

ESTIMATES COMMITTEE C

Mrs L. D. Lavarch (Chair)

Mr V. G. Johnson

Mr G. E. Malone

Mr A. I. McNamara

Ms A. F. Phillips

Mr T. L. Strong

Mr P. W. Wellington

TRANSPORT AND MAIN ROADS**IN ATTENDANCE**

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

Department of Transport

Mr B. Wilson, Director-General

Mr D. Hunt, Deputy Director-General

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

Queensland Rail

Mr B. Scheuber, Chief Executive

Mr C. Warnock, Acting Group General Manager, Passenger Services

Department of Main Roads

Mr S. Golding, Director-General

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

Mr N. Doyle, Acting Deputy Director-General

Ms K. Peut, Director, Roads Programs

Mr R. Drew, Executive Director, South East Region

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, welcome ladies and gentlemen to today's hearing. I am Linda Lavarch, the member for Kurwongbah and chair of the committee. My fellow committee members are: Vaughan Johnson, the member for Gregory and deputy chair; Ted Malone—who will be with us shortly—the member for Mirani; Andrew McNamara, the member for Hervey Bay; Anita Phillips, the member for Thuringowa; Trevor Strong, the member for Burnett; and Peter Wellington, the member for Nicklin.

The committee will examine the proposed expenditure contained in the Appropriation Bill 2001 for the portfolios of Transport and Main Roads, Innovation and Information Economy, 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 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 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 only during the opening statements. For the benefit of Hansard, I ask advisers to identify themselves before speaking. And if you have a mobile phone or a pager, I ask that they be switched off now so as not to disturb 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 three and a half hours. The first area to be examined is the proposed expenditure for 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 Minister for 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 indeed. Can I start by noting that my stars today said that I would spend the day at a meeting with people of like-minded interests. So at least they are right for half the day! First of all, I will introduce the people I have with me. On my right is the Director-General of the Department of Transport, Bruce Wilson. To his right is Helen Stehbens, who is the Executive Director of the Rail Ports and Aviation Division. To my left is the Deputy Director-General of the Department of Transport, Dan Hunt, and Bob Scheuber, the Chief Executive Officer of Queensland Rail.

This year the Beattie government's state budget delivered a \$3.39 billion Transport and Main Roads controlled operating budget and, in doing so, honoured its election commitment to develop a world-class integrated transport network. Again, as in the past, the major focus is on rural and regional development and the provision of services and infrastructure necessary for quality of life in the Smart State. Budget funding for the portfolio for the 2001-02 financial year will drive job creation opportunities and build on the state's reputation as a reliable transport planner and road system manager.

Queensland Transport's total operating budget is \$1.27 billion for this financial year, whereas Main Roads has a \$2.122 billion operating budget, which includes a \$1.11 billion allocation for roadworks and operations and financing charges and planning and administration. 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, increasingly, decisions are reflecting an integrated view of the total transport task.

While the passenger transport issues being handled in Queensland Transport are predominantly urban and within communities, road issues and road investment are more significant outside south-east Queensland and connect communities. 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 Queensland Transport and Main Roads will continue to deliver roads and other related 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 \$1.27 billion will strongly assist in developing, maintaining and enhancing transport systems controlled and administered by the department both in regional centres and south-east Queensland. Grassroots transport needs, such as disability access, rural and remote infrastructure and public transport security and reliability issues, have been strongly enhanced within programs under the budget. We have honoured and continued our pre-election commitment by continuing to listen closely to the transport needs of the people of Queensland, and certainly this budget reflects that commitment.

Some highlights, which I will refer to in more detail shortly, include: a record \$242 million for capital works by port authorities; \$105 million for track renewal work between Rockhampton and Cairns; \$46 million towards the design and manufacture of two new diesel-powered tilt trains to operate between Brisbane and Cairns; and \$22 million for the Inner Northern Busway between the Brisbane CBD and Royal Brisbane Hospital at Herston.

