that project. However, the substantial reason for the variation in costs on the project overall was that decision sponsored by the then South Bank Board.

Mr JOHNSON: Thank you, Minister. I refer to page 44 of the Capital Statement and the \$59m reduction in the Budget allocation for the inner northern busway and to your confirmation that the Queen Street to Roma Street section of the busway has been terminated and that no decision has been made yet as to what route buses will use to access the Queen Street tunnel. I ask: is compensation payable in relation to the interim alliance contract? If so, has provision been made in this Budget? When will the routes connecting the bus tunnel to the busway be known?

Mr BREDHAUER: We had negotiated an interim alliance contract with Transfield. We went through a process initially before we determined that our preferred associate for the interim alliance contract was Transfield. There was a proper process which occurred prior to that. As you know and as I have mentioned in Parliament, we were looking at constructing a tunnel under King George Square car park. The primary reason why we did not proceed with the tunnel was that the Brisbane City Council was insisting on \$25m compensation for loss of car parking. That essentially put the project financially beyond our scope.

We terminated the interim alliance contract. The nature of that contract was such that we were able to do that. I am planning to meet with Transfield in the near future. It has sought a meeting with me and I am planning to meet with it so that I can talk those issues through. Any costs which were appropriately borne by us will be catered for in the budget for the overall project. In terms of when the final alignment will be known, essentially you have to come down Countess Street and Roma Street into the city. There are only a limited number of options that are available there. We are looking at a possible combination of either a full busway or possibly

bus priority lanes. That is a matter for us to discuss with the Brisbane City Council.

I had discussions with my Director-General, Bruce Wilson, about it earlier this week. Those discussions with the Brisbane City Council are in fact due to commence. I would anticipate that there is an understanding between us and the Brisbane City Council about the preferred route for on-street running fairly quickly. The Brisbane City Council is strongly committed to the inner northern busway project. It has a \$15m financial contribution, but it is also committed to the public transport benefits that it is likely to bring. We will be working through our discussions with it starting now. I expect that we will have an understanding with the Brisbane City Council about the final route for on-street running. We will obviously still be progressing the inner northern busway. As I say, the Countess Street parts are important. We are likely to have a busway station at the new Queensland Place which will then proceed all the way out. In conclusion, we did actually pay actual costs incurred by Transfield as part of the interim alliance that has been done.

Mr JOHNSON: Thank you, Minister. I refer to the grants and subsidies provided by the public transport services in the Ministerial Portfolio Statements at page 1-36 and to recent press articles in relation to the continued downgrading of Brisbane City Council bus services. I ask: with the reduction of 50 services in the Holland Park, Wishart, Runcorn, Moorooka and Chandler areas in accordance with the minimum service levels in the contract and the predicted 700,000 passenger reduction as a result of the abolition of weekly and monthly tickets, what impact will they have on the IRTP goals of increased patronage and the council's subsidy entitlements?

Mr BREDHAUER: The specific question in relation to routes and services would probably be better directed to the Brisbane City Council and Brisbane Transport in particular.

Mr JOHNSON: I appreciate that.

Mr BREDHAUER: As I have mentioned in the Parliament, the decision of the Brisbane City Council to stop its weekly and monthly tickets is a decision of its own. It is one over which we at Queensland Transport have had no control. It believed that it had significant leakage of revenue as a result of providing those tickets. I thought that the headline of the article that appeared in the Courier-Mail recently in relation to patronage on Brisbane Transport was in fact misleading. There has in

fact been growth in patronage on Brisbane Transport over recent years.

In 1999-2000, there was an increase of 7.48% in patronage on Brisbane Transport according to figures that are provided to me by the department. There may be some direct impact by the elimination of weekly and monthly tickets. I imagine that that is something that Brisbane Transport and the Brisbane City Council will have considered. When we recently signed a five-year contract for subsidies to Brisbane Transport with the Brisbane City Council—I signed that contract last year from memory—it was anticipated that there would be some progressive reduction in the level of subsidy that was paid, but that was anticipated at the time. None of these decisions by Brisbane City Council or Brisbane Transport should be or can be attributed to those factors. Notwithstanding that, as I advised the honourable member in Parliament previously I think the most significant concern for us in relation to public transport usage in south-east Queensland is the impact of the GST, which will actually increase bus fares by around 8% and train fares by almost 10%.

The CHAIRMAN: The time for questions from non-Government members has expired. It is now time for Government members' questions. In reference to the comment on page 1-4 of your Ministerial Portfolio Statements, which mentions promotion of an equitable public transport system, can you advise regarding proposed upgrades of the Corinda and Oxley stations? What is the Government doing to promote disabled access on Citytrain's passenger rail service?

Mr BREDHAUER: I thank the honourable member for Mount Ommaney for the question about the Corinda and Oxley station upgrades. I can say that she has been ceaseless in her representations to the Minister for Transport in respect of these matters.

Mr MICKEL: And you have enjoyed it, too.

Mr BREDHAUER: Every minute of it. The ramps that currently exist at Corinda station do not comply with Australian standards, as the member has brought to my attention often. Therefore QR, as part of its 2000-01 program for improving access at Citytrain stations, will be installing three lifts—one on each platform—as well as upgrading one of the ramps on the eastern side of the station, at Browne Street. This work will improve access for passengers who use wheelchairs, parents with prams and the elderly. Also, disability toilet facilities will be provided. Design work is currently under way and completion of all

works is expected around September or October next year. \$1.01m has been allocated for the work.

In respect of Oxley, a new ramp and lift are to be installed at the Ipswich end of the Oxley platform. The ramp will provide access for patrons between the subway and road level in Ardoyne Road and there will be a lift between the subway and platform. Also, disability toilet facilities will be provided at this station. Design work is currently under way and works are expected to be completed by September or October of next year, at a cost of \$525,000.

QR currently has two projects which are aimed at improving disability access to stations and trains. The first of these projects, the Disabled Access program, has a total expenditure of \$8m and is almost completed. This project has provided improvements such as the lift access at Eagle Junction and Toombul; lift access at Central and Wickham Terrace; footbridges and lifts at Petrie, Yeerongpilly, Goodna, Glass House Mountains; access ramps to platforms at Wynnum North, Holmview, Booval, Wacol and Dakabin; disability toilets at Petrie, Yeerongpilly, Goodna, Eagle Junction and various others.

In addition to this, in 1999-2000 this Government provided almost \$47m for the first stage of QR's Easy Access program, with \$10.5m to be spent this financial year. This proposal extends over 20 years and is designed to satisfy the requirements of the draft disability standards for accessible public transport and, in my view, shows our commitment to improving access for people with a disability and others who have specific access requirements.

Mr LUCAS: Minister, improving personal and public safety is listed in your Ministerial Portfolio Statements on pages 1-5 and 1-6 as being a whole-of-Government outcome. There are some six railway stations in my electorate and it is an issue of some concern to me. What is the Government doing to improve personal and public safety on the Citytrain passenger rail network?

Mr BREDHAUER: I guess this follows on from the question that was asked earlier by the member for Gregory. In 1998-99 this Government, as part of our election commitments, approved an additional \$35m to be spent on QR's Safe Station program, increasing the total program funding to \$39.45m, and the QR budget for this year is \$8m. The Safe Station program is intended to address train users' personal safety and

security concerns and also to reduce crime levels, including assault, graffiti, vandalism and motor vehicle theft.

We will be implementing a range of initiatives, including an expansion of the safety zone concept at stations, which is where platforms are marked with diagonal blue and white stripes to represent an area that is well lit and has closed circuit TV coverage. The Ferny Grove line is completed, for example. Ipswich line works are completed and works are under way on the Cleveland line.

There will be increased CCTV coverage at suburban stations. On trains, at present three-quarters of the EMUs and SMUs, plus all of the IMU trains, are equipped with CCTV and new guard monitoring equipment. There will be help points for emergency use provided at all suburban stations. Additional points are being installed at selected car parks and access points. As I said, there are public phones at 143 of the 144 stations. I will have to find out which one has been left out. I have talked at length about personal duress button systems. Radio communications between the guard, driver and train controller, including lapel speaker attachments, have been supplied and issued. A number of overhead bridge screens are also being installed to protect trains from objects being thrown from bridges. There is improved lighting at stations, car parks and access points.

Personal safety audits are being undertaken throughout the Citytrain network. This is an audit process whereby QR, the police and community review station environments in terms of minimising risk to personal safety. There will be improved security fencing and CCTV technology at Beenleigh and Ipswich train stabling yards. As I said previously, we have introduced the Guardian trains and there will be new timetables for trains marked with a "G". So there will be an increase in the number of Guardian trains, and night trains are regularly patrolled by police officers, private security officers and Citytrain ticket inspectors.

There was some coverage of the issue of safety and security for public transport passengers in the Sunday Mail recently. We do take our responsibilities for safety and security for public transport patrons very seriously, but I think what that article failed to grasp at the time was the considerable investment that is being undertaken by this Government, through QR in particular, in improving safety and security at our railway stations and on our network.

Mr MICKEL: Minister, I take you to page 1-19, dot point 3, regarding the Statewide consultation with regional councils about the proposed expansion of the 50 km/h local street speed limit. We are expanding the speed camera sites on to local roads. It has been a big issue in my area, particularly in Begonia Street, Browns Plains, and in streets in Marsden, Crestmead and Boronia Heights. Can you tell us how those discussions are going?

Mr BREDHAUER: The 50 km/h speed limit applies to local streets in south-east Queensland, as members would know. Interestingly enough, the crash data evaluation results indicate that there has been a 12% reduction in fatalities on local streets in south-east Queensland since implementation of the 50 km/h local street speed limit on 1 March last year. Additionally, there was a 4% reduction in all crashes on local streets. If you do the cost-benefit analysis you see that this has resulted in a saving of over \$21m in social costs.

Initial vehicle speed evaluation results indicate that there has also been a reduction in average speeds of 6.36 km/h since the introduction of the 50 km/h initiative in south-east Queensland. These results are considered to be very significant, as recent research has identified that a decrease in speed of just 5 km/h significantly reduces the likelihood of pedestrian fatality occurring as a result of a crash.

Opinion surveys now show that 87% of the Queensland population live in areas which either support or have already adopted the 50 km/h speed limit. Since September 1999 Queensland Transport has been undertaking consultations with regard to the possible expansion of this local street speed limit to the rest of Queensland. All local governments outside south-east Queensland were sent information. We are basically still trying to advance this project into other areas. I know there has been some opposition expressed by some local governments. I ask them to keep an open mind. This is an important initiative. The 12% reduction in fatalities does mean that we are actually saving lives on Queensland roads. If we could implement this initiative right across Queensland it would have a very positive benefit.

Mr MICKEL: Is it on the agenda for local government officers to have control of the speed cameras, or is that primarily going to be with the police?

Mr BREDHAUER: No. Whilst we have agreed to having speed cameras on local

government streets, they will always continue to be operated by the Queensland Police Service. It is not the intention of the Government to allow local governments to operate speed cameras. I know that some local governments would like to, because they think it would be a great revenue-raising exercise, but as the member for Gregory knows, speed cameras are a road safety initiative, not a revenue-raising initiative, and that is why we will continue to make sure that they are operated by Queensland police and in accordance with the regulations which were set down in the guidelines when the member for Gregory brought this initiative in. Whilst we are expanding the number of sites and we are expanding them to local government streets as well as the State-controlled network, it is all being done in accordance with the initial regulations, and we won't be giving that capacity to local councils.

The CHAIRMAN: What major road safety program does the Government wish to undertake during the current financial year?

Mr BREDHAUER: We have taken a very thorough and consultative approach to road safety, and Queensland is actually a pioneer in the field. The Government is continuing to implement the Queensland Road Safety Strategy, which was a 10-year plan which was revised last year. We will also be taking forward the actions in this year's Queensland Road Safety Action Plan. Each year a range of Government departments and other organisations work closely through a road safety summit to devise effective road safety initiatives for Queensland. This year these initiatives are incorporated in the 2000-01 Road Safety Action Plan, which is the major road safety program being undertaken.

Last year's plan was evaluated as contributing to the second-lowest number of road fatalities since 1995, second only to the 1998-99 year. This was largely as a result of the expansion of the Speed Management Strategy, building on already sound achievements of previous measures including road and vehicle engineering, random breath testing, Random Road Watch and targeted public education. This year's Road Safety Action Plan will follow its predecessor in being the product of consultation with stakeholders, including the Police Service, Main Roads, the RACQ and various others.

Specific initiatives to meet the objectives in the plan include further development of successful enforcement programs such as speed cameras, red-light cameras, Random Road Watch, improved public education

awareness, road engineering works and various others. \$350,000 has been allocated for the development of a program to address the issue of drug-driving in Queensland. This funding will allow the development of strategies to ensure that the general public are fully informed of the dangers of drug-driving and to provide Queensland police with the appropriate tools to address drug-impaired driving.

School transport safety is again a major priority. \$2.15m has been allocated to improve safety for children travelling to school, whether they walk, cycle, travel in the family car or by bus. \$2m additional funding has been allocated to the Safe School Transport Subsidy Scheme by Main Roads under the Transport Infrastructure Development Scheme.

I have mentioned that speed camera and red-light camera programs are being expanded. Public education through the Fatal Four campaign and other campaigns has been successful, and we will continue to pursue those. One of the risk-taking behaviours targeted in Fatal Four public education is speeding. This financial year \$1.5m has been allocated from the State Budget to fund anti-speeding public education programs.

I think the issue with road safety is that the road toll is up marginally this year on last year, as it was on the year before. In trend terms our figures are very good, but we have to continue vigilance on this. We can never be satisfied with our efforts on road safety. We have to keep working harder.

Mr MICKEL: I note the progress being made on the national road transport reforms and the announcement of the National Transport Secretariat being based in Queensland. What is the anticipated role of this secretariat, and more importantly, what is Queensland's financial contribution to its operations?

Mr BREDHAUER: Sure. I am very proud of the fact that Queensland was one of the States which drove, through the ATC—the Australian Transport Council—the establishment of the National Transport Secretariat. We and New South Wales in particular were vocal in our support of the need for transport-wide policy and planning initiatives at a national level. In May this year, I was pleased to host a meeting of the Australian Transport Ministers in tropical north Queensland. That meeting endorsed the establishment of a National Transport Secretariat, which is to be based in Queensland and headed by a Queenslander.

The decision was supported unanimously by my ministerial colleagues from around Australia and recognises our status as Australia's most freight-intensive State and our proven leadership on many national transport reform issues over recent years, including our leadership in the area of QR.

The secretariat's inaugural executive director is Paul Blake, who will be known to many of you, the former Executive Director of the Land Transport and Safety Division within Queensland Transport. The secretariat will be staffed by a small team of strategic advisers and support staff and will be funded by all jurisdictions on the same basis as contributions to the National Road Transport Commission. The budget for the next three years will be \$3.5m, of which Queensland's contribution over this period will total \$430,000. Although the NTS is an independent agency, my portfolio will be providing some particular support to the secretariat as the host State. The secretariat recently set up office in Queen Street and began the task of recruiting a small number of specialist staff.

It is an exciting development because it establishes a Queensland-based mechanism to address and resolve a number of important national transport issues across all transport modes. For some time Transport Ministers have been grappling with the concept of how best to deal with transport issues of cross-modal and cross-jurisdictional significance. The secretariat will advise and assist Ministers on national transport issues by identifying strategic improvements to the national transport system, addressing transport issues which affect all States and Territories and seeking to improve intermodal efficiency and effectiveness.

Under an initial work program developed with strong support from the jurisdictions and agreed to by Transport Ministers, the secretariat will address six important issues: identifying an improved transport planning process; improving Australia's strategic freight corridors; assessing transport's contribution to regional Australia; improving environmental performance; assessing cross-modal and national land transport policy issues; and researching the impact of e-commerce on the transport system.

As I say, I think it is a great coup for Queensland that we have been able to secure the base for the National Transport Secretariat here in Queensland. I think it is also an important coup for Queensland Transport and personally for Paul Blake. He is a very respected officer, not just in Queensland

Transport; he has worked across a number of Government departments, including Education Queensland and National Parks, and he is highly regarded in his field. I am sure he will do an excellent job. It provides him with an opportunity to expand his work experience at this stage in his career. I am sure I speak on behalf of all Committee members when we wish him very well in that initiative.

Mr LUCAS: I note that on page 1-3 of your Ministerial Portfolio Statements you say that one of your key initiatives for 2000-01 is preparation for the introduction of the Automatic Identification System for ships. What is the Automatic Identification System and how will it lead to a reduction in oil spills?

Mr BREDHAUER: I think this is a really important initiative, especially for those Queensland waters adjacent to the Great Barrier Reef. Queensland Transport is working with the Australian Maritime Safety Authority in preparing for the implementation of the Shipborne Universal Automatic Identification System, generally known as AIS. AIS is a computer-based system placed on board ships which gathers real-time information about the ship's position, course and speed, rate of turn and other details and automatically broadcasts this information on a dedicated VHF channel, along with the ship's name, size and type, to all ships in the area. The ship station broadcasts updated information several times a minute so that real-time information on participating ships in the area is available. This continuous flow of information will greatly enhance the ability of ships to take informed collision-avoidance decisions.

The system is also capable of transmitting a message to either one named ship or a group of ships or to all ships. Suitably equipped coastal stations can also receive the broadcast information from ships within range. This information will enable these coast stations to track and monitor ship movements in real time. This has huge potential to improve ship safety by enabling the station operator to advise a ship of some impending danger, such as departing from a designated track. It will also enable the coast station to keep an accurate record of ships' positions, greatly improving the likelihood of positive identification of a polluter. This feature will be known to the ships, which will result in greatly reduced incidents of intentional oil discharges and will raise the awareness of the need to avoid accidental discharges.

The International Maritime Organisation, as the UN agency responsible for international maritime safety and marine environmental

protection, has decided to amend the Safety of Life at Sea convention, or SOLAS, to require that all passenger ships and other ships of more than 300 gross tonnes carry this equipment. Introduction will be progressive, starting with new ships on 1 July 2002, passenger ships and tankers in 2003, and eventually all SOLAS ships by 2008.

It is intended to equip the present Ship Reporting System, which is operated from Reef Centre at Hay Point, to participate in the AIS within the current SRS reporting area. A trial of the AIS will be conducted in September and October this year to demonstrate its ability to automatically receive, process and display information.

Actually being able to pinpoint what ships are in what area at what time will really help us to identify those people who are polluters, whether it be deliberate or accidental discharge.

The CHAIRMAN: The round of Government questions has expired. Over to the member for Gregory.

Mr JOHNSON: Could I just draw the Minister back to my previous question in relation to Brisbane City Council contracts and the reduction of those 50 public transport services? I know, as the Minister said, it was a Brisbane City Council responsibility, but the minimum service level in those contracts is a responsibility of the Minister.

Mr BREDHAUER: Yes.

Mr JOHNSON: Have you approved these reductions or not?

Mr BREDHAUER: Changes to routes and timetables do not necessarily require the approval of Bruce Wilson as the Director-General, providing the minimum service requirements of the contract are still being met. As you would be aware, most bus operators operate services and routes in excess of the minimum requirements. The contracts essentially do provide that certain service standard minimums will be required from all operators, but people need to bear in mind that bus operators, including BT, are commercial operators who are in it for profit basically and they make decisions for a variety of reasons, including amongst those, commercial reasons.

The 50 services that you refer to specifically do not affect BT's compliance with the minimum service contract requirements and therefore they did not require our concurrence or approval. We were not contacted, to the best of my knowledge, before the decision was made. BCC basically

decide it. They went through a major route and timetable restructure and change around about 12 or 18 months ago which was the subject of considerable publicity, as the member for Gregory would be aware, and they regard these changes as finetuning of the timetable and route arrangements which they settled at that time, and it was anticipated at that time that after operating for about 12 months they would go through a review of those new arrangements.

So the specific answer to the honourable member's question is that, because this does not fall below the minimum service requirements, we have no capacity to require Brisbane Transport or the Brisbane City Council to reinstitute those services or anything of that nature. Also for the same reason, it was not necessary for BT or the Brisbane City Council to advise us of their intention to alter those services.

I might say that in my view Brisbane City Council continues to have a major focus on improving public transport benefits across the network. No-one likes losing a bus service when it goes, but from time to time these changes do occur. They occur in all bus service contract areas. Usually it is because of poor patronage of those services. I find from my experience that there is a disproportionate amount of public outcry to the changes to the services when compared to the number of people who are actually using the services. Nevertheless, I have mentioned the increased patronage figures and there are a range of initiatives like the CityTrans initiative, for example, which demonstrates Brisbane Transport and the Brisbane City Council's strong commitment to improving public transport services in Brisbane, in particular, and also throughout the south-east Queensland area.

Mr JOHNSON: You referred to the road toll in a previous answer but I just want to ask: I refer to the road use management Output Statement at MPS 1-21 to the increased road fatality rate last year and the reduction estimated for this Budget. As you are well aware, the road toll so far this year is significantly up on last year, unfortunately—184 to 169—which none of us welcome. As the road toll so far this year is significantly up on last year, what is this estimate based upon, to what do you attribute this alarming increase in deaths this year, and do you have any other measures in mind that may be able to decrease this toll as we currently see it?

Mr BREDHAUER: Are you referring to the road fatality incidents per 100,000 of population figure? Is that the figure?

Mr JOHNSON: Yes.

Mr BREDHAUER: In my recent answer to the Government member's question, I did outline a number of the strategies that we are undertaking this year. I reiterate that I am very concerned, as I know all honourable members are, when the rate of road fatalities increases. There is a correlation, though, and it needs to be borne in mind, that Queensland's population is growing and that is why it is important to look at that proportional figure, the number of fatalities per 100,000 head of population, rather than just the numerical figure which shows that the number of fatalities is increasing.

That is not to say that I do not regard any increase in the road fatality rate as serious and something which we as a Government need to address. Our prediction that the fatality rate per 100,000 would fall was based on research that we have undertaken and our anticipated likely impact of the road safety initiatives that we have undertaken this year, including the expansion of the speed camera program.

One of the things which our research indicated was that after about a year or two years of operation of the speed cameras, motorists believed that they could predict where speed cameras were likely to be placed. So if your regular route took you down certain streets to work and three mornings a week there was a speed camera in a particular place, there was an element of predictability about that, so motorists were actually slowing down where they thought the speed cameras were going to be and kind of speeding to and from those locations.

By introducing an additional 2,000 speed camera sites around the State and by agreeing to allow them to be located on local government roads, as I have mentioned previously, we are reintroducing that element of unpredictability, I guess, and we believe that that will have an impact.

The road toll, however, has a number of other determinants. This year, of course, we are conscious of the number of overseas visitors in relation to the Olympics and that could potentially increase the road toll. In Queensland average motorists travel longer distances by car than in a lot of other states, which increases the likelihood of accidents and fatalities. There is a correlation between economic activity and the number of road accidents. So in a State like Queensland that has had economic growth, there is a

corresponding growth in the number of road accidents and road fatalities. So our program is designed to achieve that objective. Notwithstanding the fact we are in front this year of where we were last year, I would say again that you need to look at it in trend terms, and over the last 10 years our road toll has been steadily improving.

Mr JOHNSON: I refer to the Brisbane busways allocation in the Capital Acquisition Statement, MPS 1-41, and note the variation between the Budget at \$32m for last year against the actual of \$17.9m and the explanatory note that this variation related to delays in the impact study and changes in scope. What caused the delay in the impact study and how has the scope changed?

Mr BREDHAUER: Is this for the inner northern busway?

Mr JOHNSON: Yes, MPS 1-41.

Mr BREDHAUER: I guess primarily we set ourselves an anticipated time frame for undertaking impact assessment studies, but I think it is important when you are undertaking major infrastructure projects like that that you do not just take into account the time frame for something like an impact assessment study. If you feel there is a need for more study and if you feel there is a need for more consultation with the community and stakeholders, then I think you are better off taking a little bit longer at that stage of the project and making sure that you get the project right and the impact assessment study right because, apart from anything else, the project has got to survive the impact assessment process.

Essentially, we are looking to make sure that we dot all our i's and cross all our t's. In relation to the INB, it took us a little bit longer. Part of that was because of its relationship with Brisbane light rail, and we had to work through the issues that were in common between the INB and the Brisbane light rail project. So it took a little longer than was anticipated to complete the impact assessment study.

In respect of scope changes, I guess probably the most obvious one is the fact that we have now terminated the interim alliance arrangement for the tunnel under King George Square. There has also been discussion about whether we were going to have a dedicated busway through, for example, Victoria Park golf course or look at alternatives there—whether we were going to run on street in Herston Road or resume more land from the Victoria Park golf course for a dedicated busway in that area. So there have been a range of issues that we worked through with the various stakeholders in the consultation

period, which has meant that the scope of the project has changed from time to time and the Budget allocation. The specific allocation in this year's Budget is to complete the works at the Normanby Fiveways, which have to be undertaken in conjunction with the City/Valley bypass project, which Leightons is doing on behalf of the Brisbane City Council.

There are also significant issues in Roma Street, as you might appreciate. Roma Street is a major public transport interchange between rail and the busway. It would also have been a major interchange between rail, light rail and the inner northern busway. So there were significant issues there that we had to work through. I have mentioned in other answers the fact that we are staging the busway now to avoid some of the impacts of the projects coming together like the Roma Street redevelopment.

Mr JOHNSON: I know that time is running out for questions of Queensland Transport, but I would like to ask you a question about Queensland Rail while Mr O'Rourke is here. Following recent meetings throughout the State, and I am referring particularly to western areas such as Cunnamulla, Longreach, Winton and Hughenden—services to those regions—what were the findings of those meetings? Is there going to be a full retention of services to those western communities? Can you give an assurance that there are not going to be cutbacks in those services, especially in the areas of frozen goods or cold goods? There seems to be a communication breakdown in services on that Cunnamulla-Charleville line—getting cold goods to Cunnamulla on the wrong day and dry goods on another day, which do not coincide with the mail running out of those places. Also in relation to rail services in general, can you give an assurance that there is not going to be a cutback in any service at all?

Mr BREDHAUER: Can I say generally—and I will come to the cold store issue specifically—that we have a commitment to maintain services. The rail component of our Q-Link services will be incorporated in the freight RSA, which is negotiated between Queensland Transport and Queensland Rail. It is our intention to continue to fund those through the rail service agreement. The other elements of Q-Link services will be negotiated as part of the separate shareholding Ministers' agreement with QR. I am not going to hide the fact that there will be some positions in Q-Link which go as a result of the current VER arrangements which are being pursued by QR in consultation with the unions, and which you have raised in Parliament yourself on a

number of occasions. But it is our intention basically to maintain those services.

Can I say in respect to cold stores, though, that there are some issues here. The refrigerated wagon fleet is on average about 25 years old. It is starting to become unreliable. There are concerns about workplace health and safety issues in relation to that. So QR is investigating the best way it can continue to provide those services to people. I will be honest and say that we are looking at having some kind of road freight as opposed to the cost of buying a whole new refrigerated wagon fleet, which might not be a more economical way. That might actually be better in terms of the services that we provide. So our commitment to provide access to freight for refrigerated goods remains to those people in that area.

As you say, QR have been out recently. Mike Scanlan has been out in that country just in the last week talking to those people, and I know that the member for Warrego attended one of those meetings to express concern on behalf of some of the members of the local community. I welcome that and I appreciate the representations that he has made on behalf of his constituents. Our intention is to find the best way in which we can deliver those services to people out there. The cost of upgrading the refrigerated wagon fleet—basically replacing all of that rolling stock—would be substantial. So it may be that there are better ways and that we can provide better services if we look at other ways.

Mr JOHNSON: Thank you.

Mr BREDHAUER: But the trains will keep operating, sorry.

Mr JOHNSON: Thank you. Madam Chair, if I could let the member for Burdekin ask a question in this bracket?

The CHAIRMAN: Certainly. The member for Burdekin?

Mr KNUTH: Can the Minister advise of the current status regarding the offer of voluntary employment separation packages in QR? How many of these employees are taking VERs while being given no other alternative? Are they being cornered into a situation that they have no choice but to take the VERs?

Mr BREDHAUER: No, a voluntary separation by its very nature is voluntary. We have undertaken a process in relation to the voluntary employment separation packages which ensures that no-one is forced to take a package, nor are they forced to relocate as a result of any of the arrangements associated with the voluntary separation.

I might say at the outset that the voluntary separation arrangements which are currently in place were negotiated by QR with the relevant rail unions and were signed off on by the rail unions in 1999, from memory. The previous agreement expired on 31 December 1998. We did not have agreement when the previous agreement expired, but subsequently we were able to secure that agreement with the rail unions. So the current package is being implemented in accordance with the arrangements which were agreed to by the unions in 1999.

A fundamental part of that is that voluntary separations are, in fact, just that. QR called, through its weekly notices, for expressions of interest. There were a little over 1,100 people who indicated that they were prepared to accept a voluntary separation package. So we actually had an indication from over 1,100 people that they were prepared to accept a package. It is those people whom we have approached, where appropriate, in accordance with the remaining requirements of the voluntary separation agreement, which was struck with the unions, where those positions are no longer required by QR, and those people can be let go.

So the answer to your question is: none and no; no-one is being forced, and there is no intention to force anyone to accept a voluntary separation package. We had expressions of interest and we are working on the basis of those people who expressed interest in being approached by QR with the possibility of taking a redundancy. Can I also say that the issue for me at the moment—and no doubt for other members—that is being raised by a lot of people is the fact that there are people out there who would like to get a redundancy package who do not think that they are going to. When I was in Gracemere the other day, I had five deputations from railway workers who wanted separations and did not think that they were going to get them.

Mr JOHNSON: Minister, I refer you to the recent taxi fare increase and to the methodology used in calculating the increase. Can you confirm that the methodology was based upon a sole lessee operator and does this methodology assume that a driver would have to work almost 16 hours a day every day of the year to reach the income level assumed by the methodology? I can see you have a grin on your face.

Mr BREDHAUER: I have, too.

Mr JOHNSON: You might also refer to comments made yesterday by Graeme Samuel, which I thought were extremely

unhelpful, in respect of deregulation of the taxi industry. You might like to add your comments or your Government's policy on that.

Mr BREDHAUER: I appreciate the opportunity provided by the member for Gregory.

Mr JOHNSON: I thought you might like that. I suppose we will get a GST answer.

Mr BREDHAUER: You will, too. The reason for my mirth is that I cannot believe the member or Gregory leads with his chin like this.

Mr JOHNSON: I do not lead with my chin. I just want you to put your feet on the sticky paper.

Mr BREDHAUER: We have an annual review of taxi fares. But the main reason for the review undertaken at this time was the GST.

Mr JOHNSON: I thought you would say that.

Mr BREDHAUER: I note and would like to put on the record the support of the member for Gregory for the GST and that of his Federal coalition Liberal Party colleagues and his Liberal Party colleagues here in Queensland, especially the former Treasurer, the member for Caloundra, who has been a champion of the GST over the past few years.

Interestingly, 6.86% was the fare increase determined for taxis. Those increases were necessitated as a result of the GST. There is a formula which we worked through with the taxi industry in determining those fares. There is no doubt that the taxi industry was looking for a higher fare increase of the order of 10%. But we had to be very careful in respect of the application of fare increases in relation to the GST. We have had not just Graeme Samuel putting in his two bobs worth but also Allan Fels on behalf of the ACCC. We had to be able to ensure that our figures stacked up. I am confident that the process that my department undertook is robust. It is based on an index, and the index had been agreed previously with the taxi industry. It is based on a single shift of cabs and average cab operations, not on a 16-hour day. It is not based on that.

Can I say in respect of Mr Samuel and his comments in respect of the taxi industry that I beg to differ and disagree strongly. I would like him to point out to me one place in Australia or internationally where total deregulation of the taxi industry has actually worked. An NCP review of the industry is close to finalisation. I will be taking it to Cabinet in the not-too-distant future. I have made it clear that I do not support the deregulation of the taxi industry.

You could have another 1,000 drivers out there and all you would do is, sadly, affect people's incomes. You would have lots of idle cabs in the down times. I just do not support it. I could go on and on. I think I reflect the view of probably everybody on the Committee on that point.

Mr JOHNSON: Minister, I refer you to a previous question that I asked in relation to the \$4m out of the speed camera revenue that has gone to the Queensland Blood Bank. Do you believe this is a road safety initiative? I know blood is needed as a result of some road accidents. Also, in relation to the Queensland Transport Road Safety Programs, were any of these programs or administration expenses funded previously from consolidated revenue? That is the question I ask: were they previously funded from consolidated revenue?

Mr BREDHAUER: I will explain this again. I did actually try to take some time to explain this in the first instance. The allocation of \$4m to the Blood Bank is not a road safety initiative and I did not say that it was a road safety initiative. Under the legislative requirements for the program for the money that is in excess—you know, because you put this stuff in place—essentially any revenue that comes from speed camera fines goes, in the first instance, to management, acquisition and maintenance of speed cameras. By far the biggest chunk of the revenue goes into operational matters for the speed cameras. In fact, the revenue has never quite reached the projections you anticipated it would, mainly because a lot of drivers slowed down. That is great.

Mr JOHNSON: That is good.

Mr BREDHAUER: It is good news. But the three purposes for which the money could be used were: the Road Safety Education and Awareness Program, the Road Accident Injury Rehabilitation Program and the road funding to improve the safety of sections of State-controlled roads. The Road Accident Injury Rehabilitation Program is actually where the money to the Red Cross is justified. It is not a road safety initiative, it is part of the Road Accident Injury Rehabilitation Program. An important role of the Road Accident Injury Rehabilitation Program is actually helping their recovery.

Mr JOHNSON: Thank you, Minister. I realise that the allocated time for Opposition questions of Queensland Transport has expired. But in closing I would like to put on record today my sincere appreciation of the efforts and the work carried out by Vince O'Rourke as Chief Executive of Queensland

Rail and also by John Gralton as Deputy Director-General of Queensland Transport. Both gentlemen have made exemplary contributions to their respective portfolio areas, especially you, Vince, in Queensland Rail. Your faces will be missed here in the future. But I assure you that you have left an indelible mark on Queensland Rail and Queensland Transport. I thank both gentlemen for their contributions and for the assistance and support they gave me in Government and in Opposition in their time in those positions. I wish both them and their wives and families well.

Mr BREDHAUER: That is very generous of you, Vaughan. It is taken in very good spirit. We will make sure that you are invited to the appropriate occasions where you can say your farewells in person—and perhaps chew the fat over a couple of lemonades with your old comrades.

Mr JOHNSON: I am sure we will.

Mr MICKEL: Minister, I draw your attention to page 1-36. I would appreciate it if you could give me an answer in a few days' time. I do not expect an answer on this now. I wish to go to the grants and subsidies for public transport services. Can you ask the department to outline for me what portion of the grants and subsidies relate to the provision of urban bus services in areas outside Brisbane City and in particular Logan City? What I seek is the amount of money we are providing to the bus operators, particularly in Logan City, what growth levels in public transport patronage have been achieved, and whether the Logan City Council is matching us dollar for dollar in any infrastructure money that we are providing to that city. If not, what is the shortfall from the Logan City Council towards public transport? As I said, I am happy to put that on notice.

Mr BREDHAUER: We may even be able to get some of the details of that question for you. Our subsidies through the Department of Transport to the bus operators are important. Logan City does not contribute to subsidised bus services as, for example, the Brisbane City Council does to Brisbane Transport. I have had to point that out to them a few times. I will get that information for you and get back to you.

Mr MICKEL: Thank you. I appreciate that.

Mr LUCAS: In the Ministerial Portfolio Statements for the 2000-01 State Budget there is a reference on pages 1-4 and 1-27 to the development of draft Transport Waterways Management Plans. Can you outline briefly

what the current status of these plans is and when they will be implemented?

Mr BREDHAUER: Our Government is committed to the effective management of waterways in Queensland. Recreational and commercial boating have a significant impact on the State's economy in the tourism industry, which relies heavily on marine activities. The tourism industry is worth \$5 billion a year. Recreational activities centred around our waterways and waterfront living are characteristic of the Queensland lifestyle, and continued access is a high priority for our Government.

There are three waterway transport management plans currently being developed for the Gold Coast, the Sunshine Coast and the Yeppoon area. These are the first plans developed under amendments to the Transport Infrastructure Act, which was approved by Parliament earlier this year. It is anticipated that further plans will be developed for other popular boating areas in the State in the future to address similar concerns.

A thorough public consultation program is currently under way for each area, with comments being sought from waterway users, residents, industry representatives, local government, community groups and the public. All submissions will be considered and further discussions will then be held with other Government agencies and key industry sectors prior to finalising the plans. These plans are intended amongst other things to replace certain provisions of the by-laws which are due to expire on 31 December this year. Therefore, it is intended to finalise the plans and have them ready for implementation prior to that date. The plans will deal with aspects of boating that are not addressed in marine safety legislation which are of concern to boat owners, waterfront residents and the wider community. Types of boating and related issues which will be dealt with in the plans include jet skiing, water skiing, people living aboard boats, amphibious aircraft, and the fair and equitable use of the State's waterways.

In respect of jet skis, I know that this is quite a controversial area. I guess we have to recognise that jet ski operators want to have the opportunity to use their personalised watercraft, but I think they need to recognise that there are safety and amenity issues for other waterway users and people who live near waterways. So it is important that we have these waterway management plans in place that can help us to provide guidance, direction and, if necessary, regulation over where and how jet skis can be used. The practice of wave

jumping, for example, can be very noisy and very dangerous if other water users are nearby. We will look very closely at that issue. We need to have places where people can use those types of craft, but they need to exercise a level of responsibility in their use. The same applies to people living on houseboats. Living on houseboats is a great lifestyle. It is cheaper for people who cannot afford it, but people who camp in the waterways of the Gold Coast and other places have caused some concerns.

The CHAIRMAN: I have only one more question for you, and that is about an issue that has been concerning a number of driving schools in my electorate over the past 12 months. There have also been reports in the media about delays in booking a driving test. What has been done to reduce waiting times and has it been successful?

Mr BREDHAUER: This has been an issue of concern not just in your area but throughout the State. In August 1998 Queensland Transport launched a more exact driving test, known as Q-Safe, to improve road safety outcomes by requiring driving test candidates to undertake a more rigorous test over an extended duration. The length of the test was increased from a 25-minute test in a 35-minute window to a 40-minute test in a 50-minute test window. The increased length of driving test placed pressures on waiting times for driver tests as the number of tests per day dropped from 11 tests per day to nine.

The State Government reallocated resources to reduce waiting times in those areas of the State where waiting times became the longest. I am pleased to report that this reallocation of resources was successful in reducing waiting times for driving tests in Queensland to an average of just 12.9 days by June this year, with south-east Queensland waiting times dropping to 18.4 days on average. The waiting times for the locations which were the longest in November last year had dropped dramatically. For example, the Gold Coast waiting times dropped from an average of 34 days in December last year to just two days in June; Brisbane waiting times dropped from 32.6 days to 21.5 days; and Sunshine Coast waiting times dropped from 40 days to 20 days.

The provision of additional resources for driving examinations is only one plank in our providing a sustainable solution. There has been a complete review of the driver testing arrangements from test booking to examination. This has been under way since

early this year. There has been extensive consultation undertaken in addition to reviewing test booking arrangements, analysing the effectiveness of the test itself, test pass/fail rates and the driver training industry's involvement.

If I can encapsulate the answer, Queensland Transport and I had serious concerns in relation to unacceptable waiting times as a result primarily of the introduction of Q-Safe. Q-Safe was an important road safety initiative, because one of the most at-risk groups of road fatalities is the 17 to 24 year olds. We believe that, if we could actually prepare drivers better before we give them a licence, it would make them safer drivers and help contribute to an improved road safety outcome in that area. But there was a down side to that, and it was that the increased length of the test meant fewer tests per day were able to be held. However, the initiatives that we have taken have substantially reduced the number of days that people are required to wait both on a Statewide average and essentially in the individual areas throughout the State. We will continue to monitor it, though, and make sure that it does not go the other way again.

The CHAIRMAN: That completes the time for questions on the Government side. We will now break for morning tea and we will be back here at about 10.45.

Mr BREDHAUER: Given that Queensland Transport officers are about to depart, I would like to enforce the comments that Vaughan made about Vince and John. I also would like to thank Bruce and all of the other Queensland Transport representatives who worked very hard over the past couple of months to do the preparation for the Budget and also for the Budget Estimates.

Mr LUCAS: Hear, hear!

The CHAIRMAN: Hear, hear!

Sitting suspended from 10.35 a.m. to 10.55 a.m.

The CHAIRMAN: I now declare the Committee hearing reopened. I call the member for Gregory.

Mr BREDHAUER: Madam Chair, may I introduce the people at the table with me?

The CHAIRMAN: Yes, sorry.

Mr BREDHAUER: To my left is the Director-General of the Department of Main Roads, Steve Golding. Steve's appointment was gazetted by Executive Council last Thursday, so it is his first Estimates in that position. Welcome, Steve. Also on my left is Deputy Director-General, Don Muir, and

Director of the Roads Programs, Karen Peut. To my right is Neil Doyle, the Director of Policy Development, and Danielle Anderson, the Director of Finance and Business Services.

The CHAIRMAN: Minister, do you wish to make an introductory statement?

Mr BREDHAUER: No. I covered Main Roads this morning so we will go straight into it, if that is okay with you.

The CHAIRMAN: Yes. In that case, I call the member for Gregory.

Mr JOHNSON: Minister, I refer to the reservations I expressed last year at these hearings in relation to the design of the Thomson River job at Longreach and the subsequent flooding in the February 2000 flood. Minister, are there any recommendations in the reports of the independent company, Connell Wagner, and also the independent report by Queensland Main Roads to change any of the design? Has any provision been made for compensation to any of the property owners who suffered damage as a result of these floods?

Mr BREDHAUER: I thank the honourable member for the question. You did raise issues in relation to the Thomson River project last year. Mr Muir as the Deputy Director-General took the opportunity to provide a briefing in conjunction with John Fenwick to go through the issues in relation to the design of the project. I appreciated the concerns that you raised. We also had further discussions with the local government there because it too had some concerns. Obviously, there was a flooding event this year. There is a belief in the local community that the project contributed to the flood levels. Interestingly enough, I believe there has been some misunderstanding in respect of the actual level of the floods as measured by the Bureau of Meteorology.

It turns out that this was actually a higher flood event than that which occurred in 1974 because of some misunderstanding about the flood measurements. Further consultation was undertaken with affected residents earlier this year. As a result of this consultation, reviews of the original design and an assessment of the 2000 flood have been carried out by Main Roads hydraulic engineers and the independent consultant from Connell Wagner. The investigation by the Main Roads hydraulic section indicated that the increase in flood level upstream as a result of the new crossing was less than 100 millimetres. The Connell Wagner report confirms that the design methodology and standards adopted were appropriate and reflected the necessary

compromise between hydraulic performance, overall benefit and affordability.

The size of the flood compared to previous records was much higher than initially identified, as I have already mentioned. Meetings have subsequently been held with Longreach local residents to brief them on these reports. A draft report which analyses the influence of the new crossing on flooding properties has been prepared by the Main Roads hydraulic section and distributed to major stakeholders for comment. All comments received will be incorporated into a final report.

A review of the actual flood heights at houses is currently being undertaken by officers of Main Roads with a view to establishing the number of houses which may be considered for compensation. Every effort has been made to identify all affected properties. However, there could be some owners who have not yet come forward. Upon confirmation of the number of houses and the methodology for selection of the same, an independent assessment of the damage to houses will be undertaken. Compensation negotiations will then commence if applicable.

Mr JOHNSON: In reality, Minister, what you are saying here, and perhaps Mr Muir can further enlighten us, is that those two reports by Main Roads and Connell Wagner have not arrived at a final outcome. Do those reports recommend any change at all?

Mr BREDHAUER: No. The two reports basically back up the existing design. As I mentioned in my initial answer, when you look at the affordability, the overall benefit and the hydraulic performance, Connell Wagner confirmed the view of Main Roads' engineers that we had come up with the most appropriate and best possible design for the project. Whilst there was some increase in upstream flooding, which is usually expected when undertaking a major project such as this, we believe it was of the order of about 100 millimetres.

The issue stemmed from the fact that, at the time, the reporting of the flood indicated that it was at a lower level than 1974. Subsequently, we think there may have been some miscalculation of measurements by the Bureau of Meteorology in the past and it was in fact a higher flood than 1974. If you take that into account, we think that explains the reason why a number of people who are long-term residents in Longreach believed that the bridge contributed to the inundation when in fact it was the level of the flood which was the most significant issue.

The Main Roads engineers and Connell Wagner report confirms the suitability and appropriateness of the design. Notwithstanding that, we recognise that there are issues for people in Longreach, so we have been working with the council and with individual affected land-holders to come up with those who may believe that they are entitled to some compensation. We will work with those and then, as appropriate, we will negotiate compensation with those people. We do recognise that there are some issues there. We think the project is properly designed and is the best we can do. However, we take seriously our responsibilities to those people in Longreach who have been affected.

Mr JOHNSON: Minister, last year's Main Roads capital statement indicated a budget allocation of \$17.7m for the Yandina to Cooroy duplication, yet this year's capital statement shows that only \$2.6m was spent. What was the reason for the delay in construction?

Mr BREDHAUER: The issues there were primarily in relation to negotiations on resumptions, as I understand it. When you undertake these major projects you come up with the corridor alignment. Obviously we had intended to spend the allocation that was in the budget last year. As you would know from previous experience, Main Roads is pretty good in terms of spending the money it is allocated, both on specific projects and across budget.

The reality in relation to that particular project is that there was an issue in relation to land acquisition. We spent a considerable amount of time trying to negotiate an acceptable acquisition arrangement with one land-holder in particular and that delayed the process more than we had anticipated. I guess we could have gone down the road of compulsory acquisition up front and forced the issue—it would have finished up in court and so on—but we thought it was better to try to negotiate an outcome with the affected land-holders. So the process of the acquisition of land is the primary reason we did not spend the full budget allocation last year.

As you know, ultimately you have to weigh the time taken and the money expended on the project against genuine concern for individuals who are affected by this. Main Roads, in my view, was quite compassionate in trying to come to a mutually agreeable acquisition arrangement with the land-holders affected. As a result of that, the process took a little longer than we had anticipated.

Mr JOHNSON: I refer to the allocation last year for the Warrego Highway Marburg bypass, which was \$8.7m. This year's capital statement indicates that only \$2m was spent. What is the reason for the delay in these works?

Mr BREDHAUER: The money for the Marburg bypass was actually allocated by the Commonwealth, so we reported that accurately in our budget last year. Preconstruction work was required in respect of that project. Two of the key issues were, once again, property acquisitions and access negotiations. As you would appreciate, we do not always control the timing. In fact, we never control the timing with which the Commonwealth releases funds to us for specific projects.

Often, where we are aware that a particular project is due to come on line and the funding is provided in accordance with the priorities we think we have worked out with the Federal department, we can have the preconstruction work done so that when the money is allocated we can start straight away. The southern access road into Cairns in my electorate is a good example of that. Sometimes the Commonwealth allocates money to projects before we have actually finalised the preconstruction activities. The key issues in respect of that one were land acquisition and access arrangements.

As I have mentioned, in relation to Portsmouth Road and the Thompson River we actually were ahead of the Commonwealth in respect of preconstruction activities, but that particular allocation was brought forward a little sooner than we had anticipated, so preconstruction activities were not finalised prior to the money being allocated. We responsibly report in our budget Federal allocations, notwithstanding the fact that they sometimes do not like it.

Mr JOHNSON: I refer to page 2-21 of the MPS, the Road Network Operations and Use Output Statement, and the worsening of the urban measures. Does the change in the targets from "maintain or improve over time" to "maintenance of the existing standard of service for urban travel" abandon any target of improvement? Why is there a change in the strategy?

Mr BREDHAUER: Page 2-21. Which one are you looking at?

Mr JOHNSON: The Ministerial Portfolio Statements.

Mr BREDHAUER: I am on the right page.

I have got the Output Statement. I am just wondering which one of those bits you are looking for.

Mr JOHNSON: Does the change in the targets from "maintain or improve over time" to "maintenance of the existing standard of service for urban travel"—

Mr BREDHAUER: I am not sure whether you mean "actual travel speed", "congestion indicator" or "variability of travel speed".

Mr JOHNSON: Variability.

Mr BREDHAUER: On the urban road network obviously we have to deal with issues. Congestion is one of the biggest things which affects actual travel speed, the congestion indicator and the variability of travel speed. We try to design and plan the road network so that we can maintain our performance indicators in that regard. Population growth and increasing car usage mean that it is difficult to maintain those indicators.

I think we are all aware that if population growth and motor vehicle usage continue at their current rate there will be increased congestion on our streets. There is nothing new in that. If there is increased congestion on urban streets, that will affect travel speed and, obviously, the congestion indicator. Main Roads works very closely with Queensland Transport on our Integrated Regional Transport Plan strategies to try to increase public transport usage so we can moderate the growth in private motor vehicle use. The trend would normally be downwards as traffic congestion and traffic densities grow and as congestion grows. We aim to maintain the current levels so that we are actually in fact improving the network to accommodate for traffic growth.

I stress: we will never be able to afford to fund a road network—and neither would we seek to do so in terms of social amenity—which can accommodate all of the population and private vehicle usage that is likely to happen in south-east Queensland over the next 25 years. It is really important that we focus on, as well as improving the road network, our public transport strategies so that we can, by a combination of both of those, try to maintain those factors.

Mr JOHNSON: I refer to the 2000-01 Budget Highlights for Main Roads on MPS 2-2 and to the completion of the planning and environmental impact statement for the Tugun bypass. Does this mean now that the construction will commence next financial year?

Mr BREDHAUER: 2-2, they are actually the forward strategies.

Mr JOHNSON: The Budget Highlights, yes.

Mr BREDHAUER: They are actually the forward strategies. So in respect of the Tugun bypass, we have engaged consultants earlier this year, PPK, who are undertaking the impact assessment study. We had a very important milestone in the project when I met with the New South Wales Minister and representatives of the Coolangatta Airport Authority, and we agreed that we would progress studies on the Tugun bypass. We anticipate that the impact assessment study for the Tugun bypass will progress and be finalised in the next 12 months or so, and that will position us so that we can undertake the necessary pre-construction work. You need to do the impact assessment study first and then you go into the detailed design and planning stage. So after the IAS is finalised, we will do the pre-planning work. We have to get the necessary approvals from Queensland, Commonwealth and New South Wales authorities for the project, and then funding can be allocated for construction.

Can I say, though, that this Government has progressed the Tugun bypass more in the last two years than any preceding Government. We have a very strong commitment to the people of the southern Gold Coast area that we will see this project commenced, and we recognise that it will provide an important traffic benefit to people in that southern Gold Coast area.

The Commonwealth, of course, has committed to fund 50% of the project. Ultimately, final construction will rely on that funding being allocated by the Commonwealth. But we are making sound progress. The agreement with the New South Wales Government was critical to us being able to achieve project status. I personally will be driving this project, and I know the Department of Main Roads is behind us from a Government point of view as we vigorously pursue this project to the point where we can begin construction and provide that important bit of infrastructure for people who live on the southern Gold Coast and also for people who travel through that area.

Mr JOHNSON: I refer to the road network planning on MPS page 2-8, and I ask: what is the current position relative to the second range crossing at Toowoomba? I know that this is a totally new alignment and we need Federal assistance, but can you bring us up to date on the state of play, please?

Mr BREDHAUER: It would not require Federal assistance; it would actually require funding by the Commonwealth, because it would be part of the National Highway network. We have done some preliminary work on the second range crossing. A corridor study and EIS was completed in 1996 and has been accepted by both the State and Federal Departments of Environment. The planning estimate for the 42 kilometre long project is \$325m, which is considerably more than our annual State allocation for national highways. Currently \$12m has been spent on hardship land acquisition and study costs, with a further \$2m per year allocated in 2001-02 approved in the Federal Budget.

A project proposal report has been forwarded to the Federal Department of Transport for additional funding approval up to \$30m to complete the survey, design and property acquisition. The current funding approvals will allow for minor planning costs plus continued hardship land acquisition. The additional funding sought would allow acquisition of the complete future road corridor land requirements as well as the detailed engineering design to be completed. Detailed design would accurately define the scope of the project and provide a detailed estimate of cost. So the \$325m is just a ballpark figure; it is a rough estimate. There is strong local and regional support for the project and a consideration of innovative methods of financing which might bring forward the date for construction.

According to our initial plans, the second range crossing was probably not necessary for 15 years or 20 years.

Mrs PEUT: Starting in 2011.

Mr BREDHAUER: But we recognise that there is considerable community pressure up there. It is dependent, though, on either appropriate funding from the Commonwealth or an appropriate project delivery financing arrangement. We are doing all the work that we can, in cooperation, I might say, with the local members up there. If you talk to your local members up there, Graham Healy and Mike Horan, they will tell you that Main Roads has met with them a couple of times and provided them with information. But it is a big whack of money. \$325m is the first estimate. My experience with Main Roads is that the initial estimate is likely to go only one way after we have done the detailed planning and designing work. It is not quite but almost double our annual allocation for national highways.

Mr JOHNSON: Have you had a recent exchange of dialogue with your Federal counterpart on this or Federal departmental officers re trying to bring that forward? Karen just mentioned the date of 2011. I know we were all hoping to bring that forward. Do you see any way that that could be brought forward?

Mr BREDHAUER: Initially our estimation was that, in terms of traffic requirements, it would be needed around about 2011. I guess we recognise that there is strong community support and industry support for accelerating that program. I support the project, but my concern would be that the project would be funded at the expense of other National Highway projects, and we have important National Highway projects. The Barkly Highway would be one that you are familiar with. We have a package to upgrade between Cloncurry and Mount Isa. We are still trying to negotiate Mount Isa to the border, which in my view is one of the worst stretches of National Highway in the country. We have requirements here to the north of Brisbane for the six-laning between Caboolture and Petrie. We have requirements for six-laning on the Ipswich Motorway, which is carrying very heavy volumes of traffic. So there are many National Highway projects in Queensland which are on the drawing board.

I very strongly support this initiative, but I would like to see it funded either through an additional allocation from the Commonwealth so that it did not affect our other priorities for national highways, or if we can work out some financing arrangement that involves the private sector which enables us to do it, likewise so that we are not impacting on the existing National Highway budget.

Mr JOHNSON: The traffic volumes are not there, though, are they?

Mr BREDHAUER: The volumes are not there for the project now, but we recognise, as I say, that there is strong community and industry demand and expectation that it will happen sooner than 2011. We are progressing as best we can from our point of view in terms of the pre-construction activities. The corridor selection is done; the hardship acquisitions are being undertaken and all that kind of thing. But as I say, the key issue for me would be that we are not robbing Peter to pay Paul. I think it is an important initiative, but I would not like to see it detract from any of our other important works on the National Highway.

Mr JOHNSON: I think we would all agree with that.

The CHAIRMAN: The time has expired for non-Government questions. I call the member for Logan.

Mr MICKEL: Minister, I direct you to page 2-2 in connection with the Pacific Motorway and particularly the new speed limits on part of it that will be 110 km/h. What programs are you putting in place to improve the road safety? I also want to acknowledge in a two-part question my appreciation of Bob Drew, who is sitting down the back there out of my eyesight, for the work he did down my way on signage. This brings the larger question: what are you doing about tourism and destination signage on the Pacific Motorway? Are you following Bob's example or have you got some other little scheme?

Mr BREDHAUER: Bob is a very valued employee and he does an excellent job. I appreciate your recognition of that. The Pacific Motorway is a little different, though, as you would appreciate. It is Queensland's first smart road in the Smart State. So we will apply new policy on the use of technology and signage and that kind of thing on the Pacific Motorway which is actually pioneering in the country and adopting world's best practice.

At present, we have got three lanes operating at 100 km/h in each direction from Loganholme to Oxenford and Smith Street to Nerang. Two lanes in each direction are operating through the final construction package of 80 km/h. When this work is complete around late September of this year, it is proposed to open the fourth lane in each direction from Loganholme to Smith Street and to increase the speed limit to 110 km/h from Yatala to Smith Street. Some people are doing a lot faster than that, as you might have seen in the media lately.

That is why we need a driver education program which is to be undertaken commencing in September 2000. It will consist of a media launch on the driver education program, a series of TV ads which will outline what motorists need to remember when driving on the motorway, radio and press advertising, press articles, a brochure outlining tips and rules for driving on the motorway and a newspaper supplement which will contain road safety and driver education information.

In respect of signage, the original Pacific Highway had a vast number of signs that could be considered as distracting motorists and actually a threat to road safety. On the new Pacific Motorway signage has been rationalised. The motorway is designated as M1 and for the first time in Australia the exits are numbered. These numbers indicate the

distance in kilometres from Brisbane. The numbers are the same for both the north and southbound exits. It will now be possible to advise people to take, say, exit 22 which you will know is 22 kilometres from Brisbane on the M1.

Mr MICKEL: Very good.

Mr BREDHAUER: Exit numbers are also indicated on the advance signage to the approaching exit. Inclusion in street directories is currently being negotiated. Temporary black and yellow signs are being erected on advance signage. These temporary signs indicate up to three places or businesses that can be reached from this exit and will remain in place until January 2001. By that date, motorists should be familiar with the exit numbering system and local businesses and tourist attractions will have had time to ensure that their potential customers are familiar with the exit numbers through their promotional material and information. A special number of tourists signs will be erected. These are expected to be stylised signs that indicate features such as beaches, mountain scenery and marinas.

The CHAIRMAN: Thank you, Minister. The member for Lytton.

Mr LUCAS: I refer to the port motorway. Can I just say that I congratulate you and your department on securing the funding for the port motorway. It is one of the most important initiatives within my electorate and also for the economic development of Queensland with respect to the port of Brisbane. Can you let the Committee know what is the provision in the Budget for the construction of that Gateway port motorway and can you explain the financing arrangements and the time for construction to commence?

Mr BREDHAUER: I thank the honourable member and can I say that he has taken a very active interest in this project in his electorate, as he does in all matters relating to the port. I concur with him that I think this is probably one of the most important pieces of economic infrastructure that has been undertaken in Queensland for some time. Funding has currently been approved at \$111.3m for Stage 1 of the Brisbane port motorway, \$28m provided from the Port of Brisbane Corporation, \$44.6m from the Federal Government and \$38.7m from the State Government.

Main Roads is trialling a simulated public/private partnership model arrangement for the delivery of this port motorway project. Queensland Motorways Limited has been asked to consider being the principal

proponent for the private interest element of the project. Consequently, the company has been involved in a series of discussions to formulate the public/private partnership agreement.

Following further planning, it is proposed to include a third ramp at the Gateway port motorway interchange from the port travelling north. Funding to cover the increased scope of the project is estimated to cost an extra \$10m. The revised \$121.3m estimated cost represents an agreed scope of works by port of Brisbane to adequately service growing demands on the port and businesses in the area. Funding arrangements to cover this extra \$10m are currently the subject of discussions between the Department of Main Roads, port of Brisbane and the Commonwealth. Stage 1 of the proposal is expected to be completed by the end of 2003. There is \$23m in the Budget for 2000-01 under Queensland Motorways Limited. There are some significant geotechnical issues associated with soft foundation conditions along sections of the route which will control the delivery time for the project in the early stages.

Tenders are expected to be called before Christmas for this work to commence in early 2001 on the duplication of Lytton Road between the Gateway Motorway and Bulimba Creek. These works have been included as part of the port motorway Stage 1 project. So you will be particularly pleased to see that duplication of Lytton Road, I have no doubt, the honourable member for Lytton.

The CHAIRMAN: Has Main Roads resolved a location for the Caboolture northern bypass and what funding is provided for planning and construction in this Budget?

Mr BREDHAUER: The Caboolture northern bypass has been around for about 16 years, I think. The 1999-2000 to 2003-04 Roads Implementation Program, our five year rolling Roads Implementation Program, contains an allocation of \$40m for the continuation of this bypass from the Bruce Highway to the D'Aguiar Highway at Moodlu. A planning report has been prepared for the Caboolture northern bypass Stage 1. The report for the remaining Stage 2 will be completed within a month. Together, these two reports detail the recommended corridor location for the bypass. The recommendation has not altered substantially from the corridor identified over 16 years ago, so the planners must have done a pretty good job. That alignment was first published in the UBD Street Directory in 1987 and has been included in the Caboolture Shire strategic plan since 1988.

Property has been set aside either as part of development approvals issued by Caboolture Shire or, in some cases, by the acquisition under the department's Hardship Acquisition Policy at the property owner's request.

The only minor alterations involve the shape and size of the interchange layouts at either end and at the Beerburrum Road/Old Gympie Road area in the vicinity of the Caboolture showgrounds. The resumption process is currently under way to acquire the remaining property necessary to construct the bypass. The five year 1999-2000 to 2003-04 Roads Implementation Program includes an allocation of funds sufficient to deliver the State-funded portion of the project within the five year funding horizon of the program, but that would obviously be subject to approval of National Highway funding for the Caboolture northern bypass interchange with the Bruce Highway and construction could then commence in the next year or so.

That has been a long-running saga. I am very pleased that we are very close to finalising route selection there. Final discussions were with the Caboolture Show Society and others and we managed to have, we believe, most of those concerns resolved. There have been a number of hardship acquisitions and we have funding for this project in our forward program in the five year Roads Implementation Program.

Mr MICKEL: I refer to the Minister's answer before on the Tugun bypass. Looking at page 2-3 of the MPS, what other projects have you got planned this year in the Budget for the Gold Coast area?

Mr BREDHAUER: I thank the honourable member for the question. The Gold Coast is a very important region and it overlaps the area of a number of our members down there as well, obviously, as a number of coalition members who are on the Gold Coast itself. Investment in infrastructure in what is one of Queensland's most important regions and Australia's fastest growing areas is an important issue for the State Government.

I have already mentioned that we have set aside funds to complete the environmental impact statement and planning for the \$157m Tugun bypass. That is being done in conjunction with the EIS for the extension of the rail link between Robina and Coolangatta. There is \$3.3m to start the Gold Coast Highway Coombabah duplication from two to four lanes across the Coombabah Lakes conservation park. This will complete the upgrading to four lanes of the Gold Coast Highway. A \$5m contribution is being made to

the Gold Coast Heart of the City project in Surfers Paradise, to which the State Government has contributed a total of \$28.4m over four years from 1999-2000. Traffic demands through Surfers Paradise continue to compromise this significant tourist attraction. This project and other improvements to the road network will improve the amenity in Surfers Paradise.

An amount of \$5.2m has been allocated to start the Southport-Burleigh—the Bundall Road section—median division, intersection improvements and widening for a future six lanes. The improved capacity and safety on this major north-south link will help mitigate the traffic effects of the Surfers Paradise Heart of the City project.