In the south-east corner, we are concentrating on building on the many public transport initiatives implemented as a result of forward planning in the past three Beattie government budgets. This is in terms of both services and infrastructure. The aim is to encourage greater use of public transport by providing infrastructure and services which are efficient, comfortable and safe. In Brisbane, for example, the 2000-01 financial year saw the completion of the long-awaited South East Busway, and all indications are that its success has been beyond our expectations. This financial year we will be building on that success by continuing construction on the Inner Northern Busway, of which stage 1 is currently under construction. Part of the \$22 million I have been allocated will be used to design section 3 of the busway, which runs between Roma Street and the Normanby Fiveways. The remainder will be used to design and construct section 5, which will run through the Victoria Park Golf Course from Gilchrist Avenue to Herston Road.

The state's regional communities have also benefited from this budget. Headlining the Beattie government's focus and commitment to regional Queensland is the funding of \$105 million to continue the rail track upgrade between Rockhampton and Cairns. This forms part of a \$330 million project and continues commitments made in the previous Beattie government's budgets.

Main Roads has a \$2.122 billion operating budget, which includes \$1.11 billion to manage, plan, construct, maintain and operate Queensland's state-controlled road network. This Main Roads budget outcome reflects the Beattie government's commitment to deliver its election promises. It provides \$883 million to deliver the Roads Implementation Program through its four regional and 14 district offices throughout the state. Excluding the Pacific Motorway, this reflects an increase of \$49 million on last year's budget, with the growth coming equally from state and Commonwealth sources but with the state still contributing more than 70 per cent of the overall road task. This Regional Roads Program covers federal government-funded National Highway projects and Roads of National Importance, 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 program administration activities. This roads funding allocation sustains jobs for 17,500 workers in roads and other industries in Queensland.

Highlights of this year's budget are: \$577 million for state-funded construction and maintenance of state-controlled roads, which continues in 2001-02 and includes an ongoing allocation of \$30 million a year for a Rural and Regional Roads Improvement Program—an election commitment of the previous Beattie government; \$242 million from the federal government for National Highway black spot funded works; \$35.6 million in subsidies to local governments for local road upgrades as part of the Transport Infrastructure Development Scheme; and \$282 million for other roads programs, including \$20.6 million for natural disaster relief and \$226.6 million for buildings, plant and equipment, interest and redemption charges and corporate support. It also includes a \$10 million roads infrastructure package to improve road access to, and quality of life within, Aboriginal and Torres Strait Islander communities. Importantly, more than 50 per cent of the roads program will be spent outside the south-east corner where, overall, the road construction and maintenance needs are greatest.

The CHAIRMAN: The first round of questions will come from non-government members.

Mr JOHNSON: Good morning, Minister, and good morning to all the familiar faces. It is great to see you.

Mr BREDHAUER: It is nice to be back again.

Mr JOHNSON: Minister, my first question this morning is in relation to rail matters. I refer to non-government question on notice No. 3 in relation to the goods and services tax and note your answer that Citytrain collected \$37 million GST in 2000-01, but you were unable to provide an answer in relation to the GST liability payable as the final monthly payment will be made towards the end of July. Can you advise what the payments for each of the other 11 months were?

Mr BREDHAUER: Not off the top of my head. But collectively, the payments essentially will be the \$37,014,364 that was collected less the input tax credits. Now, the input tax credits amount to \$1.2 million. We are entitled to claim those input tax credits, as you do under the system that was implemented by the federal government. So the full amount of the money that we remit to the Commonwealth—to the ATO—will be the \$37 million minus the \$1.2 million input tax credits. So the total amount that we will pay in GST on those services that we provide will be \$35.8 million. So effectively, the full amount we collect—everything we collect—we have to remit except the input tax credits, which we are allowed to claim, and they come to \$1.3 million. So by the end of the month, when we have remitted it all, it will be \$35.8 million that we have remitted. We do not keep any of it. Under the system they get it all, and none of it is coming back to us yet.