An amount of \$11.4m has been allocated to continue the Nerang-Broadbeach Road four-lane realignment at Goodings Corner at Carrara. This road carries significant traffic and the start to its duplication to four lanes will improve safety and reduce congestion. An amount of \$6.4m has been allocated to start the construction of the Brisbane-Beenleigh Road for a four-lane realignment and railway overpass. Traffic on this major link continues to grow and the elimination of the railway level crossing will give significant improvements to the travel times between Logan City and Beenleigh, as the honourable member for Logan would appreciate.

So we have a very major infrastructure investment program under way there. In addition, of course, to the Pacific Motorway project, it is a very important piece of infrastructure for the Gold Coast region. I know that the Mayor, Gary Baildon, and other councillors appreciate the fact that this Government has actually put its money where its mouth is in terms of the Gold Coast, especially the Surfers Paradise Heart of the City project, which they talked about on a number of occasions with previous Governments but in fact it was this Government which delivered almost \$21m for that project.

Mr LUCAS: What provision has been made in this budget for planning of a new National Highway corridor in the Burdekin area? What is the current status of this planning? What processes are in place to ensure community involvement?

Mr BREDHAUER: I thank the honourable member for the question, and I acknowledge that the member for Burdekin is on the committee and has an interest in this area. The planning study for this project, which involves a new bridge and road approaches to

bypass the central business districts of Home Hill, Ayr and Brandon, commenced in October 1996 following a joint announcement by the Federal member for Dawson, De-anne Kelly, and the then Parliamentary Secretary for Transport, Senator Grant Tambling. I would like to put on the record at the outset that it was the Federal Government who initiated the process of this corridor study and Main Roads, as the administering body, has had to take up responsibility for it.

The study's original completion date of 1998 has slipped considerably due to a year-long embargo which was imposed by the then Federal Transport Minister, Mark Vaile. That was at the instigation of the member for Dawson, Mrs Kelly, who actually agitated for the project to stop for this period of time. The Budget includes \$550,000 of Federal Government funds to complete the planning study. The estimated final cost of the study is \$2.8m. A four-week public display of the findings and conclusions from the Burdekin bypass study commenced on 17 July and will finish on 12 August. Public submissions on the findings and conclusions close on 25 August.

Eight bypass alignment options were fully investigated and options 5, 1A and 6 had been shown to be the best options. Following consideration of public comment and submissions from key stakeholder groups, Main Roads expects to forward a recommendation on the most appropriate location for a second crossing of the Burdekin River and bypass alignment to me by the end of October 2000. The Burdekin community and key stakeholder groups were involved in the study from the start. They have been kept informed of the progress of the study and invited to provide comment at relevant times during its progress. A community reference group was formed in February 1998 to provide advice on the study process and, in particular, on the accuracy of local content in the various technical reports that have been produced. This group has monitored the adequacy of public consultation processes followed by Main Roads during the study and has rated them highly.

It has been a very controversial issue in the Burdekin area. I do not back away from that. I gave a commitment at the Whitsundays Community Cabinet meeting a couple of months ago that I would visit the Burdekin area. Yesterday I announced that I will be visiting Ayr next week. I intend to hold a meeting with community representatives who are interested to come along and meet with me and put their point of view, as I said I would. I also intend to meet separately with

representatives of the various stakeholder groups, and that will all occur on next Thursday, 10 August.

Mr MICKEL: Have they agreed on the colour of the bridge?

Mr BREDHAUER: Pink bridges will not be provided.

The CHAIRMAN: Going on to the Townsville ring-road, I understand that the Federal Government agreed some years ago to a proposed deviation of the National Highway around Townsville. What is the current timing for construction? Is there any funding commitment from the Commonwealth to the essential first stage, the Douglas Arterial?

Mr BREDHAUER: This has been a pretty hot issue in Townsville, too. During the early 1990s, Main Roads, Townsville City Council and the Federal Department of Transport and Regional Services reached an agreement to contribute to the construction of an interim—and I stress "interim"—National Highway route through Townsville via University Road, Nathan, Duckworth and Woolcock Streets to the Bohle. The total cost of this agreed roads package was \$50m approximately. All works were to be completed in 1998-99.

During the negotiation of this package, all parties acknowledged that the proposed Townsville ring-road would provide a future bypass of the more developed residential parts of Townsville and Thuringowa Cities and that it would ultimately become part of the National Highway when completed. So they all agreed at that time.

The project planning report on the Townsville ring-road Douglas Arterial section, which was submitted to the Federal Department of Transport and Regional Services in 1999, forecast the need for the following timing for construction of the various sections: Stage 1, the Douglas Arterial, by 2003; Stage 2, Shaw Road extension by 2006; Stage 3, Douglas Arterial, four-laning by 2009; Stage 4, Condon section, two lanes by 2011; Stage 5, the Bohle Plains section, two lanes by 2014.

Currently, it is expected that the full Townsville ring-road will be required to be operational by about 2014. The construction of the first section is required by 2003 to prevent unacceptable congestion on the current National Highway route at the intersection of Nathan Street and Ross River Road. As construction of the Douglas Arterial will maintain the required level of service on the existing National Highway route by avoiding congestion at the Nathan Street-Ross River

Road intersection and because it will form part of the Townsville ring-road, which is the medium to long-term National Highway route, I have requested that the Federal Government meet its obligations and fund Stage 1 of the Douglas Arterial. No official response to the request has been received from the Federal Minister for Transport and Regional Services. In the interim, the State Government has contributed \$7m as part of the current Roads Implementation Program to allow planning and design work for Stage 1 of the Douglas Arterial to progress.

Quite frankly, it is the Commonwealth's responsibility. It is part of the future National Highway network. As I said in respect of the Toowoomba range crossing, I would expect it to be funded by the Commonwealth and I would not expect it to be funded at the expense of other important National Highway projects. But if, as the member for Herbert seems to think, the State Government was going to put in half the cost, then that would detract substantially from the funds that I had available to fund the State controlled network. Quite frankly, I am not prepared to agree to that. It will be part of the future National Highway network that was agreed by all parties in the early 1990s, and I think that they should cough up.

The CHAIRMAN: Over to the member for Gregory.

Mr JOHNSON: Minister, in an answer just now to a question from one of the Government members about the Burdekin bypass, you gave a couple of options there. Could you just tell us what those options were? You made mention of a couple of options. Was option 5 one of them? I have a question for you. I just wonder what those—

Mr BREDHAUER: The options included 5, 1A and 6 of the 8. You ask your question.

Mr JOHNSON: I just wanted to get those options across my mind. In relation to the outburst from canefarmers in the Burdekin in expressing their opposition to Main Roads over where this new alignment is to go, you say you are going to the Burdekin next week. No doubt you will be meeting with some of the people in question. Is this final or will you still be entering into consultation with the people in the Burdekin for a final outcome?

Mr BREDHAUER: No. The reason I am going is so that I can personally listen to the views of the people in the Burdekin area. Main Roads has undertaken this project in consultation with the consultant—I think from memory it was Beard and Holland—that has assisted in determining the corridor. This

project started when De-Anne Kelly came out one day and said, "Congratulations to everyone in the Burdekin. We're going to give you a new bridge over the Burdekin River." Then they realised that, if you are going to have a new bridge over the Burdekin River, you have to have a road that goes to it on both sides. So they said, "You're not going to get just a bridge; you're going to get a new road that will bypass the towns of Ayr, Brandon and Home Hill."

In the longer term, we would have come to this issue anyway. But we are doing it now because the member for Dawson was big-noting herself at the time with Grant Tambling. I gave them a commitment that I would go up there. The community reference group has worked through the issues with us. The Department of Main Roads has gone up there. They have copped quite a bit of stick out of the process, and that is really unfair. All they have done is legitimately go there and do their job of public consultation with the community. They have been pilloried by elected representatives in a way that they do not deserve. They have been attacked by candidates from political parties in a way that they do not deserve. They are just people out there doing their job and doing so to the best of their ability.

I am going there next week. I have agreed to have a community meeting on Thursday between 11.30 a.m. and 12.30 p.m., which will give people an opportunity to put their views to me personally. We will then have a meeting with representatives of the key stakeholder groups. The Save Our Farms group will be invited to send representatives along to that meeting. It is the main opposition group that has got itself together in the Burdekin area. It will have two chops at it. It can come to the community meeting first and it can come to the stakeholder meeting with me afterwards. I am going there to listen to what their views are.

However, there is a view that the simplest way to solve the problem is just to upgrade the existing highway. If you choose to upgrade the existing highway, people need to be aware of the dramatic social impact that will have on homes and on businesses in the township of Ayr particularly. About 70 homes will be affected directly by property acquisitions. They are all constituents of the member for Burdekin. There will be dozens of businesses that are also affected by property resumptions, if we just want to expand the existing corridor. I am going up there to listen. No decision will be made until around October of this year.

Mr JOHNSON: You are familiar with the scenario. You know we are talking about prime agricultural land in the Burdekin River delta. They do not make any more of that type of land. You referred to the businesses and the private homes in those communities in question. I will be monitoring this issue very closely. It has always been coalition policy to progress the existing corridor and for the detour route to hug the towns in question. I would be very anxious to hear what the Ministers thinks about this following his visit there next week.

Mr BREDHAUER: The bell chimed when I was still in full flight with my answer. The cane farms and the impact on the sugar industry is an important issue for us as well. We believe that option 5 is the option that, on the range of criteria which has been studied, which includes impacts on agricultural properties, is the best. It does not matter whether you do another road corridor or whether you are simply upgrading the existing road to four lanes; the reality is that it will impact on private property and there will be a requirement for resumptions of residences. You are only talking now about Ayr. You have to—

Mr JOHNSON: I am talking about the whole lot—Ayr, Home Hill, Brandon.

Mr BREDHAUER: I suggest to you that it is impossible to do the appropriate bypass of all three of those areas without impacting on agricultural land and also without impacting on other private property, including residential and business properties. I would encourage you to have a look at the analysis. I understand that you are going up there to participate in a public meeting this weekend.

Mr JOHNSON: No, I am not.

Mr BREDHAUER: Sorry. I beg your pardon. There are others, though, who are going up. I urge them to have a look at the information that has been released in the study to date and particularly to have a look at those three options—5, 1A and 6. We believe that, on balance, taking into account all of the factors, including improving the road network so that it can carry the additional traffic that is likely to travel through the area, and the social and environmental impacts, when you give them an appropriate weighting, on balance they are the best options.

I want to stress that we have not made a final decision. I am going there next week with an open mind. I want to listen to the views of the local community. I am particularly interested to speak to representatives of the stakeholders who are there. I understand the concerns of the sugar industry and the farming

community in particular. We will be seeking to come up with a solution which provides the best possible outcome for all stakeholders. But it will not be possible to undertake a project of this significance without impacting on private property and so, as I say, you look for the optimum outcome—trying to minimise the impact on agricultural and private property and industry.

Mr JOHNSON: I refer to Opposition question on notice No. 1, which related to staff vacancies, which the department was unable to answer, and I ask: does the Department of Main Roads know how many permanent positions were vacant as at 30 June?

Mr BREDHAUER: I disagree with the sentiment that you have expressed. The answer that we have provided is in fact the actual answer. Main Roads and Queensland Transport have implemented the new payroll system in 1999-2000. It is known as Gateway. What you asked for were comparative figures between 30 June 2000 and 30 June 1999. That was your question. We told you that it was not possible to get the comparative figures over that period of time, because of the introduction of the new payroll and the cleansing of data on the payroll system. We provided the information that we thought would be useful for you in terms of employment figures in both departments, which concurs with the Ministerial Program Statements.

In respect of vacancies in both departments, essentially vacancies do occur from time to time. People go up into acting positions and there are casual vacancies. People retire and resign. Vacancies occur in accordance with those types of arrangements across both of those departments as they do across all Government departments and public sector and larger organisations. Generally speaking, if those positions are at the more senior levels you make acting arrangements to fill in for those positions and that can necessitate other acting arrangements down the line.

One of the important issues in Main Roads in particular is that we have had an aggressive program over the past couple of years of trying to reduce the number of consultants and contractors that we use by converting them to full-time staff. We have been employing full-time engineers in particular—increasing the pool of full-time engineers—and by doing that decreasing our reliance on consultants and contractors. Some people have suggested that the private consulting businesses might be concerned

about that. My view and my experience talking to those people is that they actually appreciate the commitment that the Department of Main Roads has to maintaining a strong professional capacity in its own right.

Mr JOHNSON: I refer to page 56 of the capital statement and the Budget allocations for the Pacific Motorway, and I note that \$16m is allocated for expenditure this year. I also refer to the bottom of that page in particular which indicates that the contingency for this is included in the "other construction" total of almost \$352m. How much of this allocation is contingency and how does it compare to outstanding claims currently on hand?

Mr BREDHAUER: Let me say that the outstanding claims always exceed the budget contingency. You would be surprised if it was otherwise. The Pacific Motorway project is proceeding towards finalisation, and the wind-down of the Pacific Motorway construction activity is reflected in our budget statements. We have had considerable success in negotiating outcomes in respect of a number of the packages that have already been completed on the Pacific Motorway.

I think the important thing is that significant contractor claims have come in. Primarily the reason why the contractor claims have been perhaps unusually higher than they might be is, first of all, because of the project size—it is one of the biggest single engineering projects undertaken in the country in recent time—but also because of the way in which your Government introduced it, to be quite blunt. You did not allow enough time for the planning and preconstruction activities so that a lot of this stuff could have been sorted out at that stage. You were building to a time rather than allowing yourself, the people from Main Roads and the project engineers the opportunity to take a little bit longer to do the planning and preconstruction activities. I understand why you did that. There were political imperatives behind that. So I understand why, but you need to understand that your decisions at that time have had an impact on the contractor claims now that we are having to deal with.

There has also been the issue of weather. Last year in particular and the year before we had extraordinarily wet seasons in south-east Queensland. There was above average rain and above average days of rainfall which impacted upon the construction activities. So I guess there were those three elements: the size of the project, the timing which was allowed for the preconstruction activities and the weather.

Three of the packages have been negotiated and agreed. Allan McLennan has been working as a bit of a troubleshooter down there with the contractors and is doing a very good job. He is not alone; Neil Doyle has played an important role, as have Bob Higgins and various others from the project team who have done an excellent job. The other three packages are yet to be finalised, including the package that is still under consideration. It would be unwise of me to give you what my expectation of the final outcome would be, because I am sure that would excite the contractors who still have claims out against us.

Mr JOHNSON: I refer to the Main Roads appropriations in the MPS on page 2-6 and in particular to the equity withdrawal of \$185m under "controlled items", and I ask: what controlled entities was this equity withdrawn from?

Mr BREDHAUER: It would probably be best if I give you a general explanation of how the equity return works. The Treasury definition of the equity return states that it is a periodic payment reflecting the opportunity cost to the Government of the assets held by an agency. The return is calculated as a percentage of an agency's net assets. The rate for 2000-01 is 6%, and Main Roads has received funding of roughly \$856.9m in the appropriation to cover this.

The introduction of the equity return was designed to provide agencies with an incentive to regularly review their asset holdings. In the case of Main Roads, that is stocks and materials, land, buildings, plant and equipment, in particular, the concept targets assets which are not adding value and may be incurring holding costs, such as maintenance and local government charges. 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: the sale will reduce the value of net assets held and reduce the equity return payment, and sale 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, the equity return funding will be increased to cover the new level of net assets. This will ensure that capital intensive agencies

are not disadvantaged. So our net asset value goes up by the Pacific Motorway, but the 6% increases to reflect that increase in net asset value.

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 those underutilised assets to improve service delivery.

Mr JOHNSON: I refer you to the financial performances of the commercial business units in the MPS on page 2-40 and to the reduction in net assets from an estimated \$3.3m last year to the actual of \$2.07m. Do you believe that such a return on a \$300m investment is commercial?

Mr BREDHAUER: Sorry, where are you?

Mr JOHNSON: MPS page 2-40.

Mr BREDHAUER: The specific issue again?

Mr JOHNSON: Do you believe that such a return on a \$300m investment is commercial when you look at the commercial business units and the reduction in net assets from an estimated \$3.3m last year to an actual of \$2.07m?

Mr BREDHAUER: So the increase or decrease in net assets—it was \$3.3m last year. That means that there has been an increase in our net assets for the business units of \$2m. The business units—

Mr JOHNSON: It is hardly commercial.

Mr BREDHAUER: I think the important thing to realise here—I am not entirely sure what your question is, I have to say. Have you got your MPS open in front of you?

Mr JOHNSON: Yes.

Mr BREDHAUER: If you look at the line above, they have actually paid a dividend to Main Roads of \$1.9m. So essentially they have done good work, it has been good value for the department; our business units are actually generating a return for Main Roads. It is not huge return, I am prepared to confess. It is \$1.9m, but I would rather have \$1.9m in my kit than a poke in the eye. Notwithstanding that, the value of their net assets has, in fact, increased by \$2m.

Mr JOHNSON: We are talking about a \$300m investment, though.

Mr BREDHAUER: No, the total equity of the business units is \$79m. So you have had an increase of \$2m over \$79m, which is not—you are confusing your recurrences and your capital there.

Mr JOHNSON: Not really.

Mr BREDHAUER: The \$299m and the \$302m represent the business unit turnover. Their actual equity total is \$79m. They paid us a dividend of \$1.9m and they still managed to increase their net value by \$2.070m. So I think that indicates quite strong performance by our business units and is not an issue for concern.

The CHAIRMAN: The time for questions from non-Government members has expired. My question to the Minister relates to MPS 2-21 onwards regarding State control of roads. The Ipswich Motorway is of great concern to me. It is the most congested urban road in south-east Queensland with a very poor safety record. Is there any funding in this Budget to fix that problem?

Mr BREDHAUER: I once again acknowledge the member for Mount Ommaney, who writes to me probably twice a week about the Ipswich Motorway.

Mr MICKEL: Probably because she was stuck in traffic.

Mr BREDHAUER: And she is not the only one.

Mr JOHNSON: Do you answer your correspondence?

Mr BREDHAUER: I always answer my correspondence, member for Gregory. As you know, I have answered many to you, signed them personally and put your name at the top, too.

Mr JOHNSON: I am just checking.

Mr BREDHAUER: The Ipswich Motorway is a very important link in the National Highway network in Queensland for which the Federal Government has funding responsibility. Over recent years, the State Government has consistently requested funding from the Federal Government for urgent improvements to this road. Safety and congestion are issues of continuing concern on the motorway. This is the issue that the member for Mount Ommaney raises with me on a regular basis. There have been 139 major accidents on the motorway in the past five years, which is unacceptable. Traffic volumes are now as high as 78,000 vehicles per day with up to 20% of those being commercial vehicles. A safety audit of the motorway prepared in 1997

identified priority works to improve safety. The Ipswich Motorway Road Safety Audit, dated 23 January 1997, which was during the time the member for Gregory was Minister, identified road safety improvements with an estimated total cost of \$42m. So far, works to the value of \$6m have been completed.

Both the IRTP and the National Highway Investment Strategy done at a State level identified the need to upgrade the motorway from four lanes to a six lane standard. Following my representations to the Federal Minister, the Federal Budget had some recognition of these needs. Some \$7m for urgent safety works was to be provided in 2000-01. Planning and design of improvements, including consultation, is now almost complete. Construction works will commence later this year. There was a further \$2m provided for concept planning of major upgrade works on the motorway to address congestion issues. We will complete that planning process over the next eight months. The preliminary estimate for the six laning works is in the vicinity of \$245m.

I will be continuing to lobby strongly for the Federal Minister to provide sufficient funding to complete this urgently required upgrading of the Ipswich Motorway which, once again, is a Federal Government responsibility. In relation to the audit which identified road safety improvements required to the tune of \$42m, so far we have not seen a lot of delivery. There has been a bit of improvement this year, but we still have a long way to go on the Ipswich Motorway. I hope the Federal Minister is listening to our pleas.

The CHAIRMAN: So do I, Minister. Thank you.

Mr MICKEL: Minister, I want to follow up that question in relation to Federal funding. I know that the Federal Government has given us the GST and high interest rates, but what new projects and roads has it given us? Has it honoured all its commitments? How does Federal funding to Queensland compare with other States?

Mr BREDHAUER: The only new projects provided for in the Federal Budget for National Highways and Roads of National Importance in the year 2000 include \$5.8m as part of the \$12.9m in extra funding over three years for mass limit bridge upgrades. That was announced by John Anderson in July last year but was actually included in this year's Budget. There has been \$5.5m towards Brisbane Port Road, which, once again, was announced last year but which is in this Budget, and that is welcomed. There is \$8m towards a \$9m

allocation for urgent safety works on the Ipswich Motorway. I have already mentioned the \$7m plus the \$2m for planning which will be split over two years. There is also \$1m for planning the Cooroy-Gympie section of the Bruce Highway as part of the Federal Budget announcement.

The Federal Budget outcome did not reflect extra funding for the additional commitments outlined above. Rather, these projects were accommodated within the previous Federal Budget allocation announced in 1999-2000 by slowing down the cash flows on previously announced projects such as Yandina-Cooroy, which leave a cumulative budget shortfall against earlier budget forecasts of \$23.28m in 2001 and \$15.98m. Following my representations at a ministerial level, John Anderson has now confirmed that \$10m of accelerated works funding will be reinstated in 2000-01 and he will honour all previous funding commitments within the agreed time frames and ensure that Queensland's 1999-2000 carryovers are reallocated in 2000-01. The Federal Budget also reaffirmed funding for other major projects on the National Highway system which had been previously announced.

Generally speaking, though, the member asked how Queensland was treated. The Federal Government decided in 1996 that it was going to slash \$620m from the National Highway budget. We have had a slight increase in Federal funding this year, but what that Federal funding has done is restore Queensland's National Highway funding to what it was in 1996-97. So we are basically marking time with where we were in 1996-97, notwithstanding the fact that we have had substantial population growth and growth in industry and business which would warrant additional funds from the Commonwealth. In terms of our treatment vis-a-vis other States, I think everybody has copped it in the neck. When it cuts \$620m from the National Highway budget, no-one escapes, but we have been hit harder than most.

The CHAIRMAN: Minister, you recently tabled in Parliament your response to the parliamentary inquiry into maintenance of the State controlled road network. What were the key findings and the implications for Main Roads?

Mr BREDHAUER: The committee endorsed the approach of Main Roads to its relationship with local government, recognising Main Roads' unique relationship with local government in managing and maintaining the State's road network. It was this good

relationship that enabled Main Roads and local government to achieve the significant productivity gains as a direct consequence of the road reform initiative over the past five years. This level of success will allow both levels of Government to collaboratively determine future goals. An even closer partnership would allow both to reduce overlap and improve efficiency in purchasing road construction materials and plant, better usage of the plant available and managing and training of field staff. We are both working very closely together to achieve that now.

With regard to the productivity gains, Main Roads is pleased to note that the committee found that Queensland has achieved the roadwork efficiencies that it and other States had been aiming for. But, in Queensland's case, this has been able to be done without sacrificing jobs in local communities. All honourable members would appreciate the importance of that. We do not believe that the private sector necessarily does it better. We have maintained both local government and the Department of Main Roads' own construction and maintenance workers.

Queensland worked cooperatively with local government and the private sector to achieve a 20% increase in road maintenance productivity over five years whilst guaranteeing employment in rural and remote areas. Many local government representatives who appeared before the committee indicated that there had been a flow-on benefit to local government with significant efficiencies in delivery of their own maintenance programs. Main Roads also believes that there are efficiencies available through using larger, longer-term maintenance contracts by providing a longer period of certainty. Longer-term maintenance contracts allow decision makers to achieve more effective and efficient planning for works, purchasing, plant usage, labour requirements, capability needs and associated training requirements.

We recognise the need to find the right balance between maintaining the existing asset and enhancing its capacity through new construction works. The department achieves this by assessing projects under environmental and social criteria, in addition to economic benefit. The department will continue to work with Premier and Cabinet, Queensland Treasury, the Department of State Development, its Federal counterpart, local government and the private sector to explore opportunities which provide better roads sooner. Improved roads make good economic and social sense as they improve basic community access. On balance, the

committee's findings were positive. They reflected well on Main Roads, but they demonstrated that we have a substantial task ahead of us still.

Mr LUCAS: An issue which is raised frequently with me and which affects my electorate relates to the Gateway Bridge and the Gateway Motorway. You indicated, of course, that Stage 1 of the port motorway will have some upgrade component for the Lytton Road duplication. Also, during peak hours there are significant queues at the toll plazas on the Gateway Bridge. What is your department proposing to do in relation to this and is there any allocation to look at those sorts of issues?

Mr BREDHAUER: Over recent times we have expanded the toll plazas available at the Gateway Bridge—I actually participated in an opening there a little while ago—and that has increased the capacity of the toll plazas on the bridge. Nevertheless, the Gateway Bridge is actually approaching its peak capacity and our ability to further extend our toll plaza network is limited. There will be some further efficiencies gained on the Gateway Motorway and in toll collections in particular through the process of improving automatic, electronic toll collection. We are among the leaders in the country in respect of automatic toll collection. QML, in particular Terry Brown, the chief executive, is in high demand in countries that are developing their road networks for the advice and information that he can provide.

Obviously in the not-too-distant future we will be requiring an additional crossing to essentially duplicate the capacity of the Gateway Bridge. As part of the port road project we have done some preliminary analysis of where a new crossing is likely to be required. We will also need to look at that issue in the context of the wider transport issues in the north-east Brisbane region, I guess—particularly linking it in to both the port and the airport, which are major trip generators in that area. As part of the development of the port road planning and design work, we have taken into account the likelihood that that road will be intersected at some point by a new crossing of the river. We have actually taken that into account in the planning and design.

Mr LUCAS: They will not have to rip it up and redesign it.

Mr BREDHAUER: Yes. The current indications show that, if all other things remain equal, the likelihood is that we would pretty much duplicate the existing bridge not too far downstream of the existing bridge. That would give, obviously, substantially extra capacity.

That is the kind of arrangement we are looking at. In the meantime, we will continue to work on improved toll technologies. I should say that we do not have anything like the problems of queuing at tollways that they do in some other places, but we are conscious of the need to keep motorists moving through those areas.

Mr MICKEL: In my electorate there has been considerable comment about the GST and its impact on the tolls. I notice that the ACCC ordered the motorway company to do something about that. What were the reasons the tolls have increased over and above the GST? Can I say: my constituents thought the motorway company's handling of this was a bit ordinary.

Mr BREDHAUER: It is not true to say that the ACCC forced QML to do anything. What QML advised at the time was that there was an increase in the tolls brought about as a result of the GST, plus rounding up. There is a business case for rounding up: additional costs that have been incurred by QML and the fact that there have actually not been any toll increases for quite a number of years. We recognise the price sensitivity of the community in respect of the tolls. The ACCC—

Mr MICKEL: What gets up the noses of people in my area is that the Sunshine Coast toll was abolished. They seem to be travelling for nothing, whereas my electorate is a little bit poorer heeled, if I might say.

Mr BREDHAUER: I understand those concerns. There is a degree of inequity, I guess, that a Government would eliminate the tolls on one particular motorway in one particular member's backyard but leave others to continue to pay the tolls. Nevertheless, my budget does not have the capacity to absorb the elimination of tolls. We are already sacrificing something like \$11m a year for the next 13 or 14 years. That is money taken away from the State controlled road network to accommodate the decision that was made in relation to the Sunshine Coast. I am not going to rehash all of that. The decision has been made. I have to live with it. The people of Queensland have to live with the impact on—

Mr MICKEL: But you know how that gets up the noses of my constituents.

Mr BREDHAUER: The issue, though, is that the ACC said it did not believe QML had given a sufficiently detailed explanation of the reason for the toll increases. QML ultimately acknowledged that it could have done a better job in that regard. Notwithstanding that, there has been no suggestion that the increases which were implemented to the tolls were improper or in fact illegal.

I guess as a gesture of goodwill, QML said it would give motorists using the relevant motorways a toll-free day. I think we decided that 16 August would be the appropriate day to do it. It was a joint agreement with the ACCC, which acknowledged that we had not actually done anything wrong but believed we could have done a better job of explaining it to people. On the final analysis I, in discussion with the department and QML, took the point, so we said we would agree to that. We took out some ads to explain the reason in more detail and then subsequently agreed to the toll-free day.

The CHAIRMAN: Government has given a strong commitment to jobs and training. What provision is made in the Main Roads budget that will improve job opportunities, skills and training? Is departmental recruitment addressing key issues for diversity?

Mr BREDHAUER: I think Main Roads is continuing to enhance its profile as an organisation that is reliable, well managed, well skilled, etc. In respect of job creation, skilling and training, Main Roads will employ 300 graduates, trainees, apprentices, cadets, work experience students and scholarship holders over a three-year period under the Graduate Trainee Employment program.

During the last financial year Main Roads employed 100 new starters and provided work experience to 20 students under this program. As part of the Graduate Trainee Employment program initiative in 2000-01 the department will employ 76 graduates, five cadets, 63 trainees and offer 11 scholarships, three of which will be Aboriginal and Torres Strait Islander scholarships. Employment is in a wide range of areas: civil engineering, technology, town planning, accountancy, law, soil testing, civil construction and many others.

Through the enterprise development process, Main Roads has provided the opportunity for staff to obtain recognition of their skills and obtain a nationally accredited qualification. Approximately 200 staff are currently taking advantage of this opportunity. Under the new enterprise agreement the department is also committed to the implementation of the national Public Service training package to applicable employees.

In respect of work force diversity, Main Roads employs approximately 4,500 public servants, Crown wages employees, casuals, temporaries, contract staff and consultants. Main Roads basically has a largely male, ageing work force and we face the loss of critical experience. Work is well under way to address the department's gender imbalance.

In fact, we are currently exceeding targets which were set for ourselves. I am not particularly proud of these gender figures, I have to say, but they do indicate that we are heading in the right direction.

Current figures reveal that 9% of Main Roads senior executive and senior officer positions are held by women. Nine per cent is not a very high proportion, but in 1998 this figure was 3%. We set ourselves a target then of 6.9%, so we have exceeded that target. That was the target for the end of this year. Women in middle and upper management currently represent 20% of the work force, which is still not particularly high, but in 1998 this figure was 11.8%. The target we set ourselves for the end of this year was 12.5%, so once again we have substantially exceeded our target.

Main Roads continues to provide increased opportunities to attract women, indigenous people, people with a disability and people from non-English speaking backgrounds. I think we are doing a great job in trying to improve the diversity, the skill levels and the training which applies to all of our employees.

Mr MICKEL: I have another question about the tolls. What priority is being given by the State Government to getting the trucks off Kessels Road, including by removal of tolls for trucks on the Logan Motorway?

Mr BREDHAUER: The problem with Kessels Road and Mount Gravatt-Capalaba Road is that it is essentially part of the National Highway network. It is through what is a heavily populated area. I have had many representations from the member for Greenslopes, from the member for Mount Gravatt and from the member for Mansfield particularly. The member for Mansfield has beaten a path to my door. I have also had representations from the member for Sunnybank. All of those people have worked very hard with me to try to make sure that we address the issues of concern.

It is part of the National Highway. One of the things that we did was an origin and destination survey. The origin and destination survey actually indicated that a significant proportion of the traffic is actually locally based. So taking the through heavy vehicles out is not the big solution to the problem. We could reduce by about 20%—maybe a little more—the heavy traffic on those roads if we could get more people to use the southern bypass—it is longer and it does have the toll—but it does not have the big impact, because most of the traffic is actually locally based in

that area, and they will continue to use that road, irrespective of what the tolls or the other provisions are.

The member for Mansfield in particular has been ceaseless in making representations to me. He has actually been in the office. He has talked to Main Roads people. He has talked to people on my staff. He has talked to me on many occasions really searching for options. Most recently, I have actually written to the Federal Minister for Transport, John Anderson, because it is part of the National Highway, and I have suggested that we really do need to have a detailed kind of transport study which would help us to identify possible solutions and to really get the community involved.

The member for Moreton kind of sits back on the sidelines and throws stones at everybody. I wish he would play a more constructive role, to be honest with you. It is in fact National Highway. It is the Commonwealth's responsibility to undertake whatever works would be required there to solve some of these heavy vehicle problems. But instead of doing that, he is out there carping and criticising. The member for Mansfield, by comparison, with his parliamentary colleagues whom I have already mentioned—the members for Sunnybank, Greenslopes and Mount Gravatt—are actually in there working with us trying to find constructive and positive solutions.

With an allocation of about \$1m from the Commonwealth, I think we could actually pull together a reasonable study that gave people an opportunity to get their ideas on the table, to get Main Roads thinking about it. I have written to John Anderson very recently asking for that contribution so that we can do that work.

The CHAIRMAN: That completes the Government block. Over to the member for Burdekin.

Mr KNUTH: Minister, previously you stated that a bypass based on widening the existing corridor utilising Bower Street, the existing heavy vehicle bypass, would be impacting on too many residents in the Burdekin. Main Roads has insinuated that I support this bypass, but I have never done so. Very little has been mentioned by Main Roads about utilising Queensland Rail property adjacent to Bower Street and the realignment of railway tracks. This corridor would not impact on residents. Why do we have to have four lanes at this section of highway when it could be structured to accommodate traffic at a slower pace utilising an improved section of that road

but not necessarily structured to comply with the so-called National Highway strategy?

Mr BREDHAUER: National highways are funded by the Commonwealth, but Main Roads is actually the agency that is responsible for administering the program that delivers the roads and for managing the National Highway network directly. There are expectations of us in terms of delivery. If the Commonwealth is actually going to give us the money at some stage to undertake this upgrade of the National Highway network, it wants to know that it is going to deliver the kinds of expectations that it has of the National Highway network. I am pleased to hear you say that you do not support—

Mr KNUTH: The removal of seven houses.

Mr BREDHAUER:—the option of upgrading the existing alignment to four lanes. It is very important that we get it on the record that you do not support that proposal, because that has been the view that has been put by quite a lot of people in your electorate, and I am pleased to hear your views on that.

The issue in relation to the rail corridor is that, as you say, it would require realignment of the railway lines itself, so you start to get into serious complications and additional cost in relation to those issues. You also still need access roads in that area, and there would be substantial traffic impacts and potential property resumptions in terms of servicing.

As to your notion that we could just have a lower standard of road and slow traffic down—if you were going to accept that kind of outcome, you would not do anything at all; you would just stick with the existing two lanes and people could crawl through Home Hill and Ayr and Brandon—or the other way around, depending on which way they are travelling—at whatever speed we designated.

Mr KNUTH: That is not what I am saying at all. You are a north Queenslander and are aware that we do not have too many four-lane highways up that end of the country. I travelled around the south-east corner very recently, and I saw on many occasions four-lane highways turning into two and three-lane highways. If it can handle that amount of traffic down here, why can it not be done up there?

Mr BREDHAUER: What we are looking for is four lanes, which is two lanes in each direction. Generally speaking, what we are looking for in respect of the National Highway upgrade in the Burdekin area is that we are looking very much into the future. We are talking about a project that is unlikely to be constructed for about 15 years—

Mrs PEUT: Or more.

Mr BREDHAUER:—or more. That is why we were taken by surprise a little by the member for Dawson's announcement that we were going to have this study in the first place, because it was on such a long-term planning horizon—of about 25 years at that time—that we did not think it was necessary to undertake the study at that time. There has been some criticism of Main Roads in that respect.

So we are talking about traffic volumes not at their current levels; we are talking about traffic volumes in 25 years, or say 15 to 20 years, when the road might be built. But then when you build the road, you do not build it for the traffic volumes at that time; you build it so that it can accommodate increasing traffic volumes for another 25 years. So we are actually having to take that kind of planning horizon on the work that is being done on the corridor.

The reality is that the only way you can successfully bypass the three towns of Brandon, Ayr and Home Hill and deliver the kind of long-range road outcomes that you are looking for for the National Highway is to have two lanes in each direction, a dual-lane carriageway through that area. There may not be large areas of dual-lane carriageway in north Queensland at present, but you and I will live to see, I suspect, much more of it over coming years. So you are looking a long way out. You are looking at approximately doubling the existing traffic, a projection that we will double the existing traffic. The existing highway has some capacity to accommodate growth, but you would need a dual-lane carriageway for the National Highway in that area to accommodate that kind of traffic growth.

Look, it is a difficult issue. I appreciate where you are coming from in respect of the upgrade of the existing highway and that you do not support widening the existing highway to accommodate four lanes. I am glad to get that advice.

Mr KNUTH: I will just verify that. I do support the existing highway, but I do not support the widening of Bower Street.

The CHAIRMAN: Is that a question?

Mr KNUTH: No. The Minister is misleading Hansard here, and I want to verify my statement.

Mr BREDHAUER: I apologise if I have misled Hansard! I thought he said he did not support—

Mr KNUTH: No, I do not support widening the road at Bower Street.

The CHAIRMAN: Is that a question?

Mr BREDHAUER: I will not take another three minutes of your time, Vaughan; I will let you have next crack.

Mr JOHNSON: I refer to the development of the STREAMS intelligent transport system—and I refer again to MPS 2-20—being developed in conjunction with Brisbane City Council and ask if there is any capital investment in this project by the Department of Main Roads and, if so, how much? In relation to the intellectual property rights regarding the system, is this equally shared with the Brisbane City Council?

Mr BREDHAUER: I am appreciative of the honourable member's question. I guess I was a little surprised when I became the Minister to know that in south-east Queensland, even in the Brisbane CBD area, we actually have two separate traffic management systems. There is kind of the STREAMS, which is the one that we operate, and there is the BCC one which is called, I think from memory, BLISS. Essentially, depending on whether you are on a State-controlled road or a local Government-controlled road you have got—the two systems do not interact and talk to each other. In this day and age of technology, I find it extraordinary that we cannot organise ourselves a bit better.

Last year Lord Mayor Jim Soorley and I actually signed a memorandum of understanding, and we did it very publicly in the full glare of media attention—so it was not a secret MOU—and what we agreed to do was to progress towards a common traffic management system between the two departments. We have allocated about \$2.4m for work. This can happen at a couple of levels and eventually we will move to a situation where we have an integrated traffic management system across both jurisdictions in a very high-tech centre. It is at a cost of around \$15m or \$16m. We do not have that kind of money available at the moment but we believe we can make significant advances with an allocation this year of \$2.4m from the State Government. That will look at specific intersections. It will look at issues like bus priority and those kind of things so that we can improve the efficiency of public transport services.

Issues in relation to intellectual property rights—at this stage there will still be two systems which are operating. We are working out the integration and linkages between them so that both jurisdictions will retain intellectual property rights to their respective systems, but as we are doing with integration of transport

through initiatives like CityTrans and integrated ticketing and a number of issues like that, I think progressively moving towards a common traffic management system for the CBD and south-east Queensland is essential if we are going to manage the kind of traffic flows that we are going to have on roads in the CBD. So I think that pretty much answers your question.

Mr JOHNSON: I draw the Minister's attention to the situation of Road Transport Construction Services, RTCS, in western areas particularly. After your Government's Cabinet meeting in Winton earlier this year there was a bit of angst amongst RTCS employees in Winton, in particular. Can you guarantee that RTCS employees will have continuation of employment in those western regions and that their employment will not impact on local government personnel in the same proximity as those RTCS units?

Mr BREDHAUER: I am happy to deal with this issue. There were some specific concerns that were raised by RTCS in Winton and I appreciate that both as a former Minister and as the local member you have a genuine concern in that regard. Can I say that it is a concern that I share. Our Government is committed to continuing employment for both RTCS in regional and rural areas and also we are committed to guaranteeing minimum levels of funding for local governments so that they in turn can guarantee employment for their roads work forces.

I have mentioned in answer to a previous question the significant efficiencies that the road reform strategy—done collectively by us and local government—has delivered, 20% increase in productivity over the last five years. I guess it is that kind of initiative through the road reform initiative and the productivity achievements that we have derived there that enable us to justify with an absolutely clear conscience that we can continue to have contracts with local government on a sole invitee basis through the APPCs and various others that we do. In fact, we look at ways in which we can improve that, possibly even, as I mentioned, by having longer term maintenance contracts. I, like the member for Gregory, represent a large rural and remote constituency with a significant number of local governments. I know how important the support that Main Roads gives to local government by guaranteeing funding for roadworks is. I also know that the RTCS workers as one of our commercial business units—and I have to say that some of the honourable member's parliamentary colleagues have taken a few swipes at some of our business units over recent times,

especially Plant Hire Services, but as you know and I know, the people who work for RTCS and Plant Hire Services live and work in our towns; they shop in our local stores; they send their kids to the local school and they really are a fundamental and important part of our local communities.

In respect of the Winton case in particular, sometimes we need to look at ways in which we can package work so that we make sure that we do continue to have work available. We have even looked at ways in which we might be able to guarantee work for people in situations where there is a drop-off in work that we have got available, but RTCS are also winning contracts in their own right to generate their own work, but I will continue and give a guarantee to the member that we will continue to provide work both for RTCS workers and for local government so they can maintain their work forces.

Mr JOHNSON: I thank you for that, Minister. Does your Government have an objective strategy for new roads and maintenance of the existing State-controlled road network over and above the existing RIP program? So what I am saying here, Minister, is do you have a policy statement as such where you are looking at exploring new road initiatives and looking at ways and means of upgrading the maintenance factor of the existing network over and above the current RIP?

Mr BREDHAUER: If I understand the question you are asking—we have a range of strategic road planning documents. We have got a national highway strategy, we have got the State strategic roads program and we are actually working on the concept with local government of actually trying to break down, I guess, some of the barriers which—they are artificial to an extent—exist between the operation of road network planning. By that I mean what we think we should be looking at is the overall road network strategy rather than saying, well, this is a local government road, this is a State-controlled road and this is national highway.

Mr JOHNSON: You are saying identifying the demarcation as such?

Mr BREDHAUER: The demarcation will always be there. I am not interested in going to local government and saying, "We want you to take all of this road over", or, "We want to take over these roads which you control." But what we want to look at in terms of a funding basis—and this, as I say, is in its preliminary stages and we are having consultation with the

Local Government Association, we want to say what are the road transport—are you all right?

Mr JOHNSON: Yes, I have just got a back problem. Don't take any notice of me.

Mr BREDHAUER: The road network strategy is looking at planning the road network rather than saying, "Well, look, that bit of road over there is yours, you have got to fund it. That bit of road over there is the Federal Government's, you have got to fund it and we will look after this bit here". We are actually trying to take a more holistic approach to planning the road network and then saying what are the requirements of this road network and how do we collectively work together, including with the private sector, to deliver the kind of industry needs that are necessary here or the community needs that are necessary here, depending on where it is.

So, yes, we are working on those kinds of initiatives. I think that it is important to recognise that we have to do that in cooperation with other levels of government. But the kind of outcome that we are looking for is not to have, as I say, demarcation disputes between the different levels of Government and saying, "We will fund that because it is ours but we will not fund that because it is yours", but to look more strategically as to how we plan and fund the road network.

We also have a National Highway strategy, which I sent off to John Anderson in April of last year. He still has not formally acknowledged receipt of the National Highway strategy, which I think is a bit of a shame, because what we have tried to do is to say that we were not looking for a funding commitment, obviously, but we have tried to take a longer-term view—as Main Roads has done a very good job of this forward planning, in my view—of what the road requirements in Queensland are likely to be.

Mr JOHNSON: Minister, relative to the current upgrading and future upgrading of the Barkly Highway, particularly the section between Cloncurry and Mount Isa, the controversy which both you and I have witnessed there over the last number of years and which we are now currently experiencing with the curfew on heavy transport—the Type 2 road trains—do you envisage now, with some of those works coming to fruition, that you will lift that curfew on that commercial traffic for the appropriate reasons? I am talking here about livestock transportation through to the Territory and also heavy freight going through to the Territory and the importance of the viability of that commercial traffic.

Mr BREDHAUER: I know that the member for Gregory has been a vigorous campaigner both in Government and in Opposition for increased funding for the National Highway network, and especially the Barkly Highway. It is one of other most important freight routes in and out of Queensland, not just for livestock but especially for livestock freight.

I had the situation put to me around about 18 months ago in relation to a campaign that was being waged to have the Barkly Highway opened to unlimited access by Type 2 road trains. In consultation with both of my departments, I took the decision that, for safety reasons, the current curfew arrangements were relevant and should be enforced. Notwithstanding the fact that my representations to the Federal Minister for Transport and Regional Services have been successful in securing a package to upgrade the road between Cloncurry and Mount Isa—that work will take some time; it is due to occur over the next three years, I think it is—I will constantly review the curtailment of access by Type 2 road trains.

But I do not want to mislead you, and I will be up front about this: I am not going to allow as-of-right access for Type 2 road trains until I am certain that the safety elements of the road are satisfied to the extent that I can make that decision with a clear conscience. I do not think that you can compromise on road safety. I do understand that it is causing inconvenience and cost to industry, particularly to livestock transporters, and I am very sensitive to their needs. That is why I will not keep the restrictions in place for one day longer than I need to. There has been another review of those arrangements, which has come past me in the last month or so. My decision in consultation with the two departments was that the restrictions should stay. But I can assure the honourable member that as soon as I am satisfied that it is safe to lift the restrictions and to allow as-of-right access to type two road trains, then I will do that.

The issue we have—and you know this and I have heard you talk about this—is that there are a significant number of responsible operators, and the vast majority of operators who cart livestock are responsible, but there are cowboys in the industry and I will not put the lives of Queenslanders or people using that stretch of road at risk until I am satisfied that it is of a high enough standard to have as-of-right access for Type 2 road trains.

The CHAIRMAN: Thank you, Minister. Non-Government question time has expired. I

have a question about the Springfield/Ipswich planning studies. There are a number of planning studies currently under way in the Springfield/Ipswich area. For what purpose? What funding is provided in the State Budget? What level of involvement will the community have in this planning? When will any new roads be built as a result?

Mr BREDHAUER: There are a number of studies in that western corridor, which are either under way or are planned—the western Ipswich bypass, the Ipswich motorway planning study and the south-west arterial, which is the Springfield-Ripley study. The western Ipswich bypass study is investigating the need and options for a bypass to the west of Ipswich between the Cunningham and Warrego Highways. The study is estimated to cost approximately \$800,000. It is scheduled for completion by mid 2001. The study was identified as being needed in the IRTP for south-east Queensland so that a corridor could be protected for the future. Construction is not proposed in the current five-year program. The Ipswich motorway planning study has been allocated \$2m by the Federal Government—I mentioned this in answer to a previous question—and it will investigate options to upgrade the motorway to six lanes. The study, which is now commencing, will take up to two years to complete. The upgrade is considered to be a high priority. However, construction timing is subject to the availability of Federal funding.

The south-west arterial Springfield to Ripley study will investigate the need and options for an extension of the recently opened road to Springfield through to the Cunningham Highway. The study, estimated to cost in excess of \$1m, will commence later this year and take up to two years to complete. This is another study identified in the IRTP for identification and preservation of a corridor for the future. As the study is yet to confirm the need for this road, no construction timetable can be advised.

Each of the studies does or will involve an open, accountable and comprehensive consultation program with all stakeholders, including members of the community.

The CHAIRMAN: The time allotted—

Mr BREDHAUER: Pardon me, Madam Chair. Just before you conclude—as I did in the first session, could I thank those people from the Department of Main Roads who have supported me here today. A lot of the spadework, obviously, has been done over recent months in preparing the Budget and the Budget Estimates. I would also like to

place on record my appreciation of the Committee. I think that we have handled this in a very constructive and cooperative way. I thank the Hansard staff, the parliamentary attendants and others who have supported the process here today.

The CHAIRMAN: Thank you. The time allotted for the consideration of the Estimates for the Transport and Main Roads portfolio has expired. Thank you, Minister, and advisers and departmental people here today for your assistance and attendance. The transcript of this part of the hearing will be available on the Hansard Internet Quick Access web site within two hours from now. The hearing is now suspended until 1.45 this afternoon. Thank you.

Sitting suspended from 12.47 p.m. to 1.51 p.m.

PUBLIC WORKS AND HOUSING**IN ATTENDANCE**

Hon. R. E. Schwarten, Minister for Public Works and Minister for Housing
Public Works—
Mr M. Grierson, Director-General
Mr G. May, Deputy Director-General
Mr L. Clarence, Group General Manager, Queensland Services Group and General Manager, QFleet
Mr D. Gilbert, Director, Built Environment Research Unit
Mr W. Pashen, Assistant Director, Budget Division, Finance and Information Technology
Mr J. Scrivens, Director, Legal and Contractual
Mr T. Waters, General Manager, Q-Build
Mr T. Woodward, Director, Finance and Information Technology
Housing—
Ms L. Apelt, Director-General
Mr I. Fulton, General Manager, Housing Finance
Mr D. Short, Manager, Budget and financial Reporting
Ms L. Hewlett, Policy Adviser

The CHAIRMAN: I declare the hearing open. On behalf of the Committee, welcome, ladies and gentlemen, to our hearing. I am Julie Attwood, the member for Mount Ommaney and chair of this Committee. My fellow committee members are: Vaughan Johnson, the member for Gregory and the deputy chair; Jeff Knuth, the member for Burdekin; Bruce Laming, the member for Mooloolah; Paul Lucas, the member for Lytton; and John Mickel, the member for Logan. The next portfolio to be examined relates to the Minister for Public Works and Minister for Housing. I remind the Committee and the Minister that the time limits 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. I will allow more time for answers if the questioner consents. The Sessional Orders require that at least half the time for questions 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 opening statements. For the benefit of Hansard, I ask advisers to the Minister to identify themselves before they speak. Members of the public are reminded that they cannot participate in today's proceedings. Sessional Order 195 provides that strangers to the Parliament may be admitted or excluded from the hearing at the pleasure of the Committee. If anyone attending today has a mobile phone or pager, please switch it off while in the Chamber so as not to disrupt the proceedings. The time allotted for 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: Last year presented its fair share of challenges for the Department of Public Works. All areas of the department had to devote considerable time, energy and resources to addressing Y2K risk management and then to preparing for the introduction of the GST. The business units continue to face trading pressures, particularly those in the printing and construction markets. Our built assets took a pounding in north Queensland, where several cyclones and floods caused extensive damage.

On a positive note, the department completed several major capital works projects. These included the Brendan Hansen office building in Hervey Bay, the second stage of the Cairns Convention Centre, and the new Brisbane Watch-house and courts complex. One has only to drive past the old Roma Street railway yards to see the transformation occurring there.

On the employment front, I am pleased to report continued recruitment by the department of large numbers of apprentices, trainees and graduates—young Queenslanders being given skills and the chance for a future. However, my highlight for the year was the approval by Government in June of a new State Purchasing Policy. I promised a new purchasing policy that would benefit regional suppliers, and that is just what

we have delivered. This financial year starts with the challenge of implementing the new State Purchasing Policy throughout Queensland. It also starts with the challenge of delivering a record capital works program with a building and construction industry that still awaits with trepidation the impact of the GST on that industry. I am proud of the department's achievements during 1999-2000 and would be pleased to answer any questions relating to that year and our plans for 2000-01. I thank the officers here today for putting a lot of effort into Estimates preparation and for a job well done during the year.

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

Mr LAMING: Minister, I refer to page 1-25 of your MPS and in particular to the operating statement, and I ask: can you guarantee the accuracy of the estimated actual figures contained in the 2000-01 Budget papers?

Mr SCHWARTEN: Mal Grierson can answer that. I suppose so; he would not have written them down for fun.

Mr GRIERSON: When you say "the accuracy", estimated actuals were, as they say, estimated some six weeks ago when the MPS were prepared. We are still in the process of finalising the year's accounts. But that was estimated six weeks ago.

Mr LAMING: To what level of accuracy can you guarantee that?

Mr SCHWARTEN: This is a serial question; I heard someone else ask this question this week. The Opposition office has obviously put that one down. Just do the best you can with it.

Mr GRIERSON: The estimated actuals on page 1-25 show a loss by the department of some \$17m. In fact, I think when our annual reports come out in October this year they will probably show a profit of some \$30m rather than a loss. The reason for this is that the Auditor-General is now discussing with us the Roma Street land and is suggesting that that may have to be included in our department's building portfolio as an asset. If that is the case—and that decision has not been taken—that would change those figures considerably.

Mr LAMING: With the figures as they stand at the moment, could you give perhaps a guarantee that you are within 2%?

Mr GRIERSON: No, I cannot give a guarantee within 2%. I have just explained that if the Auditor-General requests us to include Roma Street land, which is worth some \$45m

to \$50m, in our assets that will be way outside 2%.

Mr LAMING: If you excluded Roma Street from the question, how accurate do you believe? Do you believe within 2% excluding Roma Street?

Mr GRIERSON: I do not have a calculator with me, Mr Laming, so I am not giving any guarantees of percentages. What I am saying is that six weeks ago those figures were the best information we had in regard to our financial position.

Mr LAMING: With respect to equity return, has the Department of Public Works been fully compensated in its output by the amount of the equity return levied against the department for 2000-01 and, if not, what is the difference between the equity return paid out as operating expenses and the compensation received as output revenue within operating revenues?

Mr WOODWARD: The department is fully funded for the equity return.

Mr LAMING: Given that the Premier has publicly stated that the performance bonuses paid to each director-general are to be paid from individual department's budgets and, therefore, such expenditure is included under employee expenses in the department's operating expenses, what was the quantum of the bonus paid to your director-general in 1999-2000 and budgeted for in 2000-01?

Mr SCHWARTEN: Surprise, surprise! Serial question, serial answer: the fact of the matter is that this matter will be canvassed by the Premier. You can ask that question all day if you like and you will get the same answer.

Mr LAMING: What is your answer?

Mr SCHWARTEN: Are you deaf?

Mr LAMING: I am not deaf, but I asked—

Mr SCHWARTEN: That is exactly what my answer is. What I said was that it is a serial question. It is a serial answer: ask the Premier. The contract between the director-general is with him, not with me, and he will answer that question, I am sure.

Mr LAMING: But it comes out of your portfolio; it is your responsibility.

Mr SCHWARTEN: Yes, I know all that. The Premier will answer that question for you.

Mr LAMING: With reference to charges for total communication and data services, what has been the increase in the cost of such services between the 1999-2000 financial year and the 2000-01 financial year?

Mr SCHWARTEN: Let us pause for a minute. I will get the director-general to answer that.

Mr GRIERSON: Are you referring to the whole-of-Government telecommunications arrangement? Are you talking about all of our telephone bills included with telecommunications?

Mr LAMING: The telecommunications and data services. You might recall that we discussed this last year at Estimates. Do you recall that?

Mr GRIERSON: Yes.

Mr LAMING: It is that aspect.

Mr GRIERSON: So this was the whole-of-Government telecommunications arrangements. The department's contribution to that was \$2.6m. That was the amount that this department had incurred.

Mr LAMING: \$2.6m, and that is for 1999-2000? Is that the figure you are giving me?

Mr SCHWARTEN: Tony, do you want to answer?

Mr WOODWARD: Just going back to your question, you are after the department's total costs for telecommunications; is that right?

Mr LAMING: Perhaps if I just read the excerpt from Hansard last year it might assist. Mr Grierson said—

"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."

Does that give you some assistance? He went on—

"Each component could be awarded to a different carrier."

Mr GRIERSON: I am still not sure if I exactly understand the question. What I can say is that tender—

The CHAIRMAN: Can you ask the question again, please?

Mr LAMING: I do not understand why you cannot understand the question. I am referring to—

Mr GRIERSON: Can I answer and see if I am heading in the right direction?

Mr LAMING: Yes.

Mr GRIERSON: We called tenders last year and there were 16 firms short-listed—this

was in June. We received seven offers. We awarded the contract to Telstra. Telstra has actually spent \$832,000 of that awarded to Optus. The benefits and savings we have already achieved through that contract: we are saving \$16,000 per month through mobile phones; we are saving in excess of \$21,000 per month in our actual rationalisation of telephones and networks; we are removing services that are no longer required; and we have identified a whole range of services that we can improve through using single services rather than duplicating.

Mr LAMING: Is that the \$2.6m?

Mr GRIERSON: No, the \$2.6m—there was some outstanding telecommunications costs that all agencies had incurred in past years through the whole-of-Government arrangement which were being managed by the Department of Communications, Information, Planning and Sport. It reviewed all the telecommunications costs across Government and levied a cost on each agency. The cost levied on the Department of Public Works for that whole-of-Government arrangement was \$2.6m.

Mr LAMING: For last year?

Mr GRIERSON: For past telecommunications services.

The CHAIRMAN: I ask the member to direct his question to the Minister, please.

Mr LAMING: The \$2.6, Minister, was for last year?

Mr SCHWARTEN: That is my understanding.

Mr GRIERSON: Yes.

Mr LAMING: What is the budgeted amount for this current year?

Mr WOODWARD: In relation to that question, the \$2.6m related to interim telecommunications arrangements which were put in place and were completed in September last year. Those arrangements went back over a number of years. Since then we have gone into a new contract, and that contract, as the director-general mentioned, was awarded to Telstra. Since we have been in that particular contract, the director-general outlined to you the actual savings that we have actually made in the department.

Mr LAMING: So is there an estimated amount for that Telstra contract for this year?

Mr GRIERSON: We would have to take it on notice. Do you mean across the entire agency?

Mr LAMING: Yes.

Mr GRIERSON: We will take that on notice.

Mr LAMING: Thank you. The second part of that question which would need to be part of the question on notice is this: what is the proportion of the Department of Public Works' telecommunications expenditure through Optus for last year and this year? I think that is the same as the question you have taken on notice.

Mr GRIERSON: I just answered that, Mr Laming. \$832,000 was the amount spent last year with Optus. We are talking 2000-01.

Mr LAMING: Thanks. I refer now to the expenditure on the Roma Street redevelopment during 1999-2000. In Budget Paper No. 5 of 1999-2000 on page 74—

Mr SCHWARTEN: What was that reference again?

Mr LAMING: Budget Paper No. 5 of 1999-2000. It is last year's. On page 74 it was indicated that expenditure on the project during 1999-2000 was going to be \$13.411m. Combined with expenditure prior to 1999-2000 of \$589,000 means that at the end of the 1999-2000 financial year a total of \$14m exactly was estimated to have been expended on the project. However, when one examines page 72 of Budget Paper No. 5 of 2000-01, that is, current Budget Paper No. 5, and notes the actual total expenditure to the end of 1999-2000, it only equates to—

The CHAIRMAN: I ask the member to get to his question.

Mr LAMING: With respect, there was some difficulty with the Minister not having the document.

Mr SCHWARTEN: But not for that length of time, though.

Mr LAMING: When one examines Budget Paper No. 5 on page 72 and notes the actual expenditure at the end of 1999-2000, it only equates to \$11.729m, an underspend of \$2.28m. That equates to 1,629 person weeks of employment which have not been created. I ask: why have you failed to expend the total allocated annual project budgets for two consecutive financial years?

Mr SCHWARTEN: The bottom line is that the same amount of jobs will be created out of the overall project. We are later getting started. We started in March, I think. If you go down there and look at it, you will see that it is well under way. The amount of jobs that we said we would create will be created.

The CHAIRMAN: I remind the member for Mooloolah to direct his questions to the

Minister and to also keep the question within the one minute time frame.

Mr LAMING: Minister, I refer to the decision to locate the proposed Smithsonian Institution within the precinct of the Roma Street redevelopment. What is the timetable for the construction of this institution? Where in the master plan developed by your department for the Roma Street precinct is the institution to be sited? What is the estimated construction cost for the Smithsonian Institution?

Mr SCHWARTEN: At this point in time, as you should be aware, the Government is negotiating with the Smithsonian Institution to get that project here. There is a lot of interest in that. When I was in Washington 12 months ago, I met with representatives of the Smithsonian Institution. At this stage, those discussions are continuing. There is, however, a site set aside, which, if you had looked at the plan and the model that we provided—and it was certainly pointed out in the media at the time—there is a site set aside should that go ahead.

Mr LAMING: Are you telling the Committee that the advent of the Smithsonian Institution is not certain?

Mr SCHWARTEN: The negotiations with the Smithsonian Institution are continuing.

Mr LAMING: So it is not certain at this stage?

Mr SCHWARTEN: Do not put words in my mouth. I said they are continuing.

The CHAIRMAN: The Minister is answering the question in the proper manner.

Mr LAMING: Okay. You have not given me the construction costs of the proposal.

Mr SCHWARTEN: No, obviously not, because, at this stage, there are no plans that we could cost a job from and all the rest of it. As I said, negotiations are continuing along that line.

Mr LAMING: Where particularly on the site can you advise the Committee that the Smithsonian Institution is to be—

Mr SCHWARTEN: It is at the Normanby end of it. Unless I had a plan in front of me, which I do not, I could not point it out to you exactly. But that is the end where it will be located.

Mr LAMING: Perhaps you could show me on this map if I was able to hand it to you.

Mr SCHWARTEN: I will put a cross where it is. This will be one to incorporate in Hansard.

Mr LAMING: Thank you, Minister. I refer you to part 2 of Note 3 on page 1-15 of your MPS and specifically to the reference pertaining to a performance dividend charged by the Queensland Treasury Corporation. What was the nature or reason for this performance dividend? What is the quantum of this performance dividend? Did or will the Queensland Treasury Corporation levy a performance dividend against the Department of Public Works for 1999-2000? Is a performance dividend being levied by the Queensland Treasury Corporation against the Department of Public Works in 2000-01?

Mr SCHWARTEN: I will defer to Tony Woodward on that one.

Mr WOODWARD: The dividend referred to is actually a performance dividend. The amount of the performance dividend is \$1.033m and that was for 1998-99. It is called a performance dividend because it relates to the cost of funds that can be acquired by Queensland Treasury Corporation compared with the cost of funds if the department went out to market. So the Queensland Treasury Corporation actually levies the department a performance dividend of the amount I just quoted, that is, \$1.033m.

Mr LAMING: Through you, Minister, what were those funds for? A specific project?

Mr WOODWARD: The funds relate to the total borrowings. Most of the borrowings relate to our building program in terms of the multi-tenanted buildings that we have built and now rent out to our clients.

Mr LAMING: Is such a charge levied on all departments that borrow money from QTC?

Mr SCHWARTEN: That is not for us to answer.

Mr LAMING: Is it normal procedure as far as you know?

Mr SCHWARTEN: That is not for us to answer.

Mr GRIERSON: Through the Chair, it certainly has been normal procedure for many years in this department.

Mr SCHWARTEN: That is all we can answer.

Mr LAMING: Will there be such a performance dividend for 1999-2000?

Mr WOODWARD: Yes, there will be.

Mr LAMING: Will it be about the same amount?

The CHAIRMAN: I remind the member to direct his questions to the Minister.

Mr LAMING: I think the answer, Minister, was, yes, there was for 1999-2000. I would like to know the quantum. While I am asking, I also want to know if there is a performance dividend budgeted for in this financial year.

Mr WOODWARD: The department has made a provision of \$1m for the dividend, but we will not know the actual amount of the dividend until March 2001.

The CHAIRMAN: The time for non-Government members' questions has expired. It is now time for questions by Government members. Minister, I am aware that you have introduced the concept of a Government architect into the department. Can you outline the role of the Government architect and explain why you believe we need such a role in Queensland?