Mr JOHNSON: What you are saying is you would like to. As the answer to question on notice No. 3, to which I referred, concludes that the final monthly payments will be made towards the end of July, this obviously presumes that the GST input taxes that you have just mentioned are less than the collections. Minister, can you advise why rail officials have indicated that the recent rail fare increase is due in part to increased costs associated with the GST?

Mr BREDHAUER: Yes, I can. Sorry, I am a bit concerned by the suggestion that the input tax credits are greater than revenue received. If that is what your question

suggested, that is not the case. The revenue received is just over \$37 million. The input tax credits, as I have indicated, are \$1.2 million. That means that the balance, which will be -

Mr JOHNSON: About 35 or whatever.

Mr BREDHAUER: Most of which has already been remitted, except for the final monthly payment, which is made after the end of the financial year. So around the middle of this month we will make the final payment to the ATO. But the recent fare increase was partly attributable to the GST and the changed arrangements that encompassed the change to the Commonwealth-state financial relations, mainly because we have not achieved the kind of savings, through the implementation of the GST, which the Commonwealth predicted that we would. And you will find this right across the entire Transport portfolio.

In the Department of Main Roads, for example, we have to remit to the Commonwealth \$122 million over, I think, three years—five years it might be, sorry—which is what they estimated we would have saved through the elimination of the other taxes which came through the GST. But those savings have never been realised. So the reason it is correct to claim that the GST was a contributing component of the recent fare rise is that those embedded savings which we were meant to achieve as a result of the GST package that was implemented have not come through.

Now, in addition to that, we were meant to get benefits from changes in fuel prices. And of course, I do not need to tell the honourable member for Gregory, who comes from an electorate similar to mine, what the impact of fuel prices has been over the last 12 or 18 months under the federal government's arrangements.

It is quite correct for us and for QR to claim that the GST was a contributing factor to the recent cost increases that have necessitated an increase in fares. The fare increase, which was of either 10c or 20c, is the first fare increase in two years. For many concession ticket holders and others, the increase will be less. QR periodically puts fares up to reflect increases in costs. Those increases in costs on this occasion included fuel costs and GST costs. QR would have put fares up in your time as minister. They have put fares up in my time as minister and they will put fares up in the time of whomever is the next Minister for Transport, because it is part of their normal operations. We are quite justified in claiming that the GST and the new Commonwealth-state financial arrangements have had an impact on fares and costs.

Mr JOHNSON: I refer you to capital statement 77, and the Cairns tilt train. I refer to the Cairns tilt train allocation, which I note has increased by another \$1 million, and ask: has any provision been made for the upgrade of the 200 or so unprotected level crossings between Rockhampton and Cairns? If so, where is the allocation in the capital statement?

Mr BREDHAUER: There has been an allocation made, but you make a mistake in confusing the tilt train project with track upgrades, which are occurring on the northern line. I mentioned in my opening remarks that QR is undertaking track upgrades to the tune of \$330 million between Rockhampton and Cairns. In this budget, \$105 million has been allocated by QR to undertake that work. About \$80 million of this work is basically track maintenance and upgrading work between Cairns and Townsville. The balance of that project is between Townsville and Rockhampton. That was a commercial decision by QR to invest in that track upgrade between Rockhampton and Townsville because of the substantial benefits

that it will bring to freight operations. Trains will be able to operate on the entire network between Brisbane and Townsville, after that track upgrade is completed, to speeds of 100 kilometres an hour. We are eliminating poorly aligned sections of track. Work will be done on level crossings as part of that project.

In addition to that, there is \$17 million, which has been negotiated by Queensland Rail with Queensland Transport, as part of the Traveltrain rail service agreement as a contribution towards level crossing upgrades—sorry, the below-rail agreement, not the Traveltrain agreement. So there are two ways in which level crossing safety will be improved between Rockhampton and Cairns: one through the track upgrade, which has been partly funded through a commercial decision by QR and partly funded by an \$80 million contribution which was made by the state government in our last budget to upgrade the track between Townsville and Cairns, and partly by the \$17 million contribution which was negotiated by Queensland Transport with Queensland Rail as part of the rail service agreement dealing with the below-rail track infrastructure. But I stress again that each of those are separate from the tilt train project, which I can talk more about if you want me to, and which will be fantastic for the economy between Brisbane and Cairns, particularly that section between Rockhampton and Cairns, which is not enjoying the benefit of tilt train services thus far.