Mr SCHWARTEN: You would be aware that in September last year I appointed Professor Michael Keniger to the first position ever created of Government architect in Queensland. I did so over in the annexe here. I guess he could sum up his role—this was the answer he and I gave to the media when they asked about the need for this position—by pointing at that ugly building over there.

As far as I am concerned, there has always been a need for a bit of masterful thought and a whole-of-Government approach to architecture in Queensland that has been sadly lacking. New South Wales has had a Government architect basically since time began. It seems to me a very sensible thing to do to ensure that when you are looking at the built environment or looking at incorporating art—I refer to the Art Built In policy in relation to public buildings—and taking a whole-of-Government approach you have somebody who can provide quality advice to the Minister of the day and the Government of the day in that regard.

I have found Professor Keniger to be an excellent choice in that regard. Even though he is filling only a part-time position, he is very, very well regarded in architectural circles in Queensland. Of course, he works at the university the rest of the time. In my view that establishes a very good link between the university and not only this department but also the Government generally in terms of architecture.

Mr MICKEL: I refer to a report of the Productivity Commission dealing with the registration of architects. As the Minister responsible for the Board of Architects, what is your view on the direction of that report?

Mr SCHWARTEN: I thank you for the question. In my view the Productivity

Commission has made a very inept judgment in deciding to recommend that we completely deregulate architects throughout Australia. I really cannot imagine the thought processes it had to reveal such a view. I was recently at the procurement Ministers conference in Adelaide. I can assure the Committee that the view of the Productivity Commission was not endorsed by Ministers from other States. Of course, those Ministers represent both sides of politics.

The Productivity Commission is basically suggesting that we as Governments opt out of ensuring any sort of standard in terms of architects. Not only is that completely out of step with the current philosophy; it also worries me that it may well ensure that our architects miss out on open competition internationally. I have never been a fan of deregulation, as most people would know. I certainly cannot imagine any good argument that would convince me that there is some merit in deregulating architects and allowing the self-regulation model to take over. I have not found one architect in Queensland who would support such a view.

I think, ultimately, Governments have a responsibility to the wider population to ensure that people who are in the business of designing and building buildings have the ruler run over them. To that end, public confidence ought to be behind a person who claims to be an architect. If that person has done the wrong thing, then he or she should be struck off. That cannot be done under a self-regulation model. I do not endorse for one minute the pipe-puffing attitudes of the people who sit in splendid isolation in the Productivity Commission. I guess I cannot be any more blunt than that.

Mr LUCAS: There has been considerable interest shown in the Government's new State Purchasing Policy. How does this policy contrast with the previous policy? What steps have you taken to ensure a successful implementation of the new policy?

Mr SCHWARTEN: I thank the honourable member for the question. As you would be aware, this policy has taken us two years to put together. It took two years for very good reason. I have to say: the Opposition, for all its bleatings and all the rest of it, did not provide one piece of paper towards this process. We often hear Opposition members out there talking about what we as a Government should be doing but, when push came to shove and we were looking for a bit of paper from them with their suggestions on how we should use the \$5 billion that is turned over

annually in this State, there was stunning silence.

Mr LAMING: You will find out later.

Mr SCHWARTEN: I will find out later? Unfortunately, you are like the man who fell out of the plane: you are not in it. The reality is that in the consultation period, over two years, you did not bother to provide one bit of solid advice, one recommendation or one sensible idea. We got reams of submissions from right throughout regional Queensland—from local governments and a whole host of businesses—

Mr Laming interjected.

The CHAIRMAN: Will the member will cease interjecting.

Mr Laming interjected.

Mr SCHWARTEN: Madam Chair, will you tell him to stop interjecting? You will get to ask a question.

Mr Laming interjected.

The CHAIRMAN: Will the member cease interjecting!

Mr SCHWARTEN: You ask a question about it and I will give you a belt later. The reality is that this is a policy that has gone over very well. It identifies a new value for money. The genesis of this policy was with the Fitzgerald inquiry. That was the original policy which was in the business of making sure we got probity into the system. In this system we have probity and value for money, plus geographic competition. In other words, you only have to go as far as you need to from your geographical location to get a competitive price.

The reality is that we are implementing it stage by stage. There are a number of departments that are fully implementing it in the first six months of this year and ironing out the wrinkles as they go along. I have to say: it has been very well embraced by the forums we have had throughout the State. I had one in my own electorate the other day. There was one in Maryborough and there was one in Cairns at which I got very positive feedback from local businesses—people who are positive about what the benefits will be.

I took the policy to the procurement Ministers conference last week. The Victorian Government has shown a lot of interest in it and I believe it is implementing our policy there. It has our intellectual property and it is implementing it. It will not have to go through the two years of solid consultation that we had. I believe what we have is a policy that will help businesses in regional Queensland, because

of the redefinition of value for money and because of the probity that will be met through it. I think it is something that will serve this Government and this community very well.

The CHAIRMAN: The Ministerial Portfolio Statements indicate that the department will be constructing a new Government office building in Cairns. How will the new State Purchasing Policy affect the procurement of this building and similar projects?

Mr SCHWARTEN: The State Purchasing Policy provides a vehicle for us to give as much support as we possibly can to local businesses. The member for Gregory and I often see projects come into town and see the locals miss out. We wanted a couple of projects through which we could trial the State Purchasing Policy. This new \$17m Government building in Cairns seemed to be an ideal opportunity. We have already advertised locally. As far as I know there are four consultants who have shown some interest. That is just the first step. We are also looking at what can be sourced locally. One of the things this policy provides is that now people have to justify why they have gone away from local purchasing, rather than the other way around.

This is a pilot. This is to look at the policy to see how it works and to see what problems there are in its application in a major construction project. I think it will work very well. I know that the member for Cairns, who has been a very vociferous supporter of local businesses, is very keen to become involved and has already received representation from local businesses that are involved in construction. But it is certainly a project that we intend to use as a showcase of how our State Purchasing Policy will work. We are also building a police station in north Rockhampton. It is a smaller project—about \$2.5m. We will also be using that as a benchmark as to how this policy works. I am confident, however, that with the focus that we have on local purchasing, these will prove to be two very successful projects and we will show that our State Purchasing Policy is on track.

The CHAIRMAN: Just another question on the State Purchasing Policy. The management or monitoring of the previous State Purchasing Policy involved a State Purchasing Council. I understand that you are appointing a State Purchasing Advisory Council to assist in the implementation of the new State Purchasing Policy. How do these bodies differ?

Mr SCHWARTEN: The previous council, I guess, tried to be all things. It was probably an

attempt at a totally representative council, whereby it tended to have more departmental representation from across departments, across Government, than it had from outside. That was one of the first criticisms that I received of the council. What I am looking for from this council is advice on strategic matters, so accordingly, the people who will be selected for it will be people who I am of a view can provide me that. We are going to continue to have that chaired from this department, and I will be asking the Director-General of this department to chair that council.

I believe that we can put together a council that will be able to provide me the sort of advice that I am looking for from external agencies as to how the policy is affecting them, rather than something that is based on each of the departments' experiences with it. They will have an appropriate forum to do that through their CEOs' meetings, but this will very much be what is happening out there, outside of the departments. It will meet twice a year with me, twice annually in regions to consult with stakeholders.

The CHAIRMAN: In response to a question in advance, you commented on the new maintenance integration model trial between Q-Build and Queensland Housing and outlined some of the benefits to Housing from that system. What impacts do you expect the new system to have upon Q-Build regional operations?

Mr SCHWARTEN: I thank you for the question. The reality is that the system that I inherited was a very, shall we say, labour-intensive one where we had one department checking on another. I vividly recall going to an area office in the State and seeing a mountain of paper and a public servant sifting through it checking on the other department. I then went over to the other agency and it was doing the same thing. If ever I have seen a waste of time and a lack of real commonsense, there it was. That was the system that I inherited. We set about doing something about that, and accordingly, it was about saying that there is one arm of the two departments that I happen to be Minister of that is responsible for maintenance and the other one is responsible for housing, and it is about identifying which does which. What we have been able to do is give that maintenance over to Q-Build to manage, which is its core business, and let Housing get on with the business of managing the people who live in housing, and getting policy along those lines.

One of the interesting statistics is that in terms of the transaction administrative costs,

some 15,869 was reduced to 33. For the whole State, 200,000 down to 200 transactions. So in itself, that should suggest that it is working. I know in my own electorate that Q-Build has been able to reduce the costs to Housing of some \$300 an upgrade, which is money that has been able to go a bit further in housing upgrades. I am confident that the system is working a million per cent better than it did before and that it will continue to do so.

We had three pilot projects in the State. That will go right across each of the agencies. It works better where there is goodwill between the two agencies. Sometimes there is not as much goodwill on a personal level, and that is where it seems to be a problem. But as far as I can see, and from the feedback that I have received from the regions, it is working very, very well and will continue to do so.

The CHAIRMAN: Q-Fleet some years ago investigated the possibility of a sale and lease-back of the fleet, as has occurred in other States and the Commonwealth. I am aware that on becoming the Minister you did not proceed with this proposal. What alternative action has Q-Fleet taken to provide savings to Government for its fleet?

Mr SCHWARTEN: We all know what a disaster the Western Australian model was. It is costing them a million bucks a month, and I saw a newspaper clipping the other day that suggested they try to buy back the fleet. It is interesting that that was not just confined to Western Australia. We were recently visited by a South African delegation who had also gone down the same path, and they were able to point to the fact that they had a similar experience to Western Australia. What happens is that once you lose the fleet, you lose control of it and you are at the mercy of the people who then own the cars. We have 14,000-odd motor vehicles in Queensland.

Mr GRIERSON: Between 13 and 14.

Mr SCHWARTEN: We have between 13,000 and 14,000. If you give anybody the fleet rights to that, as far as I am concerned you are actually loading a gun and putting it against your own head. Thankfully, this Government was elected and got rid of that nonsense that was being portrayed in the absolute desire and obsession that the previous Government had for outsourcing, because as you can see, Western Australia went down that path, and its taxpayers are a lot worse off as a result of it.

The other point is, of course, that the Australian motor industry has done better out of it, because we have Australian-made vehicles where they can be supplied. The

other thing is that in regional Queensland, if we had have had a fleet tied up with Macquarie Bank or whatever, we would have had no control over where they purchased those cars. In fact, I was talking to a car dealer in Rockhampton recently who pointed out to me the beneficial results of having Q-Fleet in the game, because at least they get a slice of the action now. They wouldn't under the previous one.

Q-Fleet and its financier, Queensland Treasury Corporation, has delivered the lowest possible cost of funds to Q-Fleet with a saving of \$422,000 in the past financial year. Q-Fleet and the QTC have established an enhanced methodology that will enable a benefit of nearly \$9m over the next four years, and the retention of ownership enables \$1.5m in reduced costs from bulk buying and single insurance arrangement, delivering \$200,000 in savings in 1999-2000. The actual fleet numbers are 12,666.

The CHAIRMAN: A key element of the successful financial performance of Q-Fleet obviously relates to the ability to maximise the return on sales of vehicles. Can you outline steps taken by Q-Fleet to achieve this?

Mr SCHWARTEN: Q-Fleet's financial performance depends on resale value of vehicles, as we know. That is one of the facts of the matter. Anybody who has tried to sell a second-hand car in the last couple of years will know that that has not been the optimal time to sell it. The motor vehicle market has undergone quite considerable changes due to the entry of new vehicle manufacturers which have put pressure on domestic prices. There was the reduction in tariffs, of course. As to deregulation of the Australian currency and changes in the tax policy—while they have had some desirable outputs in some quarters, if you own a fleet like we do, they apply some pressure to your bottom line. So an extensive risk management policy is required as a result of it.

What we have done in terms of the method of promoting and selling vehicles is that you may have noticed that we have had some radio advertising this year. We have certainly looked at ways of quality-assuring our product through the RACQ.

Mr MICKEL: You don't put stickers on the doors like you used to.

Mr SCHWARTEN: Some agencies still do. There have been the early bird auctions in Brisbane, which have enabled workers to not be too late for work and buy a car on the way to work, which is a novel sort of measure. We are looking at new auction venues in the Gold

Coast and Sunshine Coast regions. We have specialist brokers selling buses for us, because there is a specialist market there. What we found over a period was that the buses don't necessarily draw the best price at auction because there is not a great demand for them. But for people who are in the market for them, that is the best turn. There are also some trials we are looking at in remote and regional Queensland where we might place them with local dealers. I am sure, in the case of the honourable member for Gregory's electorate, some of those dealers in that part of the world would welcome a fairly new car on their lot that we can do a deal with.

Mr MICKEL: Are they getting turned over at the right time?

Mr SCHWARTEN: Yes, they are. As you would be well aware, what used to happen, when you were in a previous role, when we came into Government in 1989 they did not know how many vehicles they had. I think they had about 2,000 more registrations than they had vehicles on their books. People—

Mr MICKEL: It was a shambles.

Mr SCHWARTEN: It was an absolute shambles. People used to keep cars for 60,000 and 70,000 ks more than they were supposed to and there was just no system. Q-Fleet has turned that around.

The CHAIRMAN: The time for Government questions has expired. I call the member for Mooloolah.

Mr LAMING: Thank you, Madam Chair. Just going back to a couple of previous questions, Minister, I note from the mark made on the brochure map of the Roma Street development that a part of that was on land that is not currently under reconstruction and I think it is land that is currently held by a group called SWARA. Is that where the Smithsonian site is planned to be and, if so, has there been any discussion with that group regarding the long-term use of that land?

Mr SCHWARTEN: Yes, there have been long-term discussions with SWARA, I can assure you. We certainly will not be going and knocking the houses of SWARA down around their ears, I can assure you of that. Mr Grierson has, in fact, been the one who has had discussions with SWARA, so perhaps you might like to add to that.

Mr GRIERSON: Yes, as the Minister answered before through you, Chair, there have been no designs of buildings. There is ample land up there to accommodate an icon building or a landmark building, which is what we have been referring to this project as. My

understanding is—and you would need to check with the Premier in his Estimates, but my understanding is the Premier has written to the O'Brien sisters at SWARA and confirmed that he would ensure that everything possible was done to retain their occupancy.

Mr LAMING: Those buildings would remain?

Mr GRIERSON: I cannot tell you if they will remain or will not remain. As I said through you, Chair, there has been no design done of any building for a Smithsonian Institution, but at this stage I am aware that the Premier has given clear instructions that we are not moving those ladies. In fact, we have just recently assisted them in adding to some of their facilities.

The CHAIRMAN: I remind the members to please direct their question to the Minister.

Mr LAMING: On another question—and we ran out of time—in relation to the performance dividend, the question was in three parts. It was the year before last, last year and the current year. I did get an answer that there was \$1m in the year before last and the current year, but last year was not mentioned, to the best of my memory.

The CHAIRMAN: Is that a question?

Mr LAMING: Yes. 1999-2000, is there a—

Mr WOODWARD: 1999-2000 was \$1m.

Mr LAMING: 1999-2000, \$1m.

Mr WOODWARD: We made a provision for that, but it will not be finalised until we receive firm information from QTC, which will not be until about March next year.

Mr LAMING: That is the 1999-2000?

Mr SCHWARTEN: 1999-2000 you are talking about?

Mr LAMING: Yes. Is payment made to QTC in addition to interest on the loan to recognise the difference between the price, if you like, that QTC gets their funds for? It is in addition to normal interest?

Mr WOODWARD: The amount is actually paid to QTC.

Mr LAMING: In addition to the interest that is paid?

Mr WOODWARD: Yes, normal interest.

Mr LAMING: Thank you. In relation to a question from the Government members in relation to the Q-Build maintenance on public housing, and this is something that we have discussed previously, there was a 15% levy for this service in the past. I know there had been discussions whether the 15% was a reasonable amount or whether it should be

reduced. This money, of course, does not go into home maintenance. It is retained by Q-Build for that service. Can you advise the Committee whether a levy of 15% will continue under the new proposed arrangements?

Mr SCHWARTEN: We have reduced that 15%—Tony Waters, General Manager of Q-Build.

Mr WATERS: Madam Chair, the levy or the reference to the levy is really a reference to a management fee that Q-Build charges for the work that it provides. Under the revised arrangements we put in place in recent times, that 15% is actually charged in two parts. There is a 7.5% contract fee that is charged in respect of work that is provided on site and there is also a 7.5% program management fee which is negotiated on an annual basis with clients. That is uniform across all Government agencies at the current time.

Mr LAMING: Which would be, for all intents and purposes, 15% on all home maintenance undertaken by Q-Build—seven and a half and seven and a half?

Mr WATERS: For the work that Q-Build undertakes in providing maintenance services similar to any other contractor, there is a 7.5% contract management fee that is charged for that work, but Q-Build, unlike other maintenance contractors, also provides a program management service where we actually are with clients arranging programs of activity, scheduling the work, prequalifying contractors, providing financial information and performance returns, etc. That is now the subject of a 7.5% program management fee—

Mr SCHWARTEN: Not 15%.

Mr WATERS: Not 15%. Through the Minister, the comparison with other contractors providing services should be the 7.5% contract management fee that is charged on all site works.

Mr SCHWARTEN: 7.5%.

Mr LAMING: I refer the Minister to his comments about the prequalification system for building contractors during the Estimates last year which I will now quote for the benefit of the Committee—

"In my view, the tender box should only be filled with people who have the financial capacity to do the job."

Minister, given your position last year, how do you explain the collapse of two registrants under your scheme in the last financial year and one already this financial year?

Mr SCHWARTEN: You quote a couple of words there and try to insinuate that I have

said that every time I will guarantee that a subcontractor gets paid. I have never, ever said that anywhere, and I challenge you to find that anywhere; that I have ever said that. I have never said that.

What I do say is that we should make financial checks. We should not adopt the laissez faire approach that you lot did when you were in Government and that we should actually intervene as far as we possibly can to make sure that there are financial checks done on people. We did that and, in fact, in regard to your hobbyhorse Designer Steel, there is a document here that came to us from the BSA that indicated that they had, on all occasions, the financial capacity to do the work. That is what we go on. They subsequently rolled over. That is the end of it. I stand by what I said. The prequalification system is about weeding out people who have not got the financial capacity to do it. The moment that I was alerted to the fact that Designer Steel Homes, for example, to use them as an instance, could not do the job, they were out of the PQC. I can tell you now they will not be going back into it, because what used to happen under your Government was that people just used to go and change their name and come back as another group of people. Since 1 October last year, the changes that we have made ensure that a person of substance or influence in a company cannot do that. They will not get back on the PQC, either. As far as I am concerned, it represents a mile of difference compared to what you used to have, which was nothing.

Mr LAMING: Minister, what changes have you made to the prequalification system to ensure that this does not happen?

Mr SCHWARTEN: The system now is that a person of substance—which came in from 1 October last year—will not be in the prequalification system. So anybody who has gone broke in the past, who has not paid their subbies or whatever other misdemeanours they have been up to, who has been deemed to be a person of substance in another company—when we are made aware of those people, they will not get prequalification and, indeed, if they are on our PQC list, they will be taken off it.

Mr LAMING: What do you mean "a person of substance"? They will not—

The CHAIRMAN: I remind the member to direct his question to the Minister.

Mr LAMING: I am, Madam Chair.

Mr SCHWARTEN: If you were up on any of the changes that we made last year that were brought in by the Minister for Fair Trading

after widespread consultation with the HIA, the Master Builders Association and so on, you would know that a person of influence or substance is identified in that Act as a person who has had some influence in a company previously. So any of the directors, any of the people who have got a stake in that company, will be deemed to be a person of influence. I have not got the exact—because it is not my legislation—reference for that, but I suggest that you go and look it up if you are so worried about it.

The fact is that it is a Phoenix clause. In other words, it stops people rising from the ashes and going out there and getting a Government dollar. That is what it does. It stops them doing it again. That was one of the greatest criticisms that I have had from contractors—from subcontractors particularly. They say, "Well, this bloke, this company was out there and went broke and didn't pay us last time and now they have got another Government contract." That will not be happening again. Did you want to add something to that?

Mr GRIERSON: We have also put in place a very elaborate system of flagging companies where we are identifying financial stress. If we get information from suppliers that they are concerned about companies—

Mr SCHWARTEN: The other point I want to make is that we say to people, "If you think the company is undergoing financial stress, let us know." We are not mind-readers. But the moment I hear about it, we will do something about it. We will not just sit back and allow it to happen. We have got officers who will be in touch. Any financial stress indicators that we receive, we will be on their doorstep. The moment we think that they cannot complete the job, or have not paid anybody, we will come down on them like a ton of bricks. But the way to fix this over the longer period—because it took us a long time to get to this stage—is to ensure that we weed out those people who are either having trouble or who cannot do the work, or get them down to a level at which they can do a certain amount of work in a certain area so that they do not get out of their depth.

Mr LAMING: Minister, does the prequalification system for the Department of Public Works have a higher level of financial responsibility and requirement than the BSA registration or does it accept the BSA?

Mr SCHWARTEN: No, we use the BSA. Gary might like to add to that. We do have some additional checks to them. I am aware of that. I do not know that you can call them—

Mr MAY: Yes, as confirmed by the Minister, we use the QBSA for all our financial checks, but we can overlay on top of that additional financial requirements. Certainly if we encounter builders who are looking stressed in some way, we may do that. But essentially, the QBSA provides us with our validation that a builder is of adequate financial standing or not.

Mr SCHWARTEN: I might just add to that that they use accountants to do it and, under the legislation, there are very significant disincentives for accountants to do the wrong thing in that regard. I think it is a jail sentence of five years. That is the maximum penalty for it. So it is quite a serious offence to mislead the BSA. You cannot do much more than that.

Mr LAMING: And was that the situation that was in place when Designer Steel Homes—

Mr SCHWARTEN: No, it was not. The first part of it was. They certainly went through the financial checks, and I have seen the reports on them. To my recollection, there was no problem. The BSA gave them the tick in the box that said that they could complete the job—or the accountant at least did to the BSA.

Mr GRIERSON: There were, in fact, two checks. Designer Steel got their licence. So they were checked to get their licence, but then the second point is that before any contracts are awarded—

Mr SCHWARTEN: Yes, that is right. Yes, to hold their licence, they have got to have a financial check. But to get the contract, they have got to get one as well.

Mr LAMING: So under the prequalification system—

Mr SCHWARTEN: Yes, for them to get the job. In Designer Steel's case, to get the job at St George, they had to prove that they had the financial capacity to do so. That was checked by an accountant. They said they could. I do not know what else you can do.

Mr LAMING: Minister, I ask: can you confirm that Mr Stephen Black was a director of Designer Steel Homes and was, in fact, a director of Nu-Steel Constructions, which went broke in 1999?

Mr SCHWARTEN: Absolutely.

Mr LAMING: The reason I ask that, if I may, is that I believe that subcontractors in Queensland feel that they are better protected when they are working for the Government than when they are working in the general construction industry. It would appear that we have had a situation here which is quite blatantly a breakdown of a system that

contractors would have expected would have looked after them.

Mr SCHWARTEN: Yes. First of all, he was a director in the previous company and he was a general manager in the second. It is the very bit of legislation that I was talking about. The anti-Phoenix provisions that came in as of 1 October will now make sure that such a person does not get prequalified. That is the exact intention of that—to stop them doing that. So it was not in when they became prequalified.

Mr LAMING: So would you be confident in saying that such a situation will not occur again since—I think it was October last year—those new changes?

Mr SCHWARTEN: I cannot say anything will guarantee anything in this world. I have long since departed from any view that you can guarantee absolutely 100% any set of circumstances. I could not even guarantee last week that the sun was going to come up early in the morning; it took a little bit longer. Since you are quoting what I said last year, I might quote what I said last year—

"I am not here to guarantee that every contractor who ends up in the PQS tendering system is going to be able, on 100% of occasions, to do the job."

I still say that today, but what I do know is that for every system that you invent, there will be some crook out there who will try to find a way around it. If you can find a system that gets rid of the crooks out of every system, then you will be a wealthier man than Bill Gates. The truth of the matter is that dishonest people will find a way around it. We are making it as hard as possible for those people.

Mr LUCAS: Or you can adopt the PQC system where only John Holland Constructions can—

Mr SCHWARTEN: Yes, we could do that. I tell you what the best PQC system is: that Q-Build does every job in Queensland. I guarantee that every subcontractor will get paid by Q-Build. But I do not think that you are really seriously suggesting that.

The CHAIRMAN: The member for Burdekin has a question.

Mr KNUTH: What provisions has the Minister in place for companies who have gone broke for reasons that they themselves were not paid by clients, companies, or even Government?

Mr SCHWARTEN: All I can say is what you are asking is the recipe for what I said before. If you can invent a system where everybody gets paid in every set of events, then you will make more money than Bill

Gates. That is the reality of it. The truth is that when we find a system to do that, you can come along to my local garage, which is owed 15,000 bucks by people who simply do not want to pay. You can also come and pay my father the 20,000-odd bucks that he was not paid 30 years ago in the building industry. So it is not new.

One idea that I reckon might have some merit is if we were to say to these companies, "We will guarantee you that you will get paid; that the taxpayer, in other words, will pay twice. But we'll go you halves in your profits." Let us see how many people want to do that. The honourable member was in the painting business, as I understand it, and he would know that some people just do not pay. I do not know what we can ever do to overcome dishonesty.

Mr MICKEL: Why don't you socialise the profits—

Mr SCHWARTEN: That is not a bad line. This is a serious question and one that I treat seriously. There seems to be a bit of folklore out there that subcontractors are somehow different from everybody else in society. You will never, ever hear me guaranteeing a system that will ensure that every subcontractor gets paid. Take Designer Steel Homes as an example. If I were to do what the shadow Minister suggests, the taxpayer would actually pay twice. We paid the contractor. The contractor has done the wrong thing. So we go back to the taxpayer and get more money from the taxpayer and pay that person. That means that we would have to build fewer housing units so we could guarantee that subcontractor. I cannot do that. That is the honest truth. All we can do is have a system of prequalification to make sure that, as far as possible, the people we deal with and pay are honourable people who have the technical capacity, the background and the financial capacity to do it.

The CHAIRMAN: The time for questions from non-Government members has expired. The Project Services business unit lists several initiatives being undertaken that involve e-commerce and e-business activities. What opportunities do you envisage for electronic business between your department and the construction industry generally?

Mr SCHWARTEN: This is a very interesting question. Last week, as I said, the national procurement Ministers conference was held. The deputy director-general and I attended. I do not claim to be an IT specialist at all, but the reality is that anybody who does not get onto the IT bandwagon in construction

will very quickly miss out. We now have a national register in terms of tendering. The first demonstration by the Commonwealth last week had one of our projects on it. We are on the national register in terms of tendering. So everybody knows we are there. The ability exists to draw plans from a desk in Rockhampton, Ayr, Townsville or wherever else and be part of a project in Papua New Guinea or anywhere else in the world and not move out of the office. The technology exists to consult with the public and do a whole host of other things. In terms of that aspect of the construction industry, we have got a hell of a lot to look at. Gary is a big fan of this and he is the expert in this area. It truly is something that we as a department are embracing, and very quickly so.

Mr MAY: I think this really is an opportunity for the building and construction industry to get past some of the problems that have plagued it in the past. We talk a lot about the security of payment, but really the security of payment is only a symptom of a cause, and the cause relates to low productivity and undercapitalisation and quite a few big factors in the industry. The opportunity exists with electronic commerce to really cut out a lot of the transaction costs and a lot of the inefficient processes and generally to speed things up quite enormously. I concur with the Minister's comment to the effect that anybody who does not get on the bandwagon is going to be in trouble in a few years' time.

Briefly, I was encouraged to hear only yesterday from a prominent architect from Melbourne that he has done a survey of e-commerce applications around architectural firms in Australia and he considers that Queensland is some six months ahead of the pack. We are very proud of that and we are going to continue to both utilise it in our own operation, but more importantly try to instil it into the building and construction industry generally.

The CHAIRMAN: In response to a question on notice you provided the numbers of contractors and consultants registered in your prequalification system. You also provided comment on the current effectiveness of the prequalification system. What steps will you be taking to further improve this system?

Mr SCHWARTEN: There is a lot of interest in the PQC today and so there should be. This is something that this Government introduced and had the courage to do. It is something of which I am quite proud. Since PQC commenced 248 contracts have been

awarded under the new tendering and selection process. DPW has received 480 applications for prequalifications and issued around 340 certificates to contractors. As I said earlier, financial capacity and the performance on jobs must be acceptable. There was another one that I omitted to mention before, and that is the capacity for that company to obey the law—workplace health and safety, workers compensation and those requirements, which are also part of the deal. That has a levelling effect across the industry, I hope, over time.

What comes back to me from builders who do the right thing as opposed to those who do not is that the ones who do the right thing—who pay the right amount of wages, who do the right thing with respect to workplace health and safety, and who pay workers compensation—are at a disadvantage in the tender box to the sharks who do not do the right thing. They are the ones who are saying to me, "Make sure you focus your PQC on those sorts of factors so that the rogues out there who want to hurt and underpay their workers cannot compete with us, because that is far from a level playing field." So to some extent PQC also gets a degree of "levelness"—is that the word—it is now—into the whole tendering process.

That is an area where I intend to continue to strengthen relationships between this department and Paul Braddy's department. We rely on them. We do not want to be going out on jobs and inspecting workplace health and safety issues. But the writing is on the wall to every contractor who wants to do work with this Government, that is, if I find out that you are trying to cut corners and are risking the welfare of your workers, I will knock your name out of the PQC as quick as Flash Gordon. The reality is that we do not want people like that in this industry. I know the honourable member for Burdekin would agree with me. He has long experience in the building industry and has seen lots of dangerous practices in the past. It is unfair to have those people competing against people who do the right thing. I see PQC as being an excellent vehicle for delivering on that. Again, we rely on Minister Braddy's department to provide that advice. But we have officers working at that level to make sure that happens.

Mr LUCAS: The construction industry has obviously gone through an overheated period leading up to the introduction of the GST. What trends do you perceive for the construction industry over the next few years and what steps are you taking to address any negative aspects?

Mr SCHWARTEN: We have seen some of the effects already. As I have said in the House and elsewhere, the GST in the construction industry really started to bite about November/December last year. Because of the overheating in the building industry, the suppliers jacked up their prices. One particular company put frames up 27% in a month. So to some extent we have already felt some of that overheating. The forecasts show that, particularly in the wake of the pull-forward effect of the GST, Australia will experience a downturn in civil, residential and non-residential construction in the 2000-01 and 2001-02 financial years. The impact in Queensland is forecast to be only two-thirds of the magnitude of that in all of the other States and forecasters predict a rapid recovery from 2003 peaking in 2007. Certainly, as the honourable member would be aware, the record capital works that this Government has put in place this year to try to cushion the effects of the GST will help us in that regard. Again, at the procurement Ministers conference the other day it was pleasing to see that Queensland leads the way in that regard. We can expect that the intervention that our Government has put in place will, to some extent, assist in that regard.

We also account for, as you would know, about 40% of all non-residential building construction. One of the things that we are reminding agencies about is to be good, reliable and quick payers so that there is no stress out there. One of the complaints that I am sure all of you have heard is that Governments are a bit slow to pay. We are saying that that will add to the financial stress of companies and that people really ought to be processing the bills as they come in. I see the honourable member; he has probably had to wait for the odd cheque.

Mr MICKEL: What impact will the higher interest rates have? Have you factored that into the forecast that you just gave us?

Mr SCHWARTEN: Obviously that is going to have an effect on the residential industry more than anything else. It certainly is not going to help. There is no doubt about that whatsoever. The pressure that it will place on public housing construction is another thing, of course, because we will not be able to respond to that in the way we would like to thanks to the cuts from the Federal Government. Certainly it is a second belt basically on top of the GST for people trying to buy their own home or upgrade the home they are in. It certainly will not do them any favours at all.

Mr LUCAS: Throughout the Ministerial Portfolio Statements mention is made of the department's responsibilities in regard to a number of heritage buildings. What activities are currently being undertaken by your department to protect important Government heritage buildings?

Mr SCHWARTEN: As you know, one of the things this Government is prepared to do is to safeguard the heritage of the past where we possibly can for future use and to make use of the buildings that we have. For example, Old Government House, which was constructed in 1862, is currently occupied by the National Trust of Queensland at the University of Technology. We have engaged a consultant to prepare a conservation plan for this house and are developing a draft agreement in discussion with the QUT and the National Trust of Queensland—not easy discussions, I have to tell you—regarding possible future management issues. I can tell you that nothing to do with heritage buildings is easy, because everyone has a view on it.

The commissariat store in William Street is the oldest example of a convict building. This year we spent \$300,000 on the stonework there. It was in a bad state of deterioration. We have intervened in that. It will become an historical museum and, I believe, an icon building in the heritage trail around the Government precinct. The old museum building has attracted a lot of attention recently. In the past few days the RNA has indicated that it is interested in that building. There was a report in the QT yesterday about it, as a matter of fact. It certainly is an icon building that needs to be preserved. We also need to look at the future use of it. Two things will not be compromised and they are the people who are already in there—there are a lot of non-profit agencies in there who will have to be looked after—and, of course, the overall aesthetics of the building must be preserved at as well.

The old Woolloongabba police station is a pet of mine. It has been boarded up since 1993 and was a very expensive pigeon roost sitting over there. You could have started a guano factory as a result. You should go and have a look at it now; the way that it has been restored is truly a credit to Q-Build. That is one particular pride I have in Q-Build: the way they can conserve buildings. It is an excellent example—this one is another one of course. But the old police barracks is the most recent example since I have been the Minister. The one we are in was done some years ago. In reality that building will be used as Sports House South. So it shows how you can recycle

buildings. I am very proud of the record that this Government has. Now that we have Yungaba on board, that will provide yet another challenge for this department to prove that it is equal to that challenge.

Mr LUCAS: By far the largest capital item in your budget this year is \$59m for the continued redevelopment of the new Roma Street parklands. Can you give us a progress report on this project?

Mr SCHWARTEN: It is progressing very well. It is on budget and on time, as a matter of fact. It is expected to be opened early next year, which has always been the case. I have some stats here. About 20% of the project is completed. Approximately 80% of the expected 44 trade packages have been awarded. The existing planting in Albert Park has been given a new lease of life, and I invite you to go and have a look at that. It looks very good. All new tree and plant stocks have been contracted and are being carefully nurtured in readiness for transplanting. Most of the major earthworks have been completed. The intended crescent road has been formed and work commenced on the erection of the activity centre, the pedestrian bridge link to Albert Park, the look-out and shelter sheds dotted throughout the parkland. The parkland will be completed in March 2001.

I also might point out that there was a lot of interest in the naming of this unique green space. We are short-listing those. It has not proved an easy task. One of the greatest problems you have with asking the public to support a competition that produces a name is that you can only give it one name, and a couple of hundred people have put in some very excellent suggestions. There has been the odd silly one, but by and large most people have really embraced that idea. We expect to short-list those shortly and we will make a decision on it sooner rather than later. The first Tuesday of every month we invite people for a tour. You might like to come along and have a look at it. It is well worth having a look at. It is going to be around the Brisbane streetscape longer than any of us. It might be a worthy thing to have a look at.

Mr MICKEL: The recent legionnaire's disease scare in Melbourne relating to Government buildings highlights the importance of an ongoing vigilance in monitoring the health issues within buildings. In the media the other day some commentators referred to buildings as "sick buildings". What action does your department undertake to address the health of occupants in such buildings or in any buildings?

Mr SCHWARTEN: We can only really look after the buildings that we have, I guess. Certainly legionnaire's disease has discouraged some people from going to a certain tourist attraction in Melbourne. It was the Liberal Party, I understand, that got the crookest out of that.

Mr LUCAS: The sharks were visiting the sharks.

Mr JOHNSON: Be nice, fellows.

Mr SCHWARTEN: It was only a light-hearted comment. It was very serious and those people who did suffer legionnaires disease—it is a terrible disease. The department has long recognised that it is a challenge in relation to the built environment. The department has reviewed the management of airconditioning systems, in particular airconditioning cooling towers. An independent audit was recently undertaken which replicated the testing regimes, inspected all maintenance records and included inspections of cooling towers. The results of the audit confirmed that the maintenance management practices in place mitigate potential health risks and comply with statutory obligations.

A three-year collaborative research project has been undertaken to develop a whole-of-Government environmental health audit. Planned outcomes include reduction of environmental health hazards, improved environmental health policies and planning, and an increase in the use of environmental health auditing tools. The Department of Public Works and the Department of Health have undertaken a program of indoor air quality research into airborne pollutants to determine the nature and extent of employee and tenant exposure within the Government's built portfolio.

Mr MICKEL: But is there a syndrome called "sick building syndrome" that any officers in your department have identified?

Mr SCHWARTEN: Where is Dale? He would love to answer that.

Mr MICKEL: I remember he briefed me years ago.

Mr SCHWARTEN: If he briefed you years ago, you should remember it and not waste the Committee's time this afternoon. You would have to ask that, wouldn't you?

Mr MICKEL: Yes, I would.

Mr SCHWARTEN: He loves answering questions like that. Dale, you have only got three minutes.

Mr GILBERT: There are no circumstances of sick building syndrome in the department's building portfolio. Also, as far as legionella is concerned, as the Minister said before, there has been no outbreaks or no legionella notification with any of the department's buildings. We are clear on all those issues.

The CHAIRMAN: Thank you very much. The time for Government questions has expired.

Mr LAMING: Minister, I refer to your response to Estimates question on notice No. 1 and particularly to the \$14,400 five-day consultancy awarded to Dale Bracken of Clayton Utz. It is stated that this consultancy was for legal interpretation of the Government's own security of payments legislation. Why was it necessary for your department to expend \$14,400 on a five-day consultancy for interpretation of legislation when the legislation was being developed by your own Government, especially when you were a member of the Cabinet subcommittee tasked with its development?

Mr SCHWARTEN: I thank the honourable member for the question. It gives me an opportunity to talk about consultancies. When I inherited this portfolio, guess what the bill was for consultants? Do you have any idea what it was? No? You do not want to know, probably. It was \$8.154686m. Last year it was \$1.741m, which is a reduction of about \$7m in round terms. I am sure that the people sitting at this table would know my views on outsourcing any sort of work. If it can be done in house, it is done in house. It has to be considered a very serious matter by the department before work is outsourced. I believe that we have been successful in doing it. I am not aware of the specific reason that this consultant was called in. Mr Scrivens will be able to answer that question.

Mr SCRIVENS: During the development of the legislation, there were a number of questions that had to be addressed to ascertain the department's legal position if the legislation became enacted. The legislation is, in some areas, very complicated and very detailed. We had to ascertain our position and provide feedback to the QBSA in the development of the legislation.

Mr LAMING: Thank you, Minister. My next question relates to Goprint and to a former key performance indicator, that is, the sales per employee achieved by Goprint for the 1999-2000 financial year. Based on the same methodology that was used to calculate the figure provided on notice following last year's Estimates proceedings, can you advise the

Committee of the 1999-2000 figure and the estimated 2000-01 figure?

Mr SCHWARTEN: The answer is that it is not a performance indicator any more. That is why it is not there.

Mr LAMING: Yes, that is why it is not in the book, but is that indicator able to be provided using the same methodology as previous years?

Mr SCHWARTEN: We can calculate it if you want it. Is the point of your question that it is not productive? Is that what you are saying?

Mr LAMING: No. We have had this key performance indicator for the past three years. I think it is possibly a good indicator. I suppose I would like to know why it has been dropped as an indicator and whether the Committee can have that information for the year just finished.

Mr SCHWARTEN: The answer I have just been given is that we did not find it an effective indicator at all.

Mr GRIERSON: Through the Minister, we discussed performance indicators with Treasury regarding each of our business units every year, because I sign a performance agreement with the Under Treasurer. We look at performance indicators per business unit to see what it is that we believe we can measure each of the relative areas on. It was determined between ourselves and Treasury that that was not an effective performance indicator. That is why it was removed. That is basically the answer.

Mr LAMING: I hear that. Is it a difficult process—

The CHAIRMAN: I ask the member for Mooloolah to direct his question to the Minister.

Mr SCHWARTEN: Yes, we can get it if you want it.

The CHAIRMAN: For clarification, you are able to provide that?

Mr SCHWARTEN: Yes.

Mr LAMING: I refer to page 1-64 of the MPS in relation to grants and other contributions. What were the gross total expenses incurred by Goprint in the provision of reserved services during 1999-2000?

Mr SCHWARTEN: It was \$3.928m.

Mr LAMING: That was the CSO payment. My question is: what were the expenses actually incurred by Goprint in the provision of reserved services?

Mr SCHWARTEN: I am advised that that is a very detailed question. We will have to

take it on notice. I do not know why you did not put it on notice to start with.

Mr GRIERSON: Through the Minister, Mr Laming, reserved services are Hansard, Gazettes, parliamentary proceedings, Budget papers and a whole range of material. We do not itemise every item that we produce. We produce hundreds of thousands of jobs per year at Goprint. We do not itemise them in that this is a reserved service and this is not a reserved service. The second complication is that some of those items that we regard as reserved services we get paid for, but we do not get paid for the whole value of the service. For example, we produce Government Gazettes and legislation. Both of those are now on the Internet and are accessed free of charge by the public. There is not much point in us working out what it costs to produce the Gazette. What is important to us is the revenue forgone by the fact that we do not sell legislation any more.

Mr SCHWARTEN: We lost \$1m as soon as the Government Gazette was put on the Internet.

Mr GRIERSON: Yes, \$1m in the first year.

Mr SCHWARTEN: If you are looking for what the CSO on that is, how do you work that out?

Mr LAMING: Minister, I am not looking for the CSO in this instance. I am sure that any print shop knows the cost of everything it produces by the job, whether that job is—

Mr SCHWARTEN: We do not know what we have forgone either. The reality is that you can get stuff for nothing that used to have a market. If we did not have the Internet and we were still producing bound volumes of things, how much would our sales have gone up? How do we know that?

The CHAIRMAN: I think the Minister has answered the question.

Mr LAMING: With respect, Madam Chair, he has not. I believe that an answer is available. I am asking for the actual expenses incurred by Goprint. I have worked in a printery. There would be job tickets for everything printed. Those reserved services that go through the print shop would have a cost. I do not feel that that would be a difficult sum to ascertain.

Mr SCHWARTEN: I have just checked, but I think what you are wanting us to do is go through every single job ticket to find out exactly how much it cost to do the whole lot. I think that is what you are asking, are you not? That is what you want us to do.

Mr LAMING: I am not telling you how to do it.

Mr SCHWARTEN: You are making a pretty fair fist of it.

Mr LAMING: Are you telling me it is not possible to provide a cost of the expenses? It is a business unit, after all. I would like the cost to Goprint of the reserved services.

Mr GRIERSON: The negotiations we have with Treasury are based on the income revenue forgone by producing reserved services and selling them below price and providing services via the Internet and so on that are free of charge. I think the answer to your question is technically yes. It would be an extremely expensive, onerous process to go back through every job and work out whether it was a reserved service, whether part of it was a reserved service, how much was paid for, how much wasn't paid for and whether we got some money in through CSO. That would be a very, very complex and difficult task.

Mr SCHWARTEN: I know where you are headed with this question. I know that you are crooked on Goprint and that you would get rid of it if you had a chance to be back in Government. You tried to do it while you were in Government. The bottom line is that you can ask the question as much as you like and you can insinuate about Goprint as much as you like.

Goprint is a very proud agency that has been able to produce Budgets ever since they were produced, and there has been not one leak. Not once has a Treasury document been leaked out of that organisation. It is a secure agency. As far as I am concerned, while I am the Minister it will stay. There is a need for a community service obligation to be met because of the nature to have bound copies of things and all the rest of it.

The one thing I have found is that other States that have done what you want to do—that is, privatise—are now coming to us to get things printed securely. We just picked up a contract for nearly a half a million dollars over in New Zealand. We print the exam papers for New South Wales. We printed the referendum postal ballot. Why? It is a secure printery. Nothing has ever leaked out of it. It printed the Fitzgerald report. And so it goes on.

You either have that or you do not. Your continued undermining of Goprint is aimed to do that. I am not going to participate in such an exercise. Just come out and say it. Have the intestinal fortitude for once to say where you stand on it and what you would do with Goprint if you were in Government. I know what you would do, but it is about time you

told the workers over there at Goprint what you would do with it. It is like Q-Build. At every chance you get you use some opportunity to undermine public confidence, to undermine this Government's intention in that regard.

Mr LAMING: The Minister is not addressing the question.

Mr SCHWARTEN: I am addressing the question. You are continuing your attack upon the business units in this department. You do it every time you get an opportunity in the Parliament. You do it at every set of Estimates hearings. That is what your question is based on—not on anything else.

Mr LAMING: If you think that is the line of the questioning, you are wrong. What I am looking at—

Mr SCHWARTEN: Do you support Goprint or do you not?

The CHAIRMAN: I draw the attention of the member for Mooloolah to the fact that the Minister can answer the question in whichever way he pleases. Please move on to the next question.

Mr LAMING: I will move on to the next question and I will come back to this one. Minister, can you provide the Committee with a list of the reserved services that are provided by Goprint?

Mr SCHWARTEN: Pretty well. I would think we can. In general terms we can. It is Hansard, the Government Gazette, the Budget papers. There would be a list of them. We can get you that if you want it.

Mr LAMING: You will provide the Committee with a list?

Mr SCHWARTEN: Yes.

Mr LAMING: To go back to the previous question, Minister, you are unable to provide a cost of the provision of those printed reserved services?

The CHAIRMAN: The Minister has already answered that question. Move on to the next.

Mr SCHWARTEN: We have got the list of reserved services here. It is Hansard and related papers; Votes and Proceedings; Queensland Government legislation, both primary and subordinate; parliamentary papers; white papers; green papers; committee reports; Government gazettes; electoral rolls; boundary notices; ballot papers; budgetary and other sensitive Government documents; and betting tickets for bookmakers. That might not be all of them. We will just check to see if we have not left anything out before we give this list to the Committee.

Mr LAMING: That can be tabled for the benefit of the Committee?

Mr SCHWARTEN: Yes.

Mr MICKEL: Is that tabled subject to you checking?

Mr GRIERSON: We will check this and we will give you a full list of what we call reserved services.

The CHAIRMAN: The question will be put on notice.

Mr LAMING: Thank you. Minister, are you able to advise the Committee of the gross total revenue, including the CSO, received by Goprint from the provision and supply of reserved services?

Mr GRIERSON: Total operating revenue?

Mr LAMING: No, the gross total revenue, excluding the CSO, received by Goprint for the provision and supply of reserved services.

Mr SCHWARTEN: That is the same question in a different frame.

Mr LAMING: No, this is about the revenue. Previously I was asking about the expenses. Are you able to provide the revenue?

Mr SCHWARTEN: Les, will you have a go at this, please?

Mr CLARENCE: At Goprint we do not split the revenue into those sorts of divisions. The revenue that comes from reserved services includes both the printing and the publishing of them and also the sale of some of those things to the community at large. We just simply do not keep that sort of information in the form the honourable member is seeking.

Mr GRIERSON: Mr Laming, earlier the Minister referred to the Fitzgerald report and the Budget papers. We do not cost into reserved services, for example, the special security that we provide because we have Budget papers or because we have Fitzgerald reports. They are costs because they are reserved services. There are special efforts made and special security on parliamentary papers and proceedings. We do not add those to the cost and say, "Because it is a parliamentary proceeding add 20% because we have a guard outside the door or we are working at midnight." Those are the sorts of factors which make it very difficult for us to itemise, as you were asking, individual costs and individual revenue. We are not trying to be difficult.

Mr LAMING: The information basically isn't available?

Mr SCHWARTEN: What is your problem?

Mr LAMING: Is that right?

Mr SCHWARTEN: That is what I am advised is the case.

Mr LAMING: I move on to page 1-39 of the Ministerial Portfolio Statements. I refer the Minister to the number of working days lost in Q-Build due to workplace health and safety issues. How do you explain the increase of some 315 days, or 20%, in days lost due to workplace health and safety issues over the target for 1999-2000?

Mr SCHWARTEN: I will refer that question to the manager of Q-Build.

Mr WATERS: During the period we are looking at there were around 440 additional ex-QPM staff transferred to Q-Build. So the figure we are looking at in the first column in fact is based on a smaller work force than in each of the next two columns. In fact, when you look at the increased size of the work force, the figure for 1999-2000 represents approximately the same result in terms of working days lost per employee as in each of the next two columns.

Mr LAMING: We are talking about an increase in the employee numbers?

Mr SCHWARTEN: That is right. It would logically follow that there would be increased accessibility to sick leave and suchlike. Those sorts of things incrementally go up.

Mr LAMING: Minister, wasn't the number of employees for 1998-99 shown as 2,517?

Mr SCHWARTEN: I am advised that the figure in 1998-99 was 2,077.

Mr LAMING: For 1998-99?

Mr SCHWARTEN: Yes. Somebody gave you a bum steer on that one.

Mr LAMING: What page is that?

Mr WATERS: You won't find those figures in this document.

Mr GRIERSON: No 1998-99 figures are in this MPS.

Mr LAMING: No, in this one.

Mr GRIERSON: I don't know.

Mr LAMING: That is where I got the figures to compare, Minister.

Mr WATERS: I have only written down the figures here. I haven't got their location in the previous document.

Mr LAMING: On 1-7 of last year's MPS, Q-Build, 2,517.

Mr SCHWARTEN: You are right. My apologies.

Mr WATERS: The working days lost as shown in the column in 1999-2000 is taken on the Q-Build staff, excluding the staff that came across from QPM. They were being recorded outside of the core figures for Q-Build. The figure that I had quoted a moment ago was the working days lost per employee looking at the core staff for Q-Build, excluding the QPM staff. When you bring the 440 QPM staff into the equation and divide the working days lost, which increases by the increased number of staff now recorded in Q-Build, we end up with a per capita working day lost figure which is fairly consistent across the period that we are looking at.

Mr LAMING: Are you able to give the Committee that per capita number?

Mr WATERS: Through the Minister: for 1998-99, the per capita working days lost figure for Q-Build—that is, excluding the QPM staff—was .70. For the estimate for 1999-2000, that becomes .76 per capita, and the estimate for this year is .73 per capita.

Mr LAMING: Which is the 1,867 days?

Mr SCHWARTEN: That is correct.

Mr LAMING: I refer to the Operating Statement for Q-Build for the 1999-2000 financial year on page 1-40 of the MPS. Can you explain why Q-Build still recorded an operating deficit over \$3.8m for 1999-2000 even after having been compensated adequately through community service obligations?

Mr SCHWARTEN: As I said before: predictable; every chance you get, you put the boot into Q-Build.

Mr LAMING: This is an Estimates committee, and we are supposed to be looking at these things.

Mr SCHWARTEN: Yes, it is an Estimates committee, but every chance you get—

The CHAIRMAN: I ask the member to cease interjecting.

Mr SCHWARTEN: He can interrupt all he likes. I just want everybody out there to know their policy on Q-Build. The truth of the matter is that every chance you get, you sink the boot into the business units of this department because you don't like them. The fact of the matter is that there are a couple of reasons why, and I have never been out there parroting that Q-Build should be a profitable agency. The way that it makes profit, as it is set up, it can make plenty of profit by taking it off other Government agencies, and it can go out there and compete in the tender box and knock off other building industries. Its core business is out there to provide the sorts of

services that we saw—unfortunately, Mr Knuth is not here, because he could attest to what great work Q-Build does in disasters like it did in the Burdekin. It was the Q-Build blokes up there in Townsville—

Mr LUCAS: They are a credit to the Public Service.

Mr SCHWARTEN: Absolutely. Every chance you get, you sink the boot into Q-Build. I have never once heard you defend Q-Build. Never, ever, ever have I heard you defend Q-Build.

Mr MICKEL: They did a great job at Kingston State High School on Christmas Eve, I will tell you.

Mr SCHWARTEN: Absolutely. We are yet to hear your policy on what you would do with Q-Build, but I know what it is.

In terms of the losses that we have had in Q-Build this year of some \$3.8m, we have had the cost of Y2K. We have had the cost of your rotten GST that your mob from Canberra has forced onto us. That has required extra costs. I bet if you go out there and talk to the real people in business, they will tell you what the cost of both of those things has been to business. I wouldn't be surprised to find a few building businesses around the place that have also incurred that sort of on-paper loss this year as a result of the sorts of costs that we have had.

The other thing, of course, is that the margins were eroded in the last 12 months, also thanks to the competitive and overheated nature of the building industry, where the cost of materials skyrocketed, therefore impinging on the profitability line. As I say, go and talk to anybody who is out there in the real world, in the competitive building industry world, and they will tell you that that is the case.

We also have our quantum system, our MIMS system, which we have had trouble with, as you probably know. It is a locally based system that, regrettably, hasn't gone as well as it should have. But I defy you to find a system that has. So that has cost us money as well.

Let me say here and now: I am not out there pushing the barrow for Q-Build to be out there making an immense profit. Last year it picked up \$2m in profit. I didn't hear you applauding their efforts last year. But as soon as any sort of loss is recorded, you delight in it.

The CHAIRMAN: Minister, your time has expired, and the time for questions from non-Government members has expired. I call the member for Logan.

Mr MICKEL: I turn to page 1-6 of the MPS and to the Whole-of-Government

Priorities. If you go to priority No. 1, "More Jobs for Queenslanders", what initiatives does your department have in this year's budget to address that No. 1 priority?

Mr SCHWARTEN: Thanks very much. I know that you are interested in the sorts of statistics that Q-Build provides. I will say this about the member for Gregory: he is a great supporter of Q-Build as well, because he knows that there are some kids in Barcaldine and Longreach who would never, ever get a trade if it wasn't for Q-Build. I know that he speaks very highly of them, and they speak very highly of him, too. I pass that on to the honourable member. There are a variety of ways in which we are employing, but of course, that area of the construction industry through Q-Build has meant 90 new apprentices this year. We have kept on 26 last year, employed 44 trainees during 1999-2000, employed 12 graduates and 27 indigenous apprentices. If the honourable member for Mooloolah ever gets to be in this position, you can kiss all those jobs goodbye; that is for certain.

The grim fact of the matter is that Governments have to intervene in those sorts of strategies, because if we didn't intervene with our HITT program and with our apprenticeship program through Q-Build, the construction industry would be the poorer for it down the track. I get very annoyed when I hear people like the honourable shadow Minister belittling Q-Build and never having a good word to say for them when those people risk their life and limb out there on rainy nights in places like Townsville. All he can ever do is belittle them. I have never once heard you praise the efforts of those people—never once—because you know that it is against Liberal Party policy and that you would chuck those people out on the street the first chance you get. I will be delighted to hear your policy. If it is anything like your policy on guaranteeing subcontractors—you are the laughing-stock of the building industry for that one which you suggested at St George, where you suggested that the tenants' rent should pay the subbies. If ever I have heard anything absurd—

Mr MICKEL: I hope they don't do that in Logan City.

Mr SCHWARTEN: That won't be happening anywhere while I am the Minister. You imagine being the home owner, and the builder that you employed to do the job didn't pay his subbies, so then they turn up to you looking for payment. But I do congratulate you, shadow Minister: it is the first policy that you have come forward with. It is the laughing-stock of the building industry of this State, but

it is your first policy. At least you have had the honesty to bring the policy forward. We will continue to intervene in employment stakes in our over \$5 billion capital works program this year.

The CHAIRMAN: Minister, your time has expired.

Mr SCHWARTEN: Proof positive of that.

The CHAIRMAN: There are no further questions from the Government side. I would like to say thank you very much, Minister, and thank you to the departmental staff and your advisers for being in attendance today. The Committee will adjourn for afternoon tea and will resume at 4 o'clock.

Mr SCHWARTEN: Thank you very much.

Sitting suspended from 3.45 p.m. to 4 p.m.

The CHAIRMAN: I declare the hearing open again. Minister, would you like to make an opening statement?

Mr SCHWARTEN: Thank you very much, Madam Chair. The budget for the Department of Housing again addresses key areas of need. It continues the massive Statewide upgrading program started last year. This investment in housing stock not only provides a better quality of life for tenants, it enhances the value and life span of key public assets. The maintenance budget has also been increased to ensure better housing standards. This Budget continues urban and community renewal schemes that are providing a better environment for families and individuals and building safer, more secure communities.

A new loan product for tenants or those on the waiting list has been introduced. This will give eligible applicants an opportunity to own their own home while returning funds for reinvestment in new or upgraded housing.

Construction will commence this year on more than 500 new public housing dwellings, 50 community housing projects as well as a continuation of the ATSI housing program and the five-year plan to address urgent needs in deed of grant and trust communities.

This year's Budget has again been framed in very tight financial circumstances. Some of the key influences include: cuts to Federal funding for capital projects under the Commonwealth/State Housing Agreement, the \$30m a year impact on housing programs of the Federal Government's GST and the ongoing impact of \$130m worth of cuts to the Housing budget made by the former coalition State Government to help fund the Federal surplus.

While trying to cope with these reductions, the Department of Housing confronts challenges on several other fronts. There is rising demand for affordable housing at the same time as statistics show a shrinkage in private rental stock at the affordable end of the market. On top of all that, the department confronts a changing tenant mix, resulting in more capital-intensive demands for specialised accommodation for seniors or those with a disability.

To cope with these factors and to address their long-term impact, reforms are being implemented in the way the Department of Housing does business. In June I launched a new integrated policy package for the Department of Housing. It gives the department greater flexibility to respond to the housing needs of individuals and families. Critical strategies include providing applicants with wider options, including private housing bond loans or housing loans, more strategic management of housing stock already evident in a pilot scheme to transfer departmental dwellings to crisis accommodation providers and absorb them back into the public rental system at a later date, long-term planning including a 20-year strategy for delivering housing services, stronger partnerships with non-profit housing groups, stronger links with industry to encourage more affordable housing and better integration of housing with other Government and community services. The department has begun the task of addressing significant funding and policy issues facing housing in this State.

I want to take this opportunity to thank staff members of the department, especially those in the front line at area offices across Queensland. Their efforts in helping solve people's housing problems should be recognised. I want to make particular mention of those staff, because too often they have to cope with abuse and, on some occasions, personal threats. Regrettably, there have been incidents where a police presence or extra security has had to be arranged at some area offices. I want to recognise the continuing hard work and dedication of departmental staff, even under such trying circumstances.

I am happy to take questions on this year's Budget and any of the issues I have raised which affect the operations and future of the Department of Housing. Thank you, Madam Chair.

The CHAIRMAN: Thank you, Minister. The first round of questions is from the non-Government members. I call Jeff Knuth, member for Burdekin.

Mr KNUTH: Minister, how much has the Government allocated in the Budget for 2000-01 for screening and installation of fans for public housing in the Burdekin and Townsville regions? How much was expended for this purpose in the financial year 1999-2000 and is this funding ongoing?

Mr SCHWARTEN: I will answer it broadly. I know of your interest in this issue because I am aware that you wrote to me and you have got some publicity in that regard up there. Can I say that I concur with your view on the need for screens, unlike the previous Government, which did not supply screens, did not provide floor coverings, did not supply air cooling in western Queensland and did not supply ceiling fans. The fact is this Government does supply certain features and it is incredibly difficult to do so. For 30 odd years we had the Bjelke-Petersen Government in Queensland that did not spend a zack on upgrading accommodation. When we came to Government in 1989, you may not be aware that some houses did not even have hot water.

In reality, I would like to screen every house in Queensland. I would like to screen every house in the Burdekin, but with the Commonwealth Government cutting the hide off the CSHA to Queensland, some \$90m out of this range, it is making it very difficult. However, we have committed ourselves to upgrading them. I will get you the exact figures, if we have got them. We have not got them, but we can get them to you on notice. I can assure you that I am committed to improving the standard of living and standard of housing for all of our tenants throughout the State and that is why this year there will be a record amount spent on upgrades throughout the State. We have been in a position of trying to do that and it will take us several years to get it. We have got a backlog of maintenance, I think, of something in the vicinity of \$700m, as identified by our audits, across the State, which shows the level of neglect that has occurred there. We will work our way through it.

In regard to the Seniors Home Safe Program, you would be aware that the screens that we provide there double as flyscreens; they are not just security screens. I have already screened every senior's unit in Queensland, which cost about \$4m security wise. We have also had the Home Safe Program. So where people are at risk, they have a greater priority. I am sure that you would appreciate that.

Mr KNUTH: Is it the Government's policy

to prioritise the need for insect screening for all public housing through Housing Queensland?

Mr SCHWARTEN: It is one of the priorities that we have, but I guess one of the problems that you have with priority is that I bet the mozzies are as bad in Rocky as they are in Ayr?

Mr KNUTH: No.

Mr SCHWARTEN: No, of course you would say that. Vince Lester tells me that they are as bad at Yeppoon as they are anywhere else in the world. I can tell you that the member for Lytton has complained to me about the sandies that come out of the bay there. Priority is a very hard thing to establish in terms of that. I would like to get to a stage where we do it right throughout the State. But, certainly, where people are at a health risk and so on, we would consider any such request. I do not know whether anybody wants to add to that. I think that is probably sufficient.

Mr KNUTH: Is the Minister aware of the problem that many of the tenants have to face when they try to cook a meal during the day and the house fills up with blowflies? Is the Minister aware of that problem, especially in rural and regional Queensland?

Mr SCHWARTEN: Yes. I have lived there—been there, done that. In fact, it is with some pride that I can tell that you that that used to be an experience that people in public housing in regional Queensland used to have tolerate, but now since I airconditioned their houses at a cost of about \$10.7m, or in that vicinity, that is no longer an experience that they have. But I can assure you that no Government has done more about trying to rid the blowflies out of the kitchen than we have in that regard.

Of course, as I say, it is a matter of getting to these problems as they occur, but I can assure you that we are aware of them and we are about trying to improve the lot of the people, especially our long-term tenants, who have had to tolerate these intolerable sorts of situations. As I said in my letter to you last year, if you are really fair dinkum about wanting to fix all this up, get on to John Howard and his mob. Do not waste your time with the member for Mooloolah, because he will not take up the cudgels against John Howard. Some of the National Party people do, I know, especially the member for Gregory, because they actually do have some understanding of people in public housing and can see the need for it. I am sure that you do, too. I understand that you have made representations, and I thank you for that. But

that is what has to happen. We cannot do these things on thin air.

Mr JOHNSON: Minister, in relation to remote housing—and I know the programs that you have put in place and I thank you for them, too, especially in my part of the world and adjacent electorates in the remote areas—as you can appreciate, there is always a pressing need for more housing and the shires such as Barcoo, Diamantina and Aramac are in constant need again now over and above their programs. Is there flexibility there at all that may be able to provide that housing over and above the Budget restraints?

Mr SCHWARTEN: We are always looking at new and innovative ways to do it. As you would know over the issue in Aramac and Muttaborra, we have been working through the business of bringing out some houses from Blackwater in that regard. They seem to be going over well, I think, in those remote areas. We have moved a number of houses out to Tambo. I think that I just approved the other day another set of units for community housing in Blackall. Yes, an additional 30 new public rental housing dwellings in rural Queensland will be upgraded.