Mr JOHNSON: I hope you are right about that. I have to say that you might think that I have been negative towards the tilt train but at the end of the day it is a capital works program. I can assure you that everybody wants to see those capital works programs work. The one thing—

Mr BREDHAUER: Is that your next question?

Mr JOHNSON: No, it is not the question. I just made a comment on that. The question—

Mr BREDHAUER: I will take it as a comment then.

Mr JOHNSON: You made mention there of the \$330 million upgrade. Bearing in mind that from the time of David Hamill to Jim Elder to I in your position, we finished off in my time—

Mr BREDHAUER: A great run of Transport Ministers.

Mr JOHNSON: We finished off the \$600 million upgrade of that northern track, and that is when the tilt train operation came in place. We know what the cost of the tilt train is going to be, but those crossings have to be upgraded for safety measures. So that has to be part of the tilt train operation.

Mr BREDHAUER: Sorry, is that a question or another statement?

Mr JOHNSON: That is what I am saying: it has to be part of the tilt train operations. It has to be a safety measure.

Mr BREDHAUER: Okay. I will try to explain it once again.

Mr JOHNSON: No, I got your point.

Mr BREDHAUER: The \$250 million basically that has been allocated for the track upgrade between Rockhampton and Townsville was a commercial decision by the board of QR to invest in upgrading that track because of the commercial benefit that will come from improving the freight capacity of that track. It is related specifically to the freight capacity of the track between Rockhampton and Townsville. I might say that it represents one of the single largest investments in rail capital works anywhere in this country. In fact, when the Commonwealth government announced two and a half years ago that they were going to spend

\$250 million on the national rail track around the country, of which \$110 million remains unspent, we announced about a month later that we were going to spend \$240 million between Rockhampton and Townsville. So that gives you an indication of the commitment of this government to investing in rail infrastructure so that we have an active, vibrant and efficient rail network.

But it is a commercial decision by the board. I can assure you that the board of QR does not expect that the revenue from the tilt train would justify the investment of \$240 million in track upgrades between Rockhampton and Townsville. It was because of the freight potential and the improvement in efficiency and customer service that would derive from that that they made the decision to borrow the money to invest in the track upgrade between Rockhampton and Townsville.

The \$80 million worth of work that is being done north of Townsville will be of significant benefit to the track, but it is not of the same magnitude of track upgrade as would occur between Townsville and Rockhampton, because the further north you go, the freight benefits become less obvious. Nevertheless, it is an important initiative. It is an investment by this government in improving the track infrastructure. It will have benefits for the tilt train's operations—I am not trying to deny that—but the reality is that neither of those decisions were taken in the context of the tilt train's operations.

An amount of \$17 million has also been provided through the below-rail agreement between Queensland Transport and Queensland Rail for level crossing upgrades. We have progressively been upgrading level crossings throughout the state for a whole variety of reasons. In fact, there have been a number of very disturbing incidents in recent times at level crossings. We are going through the level crossing safety analysis, which we have done previously, just to make sure that we are hitting the right issues there. We are revising it as a result of those incidents. We strive for continuous improvement in safety across the network, but especially our level crossing safety initiatives. That would always have been part of the below-rail agreement between Queensland Transport and Queensland Rail irrespective of whether we had been planning to operate a tilt train between Brisbane and Cairns or not.

Mr JOHNSON: Finally on the tilt train, the situation about sleeping cars; is there any change in the policy regarding sleeping cars on that project?

Mr BREDHAUER: No, the tilt train itself is designed as nine-car sets. There will not be sleeping accommodation on the tilt train. We are using the latest in business class seats modelled on the ones that we are using on the Brisbane to Rockhampton tilt train. They have been very popular. They will have things like in-seat video and other facilities that will be available to people. They are like the latest in business class airline seats. They will be very comfortable seats.