The question that you are asking, though, is that if we can see our way clear to do it. It is very difficult. I know that you have made representations to the Federal Government to try to assist. I did try to get the Deputy Prime Minister—and he initially seemed to be very interested—in a special seniors program for rural Queensland, because there is certainly a great drift to places like Rocky and so on. I know that you know that and you are trying to do something constructive in that area. But I can assure you that if it can be done, it will be done. At Aramac, there are two more units there; Stonehenge, which is—

Mr JOHNSON: Stonehenge, Jundah and Windorah, Minister, are the areas on which the Barcoo Shire made representation to me last week.

Mr SCHWARTEN: Stonehenge has a jersey. It is going to get three units out of this one; eight in Emerald; 10 in Springsure—is that in yours? Two in Tambo; six in Longreach for seniors, and a duplex in Longreach.

Mr JOHNSON: What was the last one?

Mr SCHWARTEN: Two duplexes in Longreach. Because of your strong representation in that regard, you have not done too badly. But I will certainly look at any ways that we can of assisting in that regard. I know of your strong commitment to helping people in that sort of situation.

Mr JOHNSON: I appreciate that, Minister, but the point that I do make here is the ongoing viability of some of these centres. You are well aware of it, too, having lived and worked in those centres. But places such as Aramac—which has been on its knees—and Muttaborra and with the growth factor in places like the Diamantina and Barcoo Shires and even the Boulia Shire in the electorate of Mount Isa, there are people moving into those areas now because the work is there. The acute problem is becoming housing. Anywhere that you can assist, I can assure you that it would be greatly appreciated.

Mr SCHWARTEN: I thank you for that, and I can assure you that we would do that if we had some more dough. I really did think that the Federal Government might have come to the party. I asked for \$20m a year, which would rattle up about 20 Abbeyfield-type projects right throughout those sorts of places. It would have solved the housing problems for both young people and older people—boarding house-type of accommodation. I urge you to continue to make representations. I think Anderson was all right, but I think Howard was the problem, or Mr Costello.

The CHAIRMAN: The member for Mooloolah would like to make a 30-second statement.

Mr LAMING: Thank you, Madam Chair. I would just like to take this opportunity to show my appreciation to the various area officers around the regions—Housing, Q-Build and Project Services—who have been very courteous to me when I have been visiting.

Minister, my first question is: what was the net State matching funding for the 1999-2000 financial year?

Mr SCHWARTEN: I will just hand it over to Ian Fulton to save me reading it out.

Mr FULTON: The payments from State Treasury matching are \$58.834m, plus an equity injection of \$35m.

Mr LAMING: That is \$58.8—

Mr FULTON: Point 834.

Mr LAMING: Plus—

Mr FULTON: An equity injection of \$35m.

Mr SCHWARTEN: That is an extra \$35m.

Mr LAMING: I refer you to the \$10.567m payment made to Treasury as a housing savings target in 1998-99 and to the estimated \$10.567m budgeted to be paid in 1999-2000, and I ask: what was the actual payment made to Treasury as a housing savings target in

1999-2000? What is the amount budgeted for payment in the year 2000-01?

Mr SCHWARTEN: Ian Fulton will answer that for you

Mr FULTON: The total saving payments to Treasury for both years were \$15.267m.

Mr LAMING: So that is an actual, Minister, for 1999-2000?

Mr FULTON: That is correct.

Mr LAMING: And the amount was—

Mr FULTON: \$15.267m.

Mr LAMING: Yes. Is there a budget for the year 2000-01?

Mr FULTON: \$15.267m.

Mr LAMING: I refer to the Future Developments section on page 2-32 of the Ministerial Portfolio Statements and to your announced intention to commence only 500 new public housing dwellings in the year 2000-01. What credible explanation can you offer this Committee to justify your reduction in the commencement targets for new public housing from 803 in 1998-99 to only 500 in 2000-01, which is a drop of over 37% in just three financial years?

Mr SCHWARTEN: I will respond to the first bit. You have a hide to ask a question like that when your lot in Canberra, with your tacit support, has knocked off some \$90m from this round of funding. Do you really believe in fairytales? When you were in Government you robbed the public trust accounts of about \$130m. You sit there and ask me why we are—

Mr LAMING: Beazley's black hole.

The CHAIRMAN: The member will cease interjecting.

Mr SCHWARTEN: The reality is that you cannot build things out of thin air. That is the policy answer. But I will give you the general answer. Back in 1998-99 we got \$184m. This year we are getting \$177m. Work out for yourself why the number of starts is going down.

Mr LAMING: I have worked it out. And it is not equivalent.

Mr SCHWARTEN: You obviously have not.

The CHAIRMAN: The member will cease interjecting and allow the Minister to answer.

Mr SCHWARTEN: You have not opened your mouth once to condemn the Federal Government for taking away funding from Housing in Queensland. You sat there mute and absurd when your own lot took \$130m out

of Queensland and gave it to your mate Costello.

Mr LAMING: That—

The CHAIRMAN: The member will cease interjecting.

Mr SCHWARTEN: Do not come in here and lecture me and try to explain away your own guilt in this regard. You know damned well that it is your Federal Government that is cutting back capital funding.

Mr LAMING: You have had three years in Government.

The CHAIRMAN: The member will cease interjecting and allow the Minister to complete the answer.

Mr SCHWARTEN: It does not matter whether we have been in Government for three years or 33 years; the fact is that the Federal Government—your Federal Government—has cut back funding to Housing. Yet you are complaining that Queensland is building fewer houses. How do you propose that you would do it? Do you think that money comes out of thin air? We have put \$30m-odd extra into this budget from Queensland this year. There is only a certain level to which we can go in this State, given the continued removal of funding from the Commonwealth/State Housing Agreement, and no guarantee that that will continue. There is no compensation for the GST after this round, either.

Mr LAMING: Your own matching grants have dropped for the last three years. That is your budget—your responsibility.

The CHAIRMAN: The member will cease interjecting.

Mr SCHWARTEN: That may well be the case. Whether they have dropped or not, the amount of money that this State put into housing this year went up by \$35m. You get your mob of Tories from Canberra to give us an extra \$35m to match that and see how it goes. I will give you a guarantee, Jeff: you get that and I will put screens around every house in Ayr. But he will not do that, of course. You come in here pretending to ask a very serious question about this, when your colleague has just outlined what the net effect of all of this is, that is, there is less housing going west of the Great Divide. Your lot would not even come to the party for \$20m.

Mr LAMING: I refer you back to my earlier question on the State contribution to housing and to the fact that the net State contribution in 1998-99 was some \$121.068m, and further that the net State contribution to housing in 2000-01 is calculated to be only \$98.4m. Does

this not represent a cut in the net State contribution to housing of nearly \$23m over the last three financial years and does this not make the efficiency dividend imposed by the Commonwealth Government look negligible by comparison?

Mr SCHWARTEN: You are still beating this tired old drum of trying to blame the State for the Commonwealth's shortcomings.

Mr LAMING: No, I am talking about the State's shortcoming.

Mr SCHWARTEN: You cannot have it both ways. The fact is that your lot in Canberra have cut back funding. That is the bottom line. You get them to increase it—your side of politics.

Mr LAMING: And so have you.

Mr SCHWARTEN: And while you are at it, give us back the \$130m that you thieved from Queensland and gave to Costello to big-note yourselves. Then we might be in a better position to put more money back into it. The savings that were accumulated here after 50 years—

Mr LAMING: Mr Keating's black hole.

Mr SCHWARTEN: Why did you not take it out of some other department? You are endorsing robbing money from Housing. You did not take it out of any other department. You thieved it from Housing and gave it to Costello. By your statement then, you endorse it. You come in here and say to me, "Put more money into Housing", yet you took away the interest accumulated over 50-odd years—\$130m. That would have been great at this point in time, with the GST hitting us like a sledgehammer and with the Commonwealth withdrawing its funding. That is why we had that sort of money there. But where is it now? Yet you are saying that the State should provide that money. You cannot have it both ways.

The CHAIRMAN: The time for questions from non-Government members has expired. Did you wish to continue with that answer?

Mr MICKEL: I want to ask a question about the Federal Government, too, Minister.

The CHAIRMAN: Perhaps it can be explained through John's question.

Mr MICKEL: I refer particularly to the Federal Government's policy of releasing illegal immigrants from detention centres in Western Australia and South Australia, and I ask: has this policy had any impact on the Queensland Department of Housing?

Mr SCHWARTEN: Absolutely. Here is another example of the Federal Government

load shedding. We all know about the trouble the Federal Government has gotten into.

Mr MICKEL: Cost shifting.

Mr SCHWARTEN: Cost shifting, load shedding—call it whatever you like. The fact of the matter is that the Federal Government has created this problem. Because of the bad publicity it got with these detention centres for illegal immigrants, it put these people on buses and sent them to Queensland and various other parts of Australia. And with what level of support? Nil!

Mr MICKEL: To where in Queensland did they send them?

Mr SCHWARTEN: Brisbane—right here. Representatives of the Catholic church came to see me last week and advised me that they have had to house some 155 of those people in crisis accommodation. They are expecting 265 again this month. The predictions are that that will get worse. Here we have the Catholic church, which has played a very good role in Queensland in crisis accommodation, picking up the tab for the Federal Government. They cannot pick it up so it falls back to us again. We have been able to provide in Inala a couple of houses for youth.

Mr MICKEL: Inala has enough problems. Where else would you be looking?

Mr SCHWARTEN: At the moment, we are looking at a site in Annerley—in inner Brisbane, anyway—to provide to the Catholic church. It was a site that originally we were going to sell, but we have refurbished it and put it over to this purpose. We will see how it goes. It comes back to the same issue that I started to speak about. On the one hand, the Federal Government provided \$90m less. On the other hand, it has provided an already overstretched crisis accommodation market, in the space of a couple of months, with nearly 400-odd people who have just come from nowhere. I do not know what Howard thinks he is doing or whom he thinks is going to be housing these people or where he thinks they are going to sleep. I do not want to go into the politics of how any of those people got here. That does not matter. The fact is that those people are here and they have needs. They are knocking on the door of the traditional agencies, such as the Catholic church. The good bishop said to me, "We can't turn them away." And as a State we cannot turn them away. But do we want them living over here in the Gardens? Is that the solution to it? The bottom line is that the Federal Government has tried to shift the blame onto the State Governments in this regard. This is yet another example of it.

Mr MICKEL: Given that the Federal Government is dumping this responsibility on the Queensland Housing Department, is it following that up with other resources?

Mr SCHWARTEN: No, there are absolutely no resources at all. This comes out of the existing resources we have.

Mr MICKEL: So in other words they are not providing funds for education?

Mr SCHWARTEN: As far as I am aware, they are providing nothing. The church is providing all of that; and by de facto the Queensland taxpayer. It is an absolute disgrace.

The CHAIRMAN: I refer the Minister to page 2-20 of the MPS, on which there is mention of the development of a new home lending product, which I understand is called the Queensland State Housing Loan, and I ask: what are the intentions of this new product and what safeguards are in place to ensure the interests of the clients and the Department of Housing are protected?

Mr SCHWARTEN: You would be aware, as would all honourable members, that this required some legislative change. There is no lack of awareness out there about what this project is about. I mentioned at Estimates last year that we were going to bring this project through. But its arrival is fairly timely, given the Federal Government's hike in interest rates over the past day or so. I guess it will be more popular than we thought.

As you would be aware, it aims to enable people who are our tenants in the first case to purchase the dwelling which they rent at the moment. To do that we have provided a number of safeguards. One of the things we have learnt from previous schemes is that, for example, you do not put people into houses that require a high level of maintenance if they do not have the finances to do it. The capping of interest rates for the first five years and then the assurance that it never rises higher than 1% below the standard variable rate is also a great incentive for people. It has proved to be a very popular loan. I am sure we will have no trouble in lending the \$23m that we have available for it. It aims obviously to help people into home ownership.

One of the things we will be offering is \$1,000 worth of financial counselling so that people do not get themselves into traps as a result. The last thing we want is for people to do that. My apologies for misleading the Committee unintentionally; it is \$1,000 for the legal costs and \$100 for financial advice. Loan application fees will also be waived. All marketing will be informative and no coercive

marketing strategies will be undertaken. So we are not trying to push this out there, but I believe that it will be a very popular scheme and it may well pave the way for an even better scheme down the path.

Mr LUCAS: I refer you to the Ministerial Portfolio Statements at page 2-31 and specifically the reference to the completion of a Property Standard Index, and I ask: what strategies have you put in place to improve the quality of public housing?

Mr SCHWARTEN: As I explained earlier to Mr Knuth and Mr Johnson, who unfortunately is not here—and both of them have displayed an interest in doing what we have done—the installation of air cooling throughout western Queensland has proved very popular. It is about \$10.7m—something in that vicinity. Ian Fulton is the one on the figures there. I think it is an investment in the future. I know that some members—Howard Hobbs was one of them and Brian Littleproud was another one, which surprised me—have complained about it. Vaughan Johnson supports it. It really has made a difference to those people's lives.

The installation of security to seniors units, which cost us about \$4m and followed an unfortunate incident here in Brisbane, I think was an investment in our older generation who, thanks to this, now get a better night's sleep, especially in the areas where Mr Knuth comes from where you cannot close doors and windows at night. The provision of new floor coverings and retro fitting where we can is another must as far as I am concerned. I have actually seen evidence where the concrete has been ground down almost to the reo level to try to get rid of stains and so on. That then forces us to cover it, anyway. You would be hard pressed to go out there and find a house for rent in the private market that does not have some sort of floor covering as well. So it makes a good investment and, in my view, it is a standard that we should be aspiring to.

We are talking about State Government assets here. We certainly do not want to go down the path that we have down in some suburbs of rattling up houses on which we have had to spend a fortune on urban community renewal and maintenance later in life. What we try to build today is low maintenance and, where we can, preventive maintenance and floor coverings is included in that.

Mr LUCAS: Certainly what you have constructed in my electorate in recent times is first rate.

Mr SCHWARTEN: I thank you for that. I will pass that on to some of the people in the

department who work in that area. I am certainly very proud of the standard of stock that we have got and I wish that we could have that for every single one of our tenants right throughout the State.

In relation to modified housing for people with a disability, six out of 10 units that we built last year required some form of adaptable housing standards. That indicates the sort of tenants that we are now housing: over 60% of them are people who have special needs or have aged needs. We have done an audit, as I have said before. Because of the Property Standard Index, for the first time ever we have a clear vision, a clear snapshot, of our demands in housing in terms of maintenance out there and upgrades. It is the first time we have ever had a property audit like it, and we are now able to pick that up and follow it through.

Mr MICKEL: I take you to page 2-19 of the MPS and particularly to a program that I think is going over very well in Logan City, namely, the Community Renewal Program, and I ask: what achievements have been identified arising from this program?

Mr SCHWARTEN: I thank the honourable member for the question and I congratulate him on his involvement in these programs. He and other members of Parliament—the member for Woodridge, the member for Bundamba particularly in her part of the world and, of course, the member for Waterford—have really become involved in this project in a very meaningful way. I do not like to talk about crime in this sort of context, but the facts of the matter are that the police reports show that crime decreases as a result of urban and community renewal, and we should not be surprised about that. The fact is that, if you have good housing outcomes in the first place, then there is less likelihood of problems in education and in law and order. As far as I am concerned, if people do not have decent living circumstances, then you really cannot expect them to be absolute whizzes in their behaviour, their standard of education and all the rest of it.

The stats that I have here show that in Riverview crime is down by 60%; in Garbutt in Townsville it is down by 24%. One of the things I noticed in Manoora where Desley Boyle is very involved in that program is the immense pride that is involved in it. Increased community pride and confidence is certainly a mainstay in that community. The educational outcomes—the employment outcomes—is another reason for this project. There is no point in going in there and tarding up a few

houses and thinking that is the outcome. This is a whole of community approach. It takes time.

Mr MICKEL: Have you been to Kingston college and seen what they have done there?

Mr SCHWARTEN: No, I have not, but I have heard of what occurred there and I do intend to get out there.

Mr MICKEL: It is fantastic.

Mr SCHWARTEN: That is a practical example of changing the outcomes through housing. I am delighted that we are the lead agency in this, because that highlights the importance of housing in people's lives. Wherever this program has run, whether you go to Manoora in Cairns, Garbutt in Townsville, into your area, Woodridge or Riverview, there are real outcomes. The real outcomes that we are addressing are part and parcel of it—educational outcomes, employment outcomes and better community outcomes as a result of it. The money that we have invested in my view has been money very, very well spent and is returned in trumps to the taxpayer.

Mr MICKEL: I just want to take you back to something I asked you before. You have been saying right from the outset about the financial statements and the Federal Government—can you explain to me why the Federal Government delayed signing the Commonwealth/State Housing Agreement and what were the financial implications of that delay to Queensland?

Mr SCHWARTEN: You will have noticed the member for Mooloolah, because he put out a media statement at the time blaming me. Because I bashed Canberra over the issue he said it was my fault that they would not sign. The fact of the matter is that that is the reason they would not sign, and it cost—I forget what the figure was, but the truth is that they deliberately held it up even though ours was one of the first bilateral deals and there had been verbal agreement on it. The moment that I started to dare to criticise the Federal Government with no support or thanks from you—

Mr LAMING: How much did you agree to?

Mr SCHWARTEN: The bottom line of what we agreed to is what we ended up getting. You cannot go into negotiations cold and say, "That's all you're going to get. Take it or leave it." That is your idea of negotiation. We know where the Tories come from on this, and they have your support. I have never heard you once condemn them for the amount of money that they took from us. They

took \$339,000, which is five or six sets of seniors unit.

Mr LAMING: What about the money you are pulling out?

Mr SCHWARTEN: What I pointed out was the reality of it. What you tried to do was silence me. What Jocelyn Newman and your Government in Canberra tried to do was to get me to back off and shut up, but I would not. They just kept persecuting Queensland as a result, with your praise and with your endorsement. You cost Queensland \$339,000 by supporting their view. Thanks very much, Mr Shadow Minister.

Mr MICKEL: How many houses would that have built?

Mr SCHWARTEN: It would be five or six seniors units, for a start. The fact of the matter is that all of the States complained about what we ended up with. Go and see your Liberal mate in Victoria who has now lost her seat. Go and see your Liberal mate in South Australia to see what he has to say. They all rightly complained. I stand by the 20-year modelling that I exposed in terms of what would happen to public housing in Queensland as a result of continued diminution of funding to Queensland. That is true. What I got back from Jocelyn Newman was a heap of claptrap when she said that it should not happen over the term of this agreement. Of course, it is not going to happen over the time of this agreement. But it will happen long term. You just cannot continue to reduce capital funding from housing and expect housing agencies to meet the demand to replace houses and all the rest of it.

Mr LAMING: You are reducing it.

Mr SCHWARTEN: We are not reducing it. We are reducing it in line with the amount of money that has reduced from the Commonwealth Government.

Mr LAMING: Much more.

The CHAIRMAN: Member for Mooloolah—

Mr SCHWARTEN: Let him go on and dig a hole for himself. I have never yet heard him utter one word of condemnation about the Federal Government. You endorse what it does in Queensland. You have not said anything to the contrary once. You have had an opportunity time and time again to criticise your mates in Canberra. You endorse them in removing funding from Housing in Queensland. Do not try to get away from it.

Mr LUCAS: Minister, I refer you to your MPS at pages 2-31 and 2-32 in relation to the references to the HITT and the HITT Plus

schemes. In particular, I notice the excellent job performed recently by the department in Ernest Street at Manly in my electorate. I ask you to outline the contribution Housing makes not only to job creation in the construction industry but also in its role as a contributor to people's capacity to secure employment.

Mr SCHWARTEN: I thank the honourable member for the question. Broadly speaking, in the statistics I have in front of me for Aboriginal and Torres Strait Islander housing, it is estimated full time equivalents sustained in employment, which includes direct and indirect employment, is 230. In community housing it is 90. In private housing assistance it is 20 and in public housing it is 1,415. What we are dealing with here is a major employment strategy of this Government. It is, as I say, the double whammy effect. It is about producing good housing outcomes whilst producing good employment outcomes. It is about Governments intervening in that process to make sure that that occurs.

In relation to the HITT scheme, when we came to Government we did a deal with the Department of Employment, Training and Industrial Relations and with the group apprenticeship scheme to get \$9m over four years which would give us 600 building construction apprentices. That was a long-term guarantee. No-one else is doing that. We also do the same in Aboriginal housing with our HITT scheme. The group apprenticeship scheme means that we hand over 150 dwellings every year in that regard.

The employment outcome is again ignored by the Federal Government. If for no other reason, even its hatred for people who live in public housing, it might have twigged to the fact that the building industry in Queensland needed a shot in the arm and it might have made some special arrangements. The HIA was very aware of it and asked us to transfer some projects into the next year. Again, the shadow Minister did not support that. The reality is that the HIA understands that jobs in the construction industry are important and that the GST will have a marked effect on that.

The HITT scheme enabled the equivalent of approximately 160 first-year apprentices to maintain their apprenticeships. The HITT Plus scheme is targeted to create 200 new apprenticeship positions by the completion of the project. To date, during 1999-2000, 102 positions had been created through HITT. So there are 102 kids with a hammer and nail bag. When the member for Lytton and I looked at those projects that day, they were

well trained in what they were doing—not as well trained as I am, but well trained just the same.

The CHAIRMAN: That ends the time for Government questions. I move to the member for Mooloolah. Before I do, I request that the member cease interjecting while the Minister is answering his questions to allow him to fully answer his question.

Mr LAMING: Minister, you have never had it so easy. I refer to my earlier question on the payments made to Treasury as Housing saving targets. Given that the saving returned to Treasury in 1998-99 was \$10.567m and the payment for 1999-2000 was \$15.267m with the estimated payment for 2000-01 of \$15.267m, does this not equate to a hand back to Treasury by your department of over \$35m in the past three financial years? This \$35m plus the \$23m cut from the State matching grants totals \$58m. Does this not again make the efficiency dividend imposed by the fictitious non-indexation of casual payments by the Commonwealth Government look negligible in comparison?

The CHAIRMAN: I ask the member to limit his questions to a minute.

Mr SCHWARTEN: I will let Mr Fulton answer the matching grant question to put that to rest for a start. Let me tell you that what we get back from Treasury is \$35m for community and urban renewal—money well invested. But you do not want to hear about that, no doubt.

Mr FULTON: Mr Laming, could I just clarify the first question in relation to State matching. Was that for 1999-2000 actual or the 2000-01 estimate?

Mr LAMING: Through the Minister, the figures were the figures given to me earlier. They were \$15.267m actual for 1999-2000 and the same amount estimated for 2000-01, which was the answer to an earlier question.

Mr FULTON: No, I was relating to the first question which was about the State matching.

Mr LAMING: I beg your pardon. Yes, the State matching grants commencing 1998-99 were \$121m and in the year 2000-01 it is \$98.4m.

Mr FULTON: The answer I provided was \$58.834m and \$35m equity injection. That relates to the year 2000-01.

Mr LAMING: Through the Minister, the figure that I took down in an earlier question was for the year 1999-2000. The figure was \$58.834m plus \$35m.

Mr FULTON: That figure was for 2000-01.

Mr LAMING: That is for 2000-01, is it?

Mr FULTON: Yes. The 1999-2000 figure for State matching was \$67.734m, if I can clarify that.

Mr LAMING: Thank you. The question remains the same, though. What I have done is added the matching grants reduction and the \$35m on the Housing savings grant.

Mr FULTON: The 1998-99 figures in the MPS included a fiscal contribution by the State Government of \$40.6m to offset the reduction in Commonwealth funds of \$55.6m.

Mr LAMING: Through the Minister, the matching grant for the year 2000-01 is how much? Is it \$98.4m?

Mr FULTON: No. For 2000-01, the matching figures were \$58.834m plus \$35m equity injection. That is what the department received towards matching. The matching requirement for the department is in the order of \$67.5m.

Mr SCHWARTEN: So in fact what he has been saying is a lot of rot.

Mr LAMING: That is not correct.

Mr SCHWARTEN: That is correct.

Mr LAMING: The State matching funding in 1998-99 is \$121m.

The CHAIRMAN: Are you asking a question?

Mr LAMING: I am trying to clarify the question, but the question remains the same.

Mr SCHWARTEN: He keeps making an accusation that the State is not meeting its obligations.

Mr LAMING: The reduction in State funding is actually greater than the presented reduction in casual funding.

Mr SCHWARTEN: He is saying that is rot. That is what he is saying.

Mr LAMING: No, he is not.

The CHAIRMAN: Member for Mooloolah, could you please ask a question rather than make a statement.

Mr LAMING: I will ask the question again. Doesn't this reduction in your own State matching grants make the efficiency dividend imposed and the fictitious non-indexation of casual payments by the Commonwealth look negligible by the Commonwealth?

Mr SCHWARTEN: The answer to that is no. That is right, isn't it, Ian? Explain it to him. Do we have a board here so that you can write it down for him?

Mr FULTON: The 1998-99 payment from the State Government included a payment of \$40.6m as a fiscal offset against the reduction

in Commonwealth funding of \$55.6m. Commonwealth funding was reduced by \$55.6m and the State increased its contribution by \$40.6m to partially offset the reduction in Commonwealth funding.

Mr SCHWARTEN: Yes, that you lot took off us.

Mr LAMING: Perhaps, Madam Chair, I could get that in some detail.

Mr SCHWARTEN: You can get it whatever way you like, but what you have been saying is wrong.

Mr LAMING: Will you take that on notice?

Mr SCHWARTEN: Yes.

The CHAIRMAN: The Minister is happy to take it on notice. Move on.

Mr SCHWARTEN: Are you going to retract what you have been saying here? You have spent half the day wasting our time on this.

Mr LAMING: That is right. That is what we are all here for, Minister.

Mr SCHWARTEN: To waste our time with you making up stories?

Mr LAMING: We are here to ask questions—

The CHAIRMAN: I ask the member to cease interjecting and move on to the next question.

Mr LAMING: Is that both of us?

The CHAIRMAN: That is for you.

Mr LAMING: Only for me? Minister, I refer you to the decision by the Commonwealth and State Governments in relation to the retention of stamp duties on unlisted securities to compensate State housing authorities for the forgoing of additional rent revenue available to them as a consequence of the 4% increase in social security payments. What was the amount of estimated revenue from stamp duty on unlisted securities included in the output revenue on page 2-41?

Mr SCHWARTEN: Ian can answer that, please.

Mr FULTON: The stamp duty revenue on unlisted securities would flow to Treasury and not the department.

Mr LAMING: It flows to Treasury?

Mr FULTON: To State Treasury.

Mr LAMING: That payment was to compensate for any loss of revenue from public housing from people who gained the 4% increase in their welfare payments. It was to compensate for loss of rental on public housing. Have you made any approach to the

Treasurer that those funds should come through to your department?

Mr SCHWARTEN: I raised it at the Cabinet Budget Review Committee meeting. That resulted in getting \$34m or \$35m extra this year. I do not know the amount that comes through by way of compensation, but \$35m extra came out of our State Treasury this year. I do not have a clue what the amount is from unlisted securities.

During the negotiations with the Commonwealth on the revised IGA several funding matters were raised, including public housing rent. The Commonwealth's view was that, because the Commonwealth Budget was worse off as a result of the concessions granted to the Australian Democrats, no further compensation would be provided to the States. The Commonwealth was asked specifically for compensation for public housing rents, but this was rejected by Commonwealth officials.

Mr LAMING: That is what the unlisted securities money is for. You have received that. Would you agree that you have been compensated for that aspect?

Mr SCHWARTEN: I haven't received that. What I have said is that that matter has been raised. I have received \$35m extra in this budget. I am pretty happy about that, but it is no thanks to the Federal Government or anything it has done. All you are doing here this afternoon is trying to defend the indefensible. That is, the GST is going to cost us \$10m a year extra. We got around \$19m and it is going to cost us \$35m. The fact is that we are not being compensated \$10m a year by the Commonwealth for that through any source, whether through the source that you say or anything else. There is no compensation for that at all in Queensland.

Mr LAMING: That is your version, Minister.

Mr SCHWARTEN: That is the correct version.

Mr LAMING: With reference to the public rental housing output, how many commencements were initiated in the months of April, May and June 2000?

Mr SCHWARTEN: I do not have that here. I do not know how many were painted pink, green or orange, either. Put it on notice.

Mr LAMING: Are you able to take that on notice?

Mr SCHWARTEN: Yes. You put everything else on notice on a regular basis. It does not matter how much information we send you, you still misuse it.

The fact of the matter is that last year in public housing, and indeed in all housing, we suffered the same stress that every other builder in Queensland suffered. I do not know whether you are aware of what stress they are going through. If you got out and talked to a few of them you might know. The fact is that we found it difficult to source materials. We suffered the same problems of pricing that private builders faced.

Accordingly, when the HIA approached me about trying to assist it to move some 200 housing units over into this year, I agreed. I did so for a number of reasons. One is that I was not happy with the costs that we had. As I said earlier today, the real building effects of the GST were felt way back in December. It started back then as people started to panic buy, as it were, and up went the price. In my view it was crazy for us to continue to try to build the number of houses that we were in such a market. It made a lot more sense to put a few of those over.

I do not know whether you are digging to find that they were slow or whatever during that period, but I would not be surprised if that was the case because we had enormous problems in getting materials. That is what builders were telling me. The HIA even wanted me to write in a clause that suggested that we would let its members off the hook for any reason whatsoever. I did not do that, but it was an indication by the HIA of just how stressed their builders were in trying to get this sort of accommodation up for us.

I know that they approached you for some support in this regard, to give them a bit of leniency, and you would not give it. I can only guess at the political Machiavellian reasons for that, but the fact of the matter is that it was our effort to help the building industry in Queensland, to try to take some of the responsibility for at least fireproofing some section of that industry from the effects of your rotten GST.

I make no apologies for doing that if it at least guarantees an amount of work for builders in Queensland. I do not believe the price we will ultimately pay for them will be higher, because the GST was effectively already on those prices as far as it being an overheated market. I think it was a totally defensible thing to do. In the last quarter the average price increased from \$162,000 to \$182,000. In the space of three months the average price rose from \$127,000 to \$162,000.

Mr LAMING: Minister, you made a point about the overheated building industry. When

did that come into effect? I think you mentioned December. You might like to just reinforce that. When were you aware that that was going to occur?

Mr SCHWARTEN: I predicted it a long time before it happened, because I have been around the building industry a long time, and supply and demand rules that industry as much as it rules any other industry. The fact of the matter is that I cannot remember the exact date that that thought occurred to me, but I was starting to pick up at the end of last year, from my own constituency and people I know in the building industry, that some of the suppliers out there were increasing their costs quite dramatically. As I said in the other Estimates section, one company alone increased its frames by 27% in a month. That is a hard argument to sustain as far as I am concerned.

Certainly, I was approached by the HIA earlier rather than later this year to try to assist its members. One of the things that it sought at that time was a guarantee that we would not use any of the contract clauses available to us because the project had not been completed. I said I would look at that on a case-by-case basis, but I could not give that guarantee overall. I am sure members of the Committee can see the reasonability of doing that. There is no point in giving a blanket exemption, but where people underwent hardship in trying to get materials—at one stage bricks were very difficult to get; roof tiles were another one that at some stage were very difficult to get—we would consider exemptions. The exact date I could get you, because it is all in writing.

On those costs, in the January period, the average cost was \$127,000 for a two-bedroom detached house. By the end of the year, that had gone up to \$162,942.

Mr LAMING: Is it possible to table that information?

Mr SCHWARTEN: Yes. When I have had a good look at it, you can have a look at it. That is the sort of cost that I was talking about, and that is why I say that you can see the creep of the pre-GST costs, because they were brought on by material shortages and suppliers making hay while the sun shone.

Mr LAMING: You were aware that this would probably happen much earlier, you said.

Mr SCHWARTEN: As I said to you, I have been around the building industry long enough to know what supply and demand does to it. It is like any other industry. I was saying back last year that there would be people out there panic-buying, and that would drive up

demand. I didn't know exactly the amount that it would go up, but you didn't have to be Einstein to work out that that was going to happen; you just had to know about supply and demand.

Mr LAMING: Minister, you took a question on notice in relation to the commencements in April, May and June. I ask that you also take on notice the same question in relation to the HITT scheme specifically.

Mr SCHWARTEN: Yes.

Mr LAMING: Is consideration being given to expanding the potential scope of the HITT scheme beyond the construction and modification of public housing into all Government capital works through a closed tender process, and if so, has this proposal been endorsed by Group Training Australia, the Housing Industry Association, QMBA and BISCOQ?

Mr SCHWARTEN: There are certainly discussions ongoing with the schemes as to finding a variety of work that may exist out there. Whatever we can do to broaden the experience of apprentices, we should be doing. While it is great to get kids who have worked on cottage work, it is also great to get them some experience elsewhere. I know in my own group apprenticeship scheme they are looking at discussing with Q-Build, for example, the possibility of alternating apprentices. We are certainly talking to the Master Builders in that regard about getting alternative experiences for apprentices, because what we want to turn out are people who have a wider variety of skills. I have not been party to the actual negotiations. I don't know whether you have, Linda, and whether you want to provide some more on that.

Ms APELT: We have certainly had discussions, as the Minister says, with the group training schemes and also with private sector industries who are interested in acting as host employers for apprentices who are trained through the group training schemes. Our discussions have involved looking at alternative models to give greater guarantees of continuity and volume of work to the group training schemes, but also to ensure that the private sector has the opportunity to tender for Government work.

Mr SCHWARTEN: That is a very important point that I missed. One of the shortfalls, obviously, from training is that private sector building companies have less opportunity. The more HITT work we segregate off, the less opportunity there is for builders out there to do it. But when builders are not taking on

apprentices, this is a way of getting them to do so, and I think it will work well.

The CHAIRMAN: The time for non-Government questions has expired. I refer the Minister to MPS page 2-4 and the reference to the third of the Government's priorities, namely, "Building Queensland's Regions", and ask how the Department of Housing's programs impact on rural and regional Queensland, both in terms of infrastructure and jobs.

Mr SCHWARTEN: I guess I could get the honourable member for Gregory to answer this one for me, or the member for Burdekin could answer it as well, because those of us who come from regional and rural Queensland know exactly how housing—be it public housing, community housing or ATSI housing—brings money and jobs into the construction industry in rural Queensland.

I have some stats here that have been supplied to me, and I just might go through a couple of them. In 2000-01, almost \$7m will be spent on the completion of 45 projects in rural and regional Queensland—that is a carryover from 1999-2000—which will provide 194 units of accommodation. In 2000-01, a total of \$6.7m will be spent on 14 new projects and 10 upgrade projects from the 2000-01 long-term Community Housing Program. There will be an additional 44 units of accommodation in rural and regional areas as well as the upgrade of 83 units of accommodation. The total expenditure on housing projects in rural and regional communities will sustain approximately 29,000 person weeks in direct and indirect employment. So if we weren't doing it, there would be a lot of people who would not have jobs out in rural and regional Queensland.

Much of this expenditure is targeted at older residents, providing the opportunity for those residents to stay close to family and community networks—something that I know is dear to the heart of the member for Gregory, who sees the wisdom and the reasonability of keeping older people in their communities. Grants of almost \$450,000 will be provided to 23 organisations throughout rural and regional Queensland. In 2000-01, capital projects totalling around \$4m will be completed under the Crisis Accommodation Program in rural and regional Queensland. We should make a note to make sure that the member for Gregory, who has asked me about that privately, gets a full briefing on where those are going.

ATSI housing: 89% of the ATSI portfolio of 2,700 dwellings is in rural and regional

Queensland. The majority of client staff and 106 construction staff work in rural and regional areas. Sixty local indigenous people are currently employed on the Thursday Island redevelopment project, which is going very well, by the way. In 2000-01, 85 new constructions and the majority of upgrades will be in rural and regional areas. In 2000-01, \$41.4m will be allocated for construction and upgrades in rural and remote indigenous communities under the grants program. The funding will enable the continued employment of 168 apprentices and 88 trainees in remote communities. It is a pretty good effort.

Public housing: under the 1999-2000 public rental capital works program, 30 existing public rental buildings in rural Queensland were upgraded. There will be 51 new dwellings in construction. In addition, approximately 50 existing dwellings will be upgraded this year. There will be a total of 3,531 units of seniors accommodation in rural and regional Queensland.

The CHAIRMAN: Minister, before I refer you to the member for Lytton, you said before that you intended to table a number of documents as a result of the member for Mooloolah's question. Were you going to actually table those documents?

Mr SCHWARTEN: He has got the information in questions on notice, but here it is.

The CHAIRMAN: You are going to table it again. Thank you.

Mr LAMING: That is the one with the different costs of housing at the different times?

Mr SCHWARTEN: That is a question on notice. You got that from a question on notice, but you are welcome to it again.

Mr LUCAS: I refer you to your introductory remarks in the Strategic Overview section of the Ministerial Portfolio Statements in which you outline your vision for the Department of Housing to be client focused. I ask: how do you know whether, in fact, the department's clients are satisfied with their services?

Mr SCHWARTEN: For a start, people like you tell me. I must congratulate the honourable member on the competition that he appears to be having with the member for Woodridge in visiting the most public housing rental stocks in their electorate. Certainly members from our side—yourself, Madam Chair, and of course the member for Logan who has a reasonable stock of public housing in his electorate—that is, all jokes aside, one of the very useful bits of feedback that I get from

people. The member for Burdekin and the member for Gregory similarly keep me in touch with what people are saying in that regard.

However, there is a national survey of customer satisfaction with public rental housing assistance and that has been undertaken annually since 1996. In Queensland, 72% of respondents are satisfied or very satisfied overall with public housing assistance. Only South Australia rated better. Queensland results show higher satisfaction levels with treatment by staff, particularly in relation to area office contact.

That was a point I was making before. I daily am astonished at the level of commitment by our area office staff. That does not say that the people who work in the central offices do not do a great job; they do, but the people who are out there in the front line deal with everything from drug overdoses to people who lock their keys out of the house and all the rest of it. It just shows what the difference is between the private sector and the public sector. You lose your keys in the private sector, well, you have got to make your own arrangements, do the best you can. You go down to the real estate agent and say, "I've lost the keys.", they say, "Well, bad luck. You'd better get another set." There was one situation the other day, an old lady aged 85 whose keys were stolen with her bag. We were able to replace the lock. The area office replaced the locks, no charge to her, and things like that. I believe that our relationship with the Queensland Public Housing Tenants Association is a very good one. We have provided funding of another \$60,000, it runs out in August or September—\$100,000 so far. They, too, keep us on our toes. They keep us informed as to what is going on in public housing.

I guess the major complaint is the standard of accommodation, the sorts of things that Jeff was talking about before, that you write to me about, that all members write to me about. I wish there was more money in the budget to fix it.

Mr LUCAS: I refer you to your program statement page 2-30 and the completion of a review of bedsit accommodation for seniors and ask you to detail the recommendations of that review.

Mr SCHWARTEN: I will not give the Burns explanation to this one. If you really want a bit of entertainment, read what he said about bedsit accommodation when we won Government, but it highlighted the inappropriateness of that form of housing. As you well know, it is not a popular form of

housing. It has a fairly high refusal rate. So we have got to do something about it. What we are in the process of doing is targeting the 35 square metres and below that are of low appeal, have a high refusal rate and are 25 years and older and prioritise those through existing strategic access management principles.

Basically, what the program involves is having a look at whether or not it is worth retaining the overall block, for a start—whether you are just chucking good money after bad. If you are going to keep it, you have to look at ways of de-bedsitting it, if that is the word. I have seen various attempts at it, some good, some bad. It is not something that is just confined to Queensland, either, I might say. We saw some in New South Wales in high-rises which were pretty crook. We saw them in Canada, I think, too. It would cost between \$54m to \$66m to fix the problem, so it is not going to be a magic thing that happens overnight, but you have got to start somewhere and we have started.

I believe the standard of accommodation that we now build just highlights the inadequacy of those and you can see why people would rather not go into our bedsits when you see those new ones that you took me to and showed me in your electorate. I know where I would rather be, but it behoves us to try to do the best we can with what we have got.

Mr LUCAS: I suppose the problem is you have got some bedsits that are, in fact, in very good locations but the building is not up to scratch. So you want to try to modify them so do you not lose the excellent location because you might not be able to get other land to put housing on.

Mr SCHWARTEN: Yes. In some cases probably the economics of it might be that you knock them down. We would look at all of those. We are very loath to give up good locations, I can assure you of that.

Mr MICKEL: Minister, I refer to—

Mr SCHWARTEN: I praised you while you were out, too, so you had better not ask me any dreadful questions.

Mr MICKEL: No, I will not. I just want to take you back to when I was here and you gave a run-down on the changing make-up of Queensland Housing tenants. I was particularly interested in your comments that we are getting a greater number of frail aged and disabled. I mention this particularly because it is important in my area of Logan City and because the Queensland Housing Department has just been attacked by some anti-

Government Logan City councillors for wanting to provide more Queensland Housing in Logan City. I just ask you to go back again and outline those figures for me on the changing make-up of that.

Mr SCHWARTEN: About 60% of people that we house have either aged needs or special needs. You can tell those councillors from me out there that I would rather have our public housing tenants than them, with their sorts of attitudes, living anywhere near me. The people that I know who live in public housing are damned decent people. Those sort of people who make those comments are not worthy to have living next door. I would not inflict public housing next to them because I would not want our tenants living next door to the likes of them. It would give our tenants a bad name.

The reality is that the standard of dwelling that we are now building stands out in the street because of its excellence. The stuff that we are now building is of very high quality and I cannot imagine any reason why people would want to run a campaign of hatred against people whose only problem in this world, dare I use that term, is that they did not have enough money to buy their own home. Public housing produced a Premier of Queensland, a Deputy Premier of Queensland, the Leader of the House lived in public housing and so the list goes on. There is nothing wrong with public housing. I do not take a blinkered view about this. If people play up, then we get rid of them. Every officer of this department knows my view on that. I will back them 100%. We do not have to put up with bad behaviour. What we do not require is people piously standing out in your area or any other area of the State saying, "We don't want those sort of people here." Let me tell you, I do not want those sort of councillors anywhere near me because that sort of pompous, look-down-your-snout attitude went out a long time ago and it shows how irrelevant they are representing people. Certainly I hope that they get voted out at the next election. If you want a hand letter boxing—

Mr MICKEL: UnAustralian.

Mr SCHWARTEN: It is very unAustralian. But not only that, if you want a hand out there to letterbox against them at the next election, let me know.

There are a range of products that we have in terms of home modification and all the rest of it, but the point you make is that increasingly we are housing people with special needs, be they aged or be they with special disability. There are 139 people waiting

to go into specially built accommodation, which we will do in the next 12 months. But as I say, 98% of the people who live in public housing pay their rent on time. They also do not give any problems. They are perfect neighbours. Just have a look at the garden competition. They are the best houses in the street in most cases.

Mr MICKEL: Linda came to one of those last year. Was it last year or earlier this year? I cannot remember.

Ms APELT: Last year.

Mr LUCAS: I refer to page 2-8 of the MPS and the reference to the implementation of a rent strategy on deed of grant in trust communities and Aboriginal shires, and I ask: what are the features of this strategy? How successful has it been? Can you be assured of success?

Mr SCHWARTEN: Can I say at the outset that I am delighted with the cooperation that I have received from indigenous communities and the ACC. I know that I have your support in what I am about to say, and I know that the member for Gregory has stated this to me as well: there is no excuse for people not paying rent. I do not accept it from anybody. I have often told the story that my mother was one of 19 children and the first thing her parents did was to make sure that they had a roof over their head. That was during the Depression. Her mother scrubbed floors and all the rest of it. So there is no excuse for somebody not wanting to pay to keep a roof over their head as far as I am concerned. Certainly, some people get into trouble from time to time, and we ought to be there to help them through that. We certainly have strategies in place for it. But I do not accept on Aboriginal communities or any other communities that you do not pay rent. What happens if you do not pay rent? You end up down the barrel of where we have been, and that is that you end up with no money in your budget—and it is a local community—to maintain housing. So anything we put in there merely replaces what you have got.

There are some great statistics here and it is a great news story for those communities—it really is. Twenty-five councils had collection rates of 90% or higher; 19 achieved 100% or higher. That is a marked difference from where we were last year. Six councils have reported nil total accumulated arrears; 20 councils reported a decrease in annual arrears—this is out of 34, by the way. Twenty communities achieved an increase in rent collection rates and a decrease in annual arrears. Thirty-three

of the 34 councils reported for the period ending 30 June 2000.

What I have said to these communities is: "Let us make the decision here and now. If you do not want to be part of this, we are not going to spend part of the \$176m in upgrading your community. If you want to confirm the future for your next generation as being in overcrowded hovels, then so be it. Go ahead and do not collect any rent." It is a harsh decision, but it is one that has been endorsed by a lot of communities that have my personal backing. I know that the Minister for Aboriginal and Torres Strait Islander Policy supports this view as well. It has had the effect that we wanted it to have.

I do not want to understate the level of cooperation that I have received from most communities. I have just mentioned the ACC, but the ICC as well were supportive and have helped us through this. It is a good news story. I just hope that the media pick up on it, to tell you the truth. They always run the bad stories about them.

Mr DEPUTY CHAIRMAN: The current bracket for questions by the Government members has expired. I now ask the non-Government members to ask questions.

Mr LAMING: With reference to the community renewal scheme, can you confirm that, in addition to the \$5.3m already approved by Queensland Treasury to be carried over from the 1999-2000 to the 2000-01 financial year, you are now also anticipating an additional \$2.1m underspend from the 1999-2000 year that will be carried forward into the 2001-01 year?

Mr SCHWARTEN: I will answer the last bit first. It is not an underspend; it is a three-year program. In terms of the \$5.3m, if you were listening before you would understand that this is a very complex program that there is no rule book for. When you have got committed members like the member for Logan who have been out there dealing in community planning and you have got committed members like Mike Kaiser who are similarly involved in their communities and you go to Manoora and you go to Garbutt and you see the local members there involved, you will understand how difficult this program is to run.

We can go in there and rattle out \$5.3m and throw it at those communities and tart up a few houses and everybody would say, "You have spent the money. You have done a great job." That is not what this is about. I invite you to go to those communities and actually see what this is about. I am sure that

you would have the honourable member in your electorate, Mr Mickel.

Mr MICKEL: Absolutely.

Mr SCHWARTEN: Because the reality is that that money is committed. It is not going to be torn up in \$50 bills and thrown out to sea. It is there and there are programs that are already being discussed out there in the communities. I have a policy that I do not have any programs funded until they receive community support. This is a community action planning process. It belongs to the community. As such, I do not rush them through it. I do not say, "You have got to get this done by next week", or whatever the case may be. The money is there, the goodwill is there and the program is there. From time to time it is a bit slow, but it will get the results in the long term. I am certainly not going to go down—and neither is this department—and crack the whip over people and say, "You have not spent that money yet." The money is there, the need is there, the program is there; it will be done.

Mr LAMING: Minister, notwithstanding your remarks, this is virtually a 50% shortfall in that funding. Are you confident that you are going to be able to spend the funding in this current financial year?

Mr SCHWARTEN: The same answer that I just gave. I will go through it again. This is a program that has an outcome in the community. This is not a program of saying, "We are going to paint 50 houses", or "We are going to put some public art in the corner park", or "We are going to knock down 20 houses here", and that is the end of it. It is far more complicated than that. I have every confidence in the people who work in this program. I have every confidence that the need is there and the money is not being wasted. I have every confidence that the outcomes can be achieved. I have every confidence that that program funding will be spent in the best place at the best time.

I do not believe that anybody is going without as a result of this. It just takes a bit more time in certain circumstances. If you want evidence of that, go out to these communities or, if you want to get yourself into strife, go up to Manoora and look at the people who are working in the community centre that we gave them there and say, "You have got this money to spend. You have not spent it yet. Why?" They will tell you that they cannot spend it at a certain period of time because the kids are at school and they wait for school holidays to run programs for them, and things like that. This is not about Government sticking its nose up in the air and saying, "Thou shalt." For heaven's

sake, what Governments should be learning out of here is that this is how you do business: you actually out into the community and you listen to them. You take a whole-of-Government approach. It takes time. You involve all the agencies, and that takes time.

Mr MICKEL: They are not used to being consulted.

Mr SCHWARTEN: No, people are not used to being consulted, and they take their time to make up their mind. So if you want to criticise me for having this money over, I challenge you to go into each of those communities and criticise me and see how you get on—and criticise me to those local members who deal with this on a day-to-day basis. It is all very well to come in here and make a little snide remark about it, but the reality is that this works, it has its achievements. Go and talk to all the agencies that are involved in it. Do not spend a day there; go and spend a week among these people and start talking to them about it. Then we will see what you say about it.

I mentioned community action plans. They have to be done first. As I say, if this is just about money, then it will not work. That is why it did not work under you lot. That is why it was just seen as a tarring up of a few buildings. You can do that with plenty of money, but you are wasting it; you will be back doing it again in two years' time.

Mr LAMING: Minister, you referred to community action plans. Considering the importance of the program, can you explain why you failed to complete four of the 11 community action plans as set out as the target for 1999-2000?

Mr SCHWARTEN: Here we go again. Let us start at the beginning. Community action planning is not done by me. The Government does not go down to these communities and say, "You will have a community action plan finished by next week." Communities are sick of this. I will give you an illustration. I went to an old bloke's place in Garbutt. This was a program that you ran. There was good news for this dear old soul: "We're going to paint your house, put in a set of stairs and fix up the bathroom and the kitchen." I will not tell you what he said to me, because it will go in Hansard and I do not want any swearwords to go in. But he said something like this: "I've lived in this house since 1954. Nobody has ever come near me before. I have raised seven kids here. You have knocked down the two houses next to me, so my mate that I used to share things with every day has gone." This is what your project did. He said, "Now

you come in here. My wife is nearly dead and I'll be dead in two years, and you want to paint my bloody house."

They are the sorts of assumptions that you make when you do not go through community action planning and do not listen to what the community wants. That old gentleman saw what we were doing as an intrusion, because of the patronising attitude that people like you take to those sorts of people, as you call them. That is exactly what you are bringing here today. You are squarking as loudly as you can your ignorance of this whole process by blaming me for not doing a community action plan. In case it missed your attention, I do not go into communities—

Mr LAMING: I rise to a point of order. I take offence to your—

Mr SCHWARTEN: You can take a gate as well, as far as I am concerned.

Mr LAMING:—remark, and I ask you to withdraw it.

Mr SCHWARTEN: I withdraw anything you find offensive. But the fact of the matter is that what you are reading into this is that community action planning is something that you thrust down people's necks. That is what you were saying—set a time for it, set an amount of money for it, let it happen and do not take into consideration the special needs in communities. I bet the member has not even been to Manoora and looked at the complexities there. I bet you have never doorknocked in Garbutt or gone to the local school and seen what their needs are. This takes time, as I said before. But the patronising attitude, like you have with all public housing—

Mr LAMING: You should know that I have been to three of those areas—Manoora, Garbutt—

Mr SCHWARTEN: You obviously did not learn anything. You'd better go there again. You dropped in and out of there.

Mr LAMING: I bet I have spent more time in Garbutt than you have.

Mr SCHWARTEN: I bet you have not.

Mr LAMING: I played football for Garbutt.

Mr SCHWARTEN: You played football for Garbutt. You didn't learn anything; you must have got a couple of kicks in the head while you were there.

The CHAIRMAN: Can I suggest that the Minister refer to the honourable member as the "honourable member" rather than "you".

Mr SCHWARTEN: I feel very strongly about those sorts of issues. He will get another "you" if he starts it.

Mr LAMING: I feel very strongly about your remarks, too.

Mr SCHWARTEN: You can; they are intended that way.

Mr LAMING: Minister, I refer to the one-off \$25m special maintenance funding allocated to Housing following the devastating and unjustifiable raid on the Auctioneers and Agents Fidelity Guarantee Fund. Can you confirm that this \$25m payment is included in the \$78.5m maintenance figure on page 2-32 of the MPS?

Mr SCHWARTEN: You will get the details of all of that, but let me get this from you: do you not support taking that money? You do not support taking the money out of the auctioneers and agents fund; is that what you are saying?

Mr LAMING: I did not say that.

Mr SCHWARTEN: So you are not saying anything?

Mr LAMING: The \$25m—

Mr SCHWARTEN: Be honest for once in your life. Do you support it or not?

Mr LAMING: I ask the questions.

Mr SCHWARTEN: Do you support it or not? You never answered that. It is like everything you do on policy, except for your great policy for subcontractors.

Mr LAMING: What about the \$25m?

Mr SCHWARTEN: Firstly, let me say that I support, as the previous Government did and as the Government before that did, using any money that we can from any sources to boost Housing. I am the Housing Minister, after all. The other point to be made about that fund, of course, is that now consumers are afforded an even better level of protection because that whole fund is being underwritten by Treasury. I am delighted to see that we have freed up money that comes into Housing as a result of it, even though the honourable member will not say "yes" or "no"—to most things, anyway. And he certainly will not indicate whether he supports this. It is a bit like when the HIA asked him to support me in moving over some houses. There was no "yes" or "no" there. You will make a great Minister. No "yes" and no "no"; "don't know" is always the answer in your case.

But in terms of where the money is, I might like to answer that. I am glad to get the dough. It is certainly going to assist this department to increase its budget this year

and to do the sorts of things we could not do otherwise, because the Federal Government is robbing us—your Federal Government, of course, that is.

Mr FULTON: The funds were paid to the department—\$35m—as an equity injection that was applied to capital acquisition.

Mr LAMING: Capital acquisition?

Mr SCHWARTEN: Capital. The policy of this Government is to transfer capital with capital, not like you lot did when you were in Government.

Mr LAMING: So that is not into the maintenance?

Mr SCHWARTEN: Maintenance is not capital.

Mr FULTON: No, it was applied to capital.

Mr LAMING: I refer to your \$87.9m construction program for public rental housing in 2000-01 and further to your press release dated 12 May 2000 calling on the Federal Government for an additional \$20m for seniors units in rural and regional Queensland.

Mr SCHWARTEN: You waited until Johnson went before you raised this.

Mr LAMING: A quick analysis of your own new construction and acquisition program for 2000-01 shows that your actions have again failed to match your rhetoric. Is it not true that of the \$87.9m budget for 2000-01 you are planning on spending only \$7.135m, or 8% of the total budget, on seniors accommodation outside the south-east corner of Queensland?

The CHAIRMAN: Questions should be up to only one minute long.

Mr SCHWARTEN: I thank you for your lack of support for that project to provide seniors accommodation. You waited until your mate from the National Party left. He has a decent understanding of these issues and a bit of heart when it comes to this. At least he had the guts to take on the Federal Government—your mates—to try to get us an extra \$20m. There is a list of projects, but I do not know what the percentages are. You can have that list, but I do not have the percentages here with me. Some 90% of long-term community housing went to rural and regional Queensland.

Mr LAMING: Are you going to provide that information?

Mr SCHWARTEN: Yes.

Mr LAMING: I beg your pardon?

Mr SCHWARTEN: Yes. I said, "Yes".

Mr LAMING: Minister, I refer to page 2-29 of the MPS and in particular to the grants

received from the RTA for the provision of the housing resource services. Can you please inform the Committee of the reasons for the reduction of funding to this program from the RTA and also the reason why nearly \$0.5m in carryover was returned to the RTA unexpended by Housing Queensland?

Mr SCHWARTEN: I cannot answer for the RTA as to why it has withdrawn the funding. You'd better ask the Minister responsible for that. We have made it up.

The CHAIRMAN: Could the member for Mooloolah move on to the next question?

Mr LAMING: Can you advise the Committee whether you intend to pursue private sector investment in public housing in Queensland and specifically seniors housing?

Mr SCHWARTEN: We have looked at a variety of models and a number of people have been through my door with various suggestions about it. The broad concept of affordable housing is starting to have some appeal out there in the private sector. The one thing that we cannot make the figures work on is how you can charge people 25% of their income and still make a profit. That is no disrespect to the private sector, because the private sector is in it to make a quid. That is fair enough; that is what makes the world go around.

The truth is that we have looked at a number of models that have come up. We are still looking at a number of models. As you would be aware as a member of the Public Works Committee, there has been an evaluation of the Compton episode and there was a decision taken, which I know you did not support—you spoke against it in the House, which is your right—which pointed out that we would have got better value for money by construction. We just started to evaluate that whole process.

Obviously with the diminishing capital dollar coming from Canberra, we have to look at every possibility that we can to create investment opportunities to make them work out there. Housing trusts is another way that we are looking at doing it, as they do in New South Wales. There has been some keenness. But there have been occasions when I have spoken to private sector developers, and one very leading private developer in Queensland did not know what adaptable housing was. That is no disrespect to him, because they just do not deal with it. Given that six out of 10 people that we house have special needs, that needs to be understood by industry. The sort of planning that we are now doing—the provision of

manuals for adaptable housing and so on—is such an instance.

We certainly are out there to try to get as many people as we can involved in affordable housing. When I say "affordable housing", I do not mean cheap and nasty; I mean the type of accommodation that we build that is durable, well placed and meets the needs of the tenants. If you have some magic method that thus far we have not seen, I would be happy to listen to it. I have listened to a lot of people. Basically, what it comes down to is that they say that they want us to finance and they want to pick up the Commonwealth Government subsidy on housing. That is what it tends to come down to, because they realise they cannot make money out of it. I do not say that in disrespect to them.

The CHAIRMAN: Your time has expired. You have time for another quick question.

Mr LAMING: I refer again to the HITT scheme and in particular to your response to question on notice No. 587 in 1998 in which you stated that contracts would be let for 1,500 public houses to be built by group training schemes over a three-year period. Given this commitment, how do you reconcile both your inability to deliver 1,500 new public houses in the past three years and the allocation of these projects to group training schemes?

Mr SCHWARTEN: I do not see any problem with delivering them. They are difficult to do; that is why you lot did not do them when you were in Government. That is why you made very little commitment to doing it. It is tough, it is hard to do, but that does not stop me doing it. The total is 300 a year.

Mr LAMING: If you want to check the question on notice—

Mr SCHWARTEN: Where is the question on notice?

Mr LAMING: It is No. 587 from 1998.

Mr SCHWARTEN: If you want to criticise me for the HITT scheme, that is fine, go right ahead. We are meeting all the targets. The group apprenticeship schemes are very happy with it. I can tell you of the kids out there who have got an apprenticeship out of it. There will be 600 more Queensland kids who have got an apprenticeship as a result of it. It is hard to do and I am sure the department quite often does not thank me for pursuing it, but it works. If you go out and meet a few of the kids who get trades out of it, I am sure you would agree that it is well worth while trying to do. We will meet the commitments.

The CHAIRMAN: The time for non-Government questions has expired. Firstly, I would just like to welcome a delegation from a Vietnamese business group to Parliament House today—although they are not here at the moment—and ask a question in relation to that. Last year's budget included an amount of \$80,000 towards the establishment of a new print on demand multilingual information system at the department's Inala area office, and I ask the Minister to advise the members of the Committee on the status of this initiative.

Mr SCHWARTEN: I should probably have mentioned that that is the sort of question that the member for Logan was alluding to before. It demonstrates the diverse nature of our tenant group. It also demonstrates the creativity and the commitment of the people in this department who want to meet the demands and needs of such a diverse tenant group. We have developed an on-demand program that can be delivered in a number of languages that are required. If our Vietnamese friends were here, I would be able to say that we would be able to deliver to them information in their native language. The information, as I said, is in Samoan, Vietnamese, Spanish and English; the CD-ROM and hard copy is in a kit for dissemination to the non-Government organisation network for further distribution in the broader community, the Intranet for office use, the Internet for public use; and the information is accessible through those sorts of channels. It shows again our commitment to ensuring that the needs of our tenants and our prospective tenants are met as best we are able.

Mr MICKEL: Could I just ask you a question to round up where we started this whole thing? Could I plead with you to take it up with the Federal Government that the whole issue of dumping illegal immigrants here in Queensland. It puts pressure on Queensland housing; I appreciate that. It is the spillover effects that I am genuinely concerned about. These people will go into areas where I am sure they will not have the educational backup. I am very concerned about that, because in my area of Logan City we have 161 different nationalities. As you know, I worked in the Inala area when we were provided with no backup at all. It causes genuine anguish for those people. But, more importantly, it stretches what are already stretched resources. I appeal to you to take that up with the Federal Government.

Mr SCHWARTEN: You have my word on that.

The CHAIRMAN: I would like to ask one more question on behalf of the Government. I refer the Minister to page 2-2 of the MPS and the reference to improvements in coordination of the administration and delivery of home maintenance and security services to older people and people with a disability under the Home Assist and Home Secure Programs and the Home and Community Care Program, and I ask: how will the services to needy Queenslanders provided under these programs be improved?

Mr SCHWARTEN: As all members would know, the Home Assist and Home Secure Programs are funded through this department to the tune of \$9.5m. I wish it was more because that program aims to keep people in their homes for a longer period. It keeps them with their support groups and, by and large, at the end of the day represents good value for money in keeping people out of nursing homes and so on. I know that the member for Lytton has raised this issue. Most of the people who live in houses—in some cases pre-war homes—that require a high level of maintenance are beyond that. As I say, I would like to be able to assist further, but—

Mr LUCAS: We spoke to an old lady of 83 in Maryborough.

Mr SCHWARTEN: She is 93, I think. She was still in her own home and was apologising because she could not change the light bulb. She said, "It just got beyond me." I said, "There are people the age of 40 that it has got beyond." And there are some people who have never changed one, I suppose.

As members would know, the Home and Community Care program has a similar client base. It makes sense to me to keep those projects as close together as we can. By and large, the home modification section of HACC is done through HOME Assist and HOME Secure in a lot of cases. It makes sense to me to try to bring those programs together, as well as the federally funded one, which is in Health. We have the same sort of people going to the same houses. The capital outcomes are the same. A lot of these houses need home modifications in bathrooms and all that type of thing. We are working on it. We have a pilot going at the moment. I was there recently. It seems to be going very well. As I say, HACC home modifications are no stranger to most of these HOME Assist and HOME Secure groups, but I am sure you know that.

The CHAIRMAN: Minister, there are no further questions from the Government side. The time allotted for the consideration of the Estimates for the Public Works and Housing

portfolio has expired. Thank you, Minister, and advisers for your assistance and all departmental staff here who have assisted over the process. Thank you also to the Hansard staff who covered the hearing today. Incidentally, the transcript of this part of the hearing will be available on the Hansard Internet quick access web site within two hours from now. I would also like to thank my research director and the research assistants here today and the other Committee members. That concludes the Committee's consideration of the matters referred to it by the Parliament. I declare the public hearing closed.

The Committee adjourned at 5.51 p.m.