We are also retaining, as you know, Sunlander and Queenslander services, which will provide sleeping capacity. We have designed the tilt trains so that they can go up to 12-car sets. It may that be at some stage in the future we look to incorporate sleeping capacity on the tilt train. The commitment that we have made under the current program is to the nine-car sets and business class seating, which will be very good, high-quality business class seating. Sleeper capacity for those people who require it would still be provided through the ever popular Sunlander and Queenslander services. There is the capacity in the future to grow the tilt train project so that we can incorporate sleeper capacity should that be an investment decision of a future government.

Mr JOHNSON: I refer to the allocation to the railway facilities, capital statement 78, and to your answer to question on notice No. 4, which confirms that no allocation has been made for the relocation of the Townsville south rail yard. Do you propose to fulfil that election promise from the election before last and, if so, when?

Mr BREDHAUER: I thought the answer was pretty obvious.

Mr JOHNSON: No, I am just asking. I am getting questions on this and I want—

Mr BREDHAUER: There has been about \$10 million invested in the Townsville south railway yards over recent times.

Mr JOHNSON: I realise that.

Mr BREDHAUER: You would know that from your time as minister. There was a proposal to look at relocating the Townsville south yards to Stuart. One of the reasons why that commitment was made prior to the last election was that it was believed that the Townsville CBD redevelopment task force may have some interest in that land at Townsville south. They have basically indicated that it does not feature in their current plans for CBD redevelopment.

There are a number of issues there in relation to the Townsville south yards, including possible site contamination, all of which would make redevelopment of that area expensive and complex. The reality is that the Townsville south yards are fulfilling an important component of our railway workshops network across the state of Queensland. The cost of relocating them to Stuart would be prohibitive, but also, and importantly, if we relocated to Stuart, to a new facility, the likelihood is that we would require fewer employees than we have currently. I think that is a tough issue for us to deal with.

The Townsville south yards, we have managed to keep a consistent flow of work coming to them through the heritage carriages upgrade and that kind of stuff. It is always a challenge to keep adequate work up to our railway workshops, especially in Townsville. But it is a commitment that we are prepared to make. I do not have any plans at this stage to relocate the Townsville south railway workshops. I have made that comment to workers at the Townsville south railway workshops on a number of occasions. The answer to my question on notice, I think, is quite clear.

Part of the pre-election commitment also was that Stuart would become a centre for engineering excellence involving possibly Public Works and State Development—other agencies who have engineering interests. That does not look like coming off. That is why I did not make that commitment prior to the last election.

Mr JOHNSON: In relation to the Townsville railway workshops—and you have identified the type of work and the work practices that are carried out there—is there an opportunity to see that enhanced in the future with other types of works coming into that yard with the benefits from the north-west minerals province and the north-south line location to Townsville? Is there an opportunity for that operation to grow? Do you see an opportunity there for growth?

Mr BREDHAUER: In terms of growth in work, as I say, we have already invested \$10 million upgrading the workshops to get them to their current condition. Keeping the work flow up to workshops is a challenge. The requirement that we have undertaken over the past 10, now 11 years, is nearly \$7 billion worth of investment in rail infrastructure—in rolling stock, in track upgrades and all of that kind of stuff. What that has meant is that, as you have replaced old track with new track, as you have replaced old rolling stock with new rolling stock, the maintenance requirements have diminished somewhat. In an engineering sense, that presents challenges to us—to keep a reasonable flow of work going to the workshops.

Notwithstanding that, we have managed to arrange work schedules to keep the Townsville railway workshops gainfully employed. We have discussed with staff at the Townsville railway workshops on a number of occasions in recent times where we think the employment trends are going over the next four or five years. We are not anticipating an expansion in the work at the Townsville railway workshops, nor in the work force over that time frame, but if there were significant developments that required us to respond with either further investment in the Townsville south workshops or other things, then we may consider that.

I would need to stress, though, that there are no plans at this stage to further extend the operating capacity of the Townsville south workshops. However, we make the commitment to the people who are working there that we will continue to try to program work so that they are gainfully employed.

One of the greatest success stories of Townsville South railway workshops was the construction of the Great South Pacific Express. That has become renowned not just in Queensland and nationally but also internationally for the quality of its workmanship. It is a great flagship for our organisation and Orient-Simplon with which we operate it. It is a great statement about the capabilities and the skills that are still retained by Queensland Rail workers at the Townsville South yards.

The CHAIRMAN: The first bracket of non-government questions has expired. It is time for the first round of the government members' questions. Minister, I will be asking the first question. I take you to pages 1-6 to 1-8 of the MPS. Under the Whole-of-Government Outcomes column for each output, there is a list of services and facilities that promote equitable and active participation by all Queenslanders. What is the Beattie government doing towards ensuring that the Citytrain passenger rail service can be accessed by all Queenslanders?

Mr BREDHAUER: This is a really important question. When I first became the Minister for Transport and Main Roads I went to the Australian Transport Council meeting. We had the draft, as they were then, disability access standards for public transport. Since that time I have been working to try to get the Commonwealth to adopt those standards and to make the appropriate legislative amendments that would enable people with disability and access issues across the country to have some reassurance that all jurisdictions in Australia were progressing towards the implementation of accessible standards in accordance with that code.

The procrastination of the Commonwealth has been enormously frustrating in respect of this issue. Nevertheless, in Queensland we have not waited for the Commonwealth to adopt those standards and to make the legislative changes. When we negotiated the Citytrain agreement RSA between Queensland Transport and Queensland Rail, it included almost \$47 million for upgrading access for people with a disability and other access issues across the Citytrain network. This year, a total of \$14 million will be spent upgrading access at railway stations.

For us to completely comply across the QR Citytrain network with the accessible standards that are in that code will actually be a generational change. It will probably take of the order of 20 to 25 years because when most of the infrastructure was built by QR over the last 120 years no thought was given to disability and accessibility issues. The \$14 million that we are spending this year will make a significant change to accessibility across the Citytrain network.

To give an example, contracts have been awarded and work is under way for the construction of lift access to Woodridge, Caboolture and Nundah stations; lift and footbridge access to Manly station; design has been completed for the

construction of lift access at Corinda, South Bank—which is the old Vulture Street station—and Oxley stations; and lift and foot bridge access to Kingston station. Design is under way for the construction of lift access at Carseldine, Bowen Hills and Beenleigh stations. Disability toilet facilities have been provided at South Bank, Bowen Hills, Ferny Grove, Toombul, Northgate, Zillmere, Banyo, Burpengary, Shorncliffe and Nundah stations.

That work is prioritised by a reference group that works with community and professional groups dealing with people with disability and access issues. I am very pleased to say that we have made substantial inroads since the signing of that agreement. We are getting very strong support from QR and QT. I believe that Queensland Transport and QR have a real capacity to make a difference to the quality of life for people who have access issues, and this is making positive inroads into improving that quality of life.

Mr McNAMARA: I wish to ask a question about Citytrain patronage. I refer to page 1-33 of the MPS, which identifies a high level of public satisfaction with public transport, and to page 1-35, which indicates that the estimated annual patronage on the Citytrain network may be, in fact, greater than the target. Can you advise what the impact will be with the recently announced Citytrain fares?

Mr BREDHAUER: The issue of the increase in fares was referred to previously by the member for Gregory. As I said in answer to that question, the increase in fares is of the order of about 10c and 20c, with many of the concession fares not going up by that amount. It is the first increase in two years. It is roughly in line with CPI, but also takes into account some other cost imposts that have occurred, as I have mentioned, through the GST and rises in fuel costs. Notwithstanding that, I think it is reasonable. Candidly, I do not think that fare increase will have any significant impact on QR's rail patronage. Public transport is price sensitive and we are conscious of the price sensitivity of public transport. Given bus fare increases and the increasing costs in private motor vehicle use, mainly through increasing fuel costs, these will be seen as comparable if not favourable.

We have not got the final patronage growth figures for this year on the Citytrain network, but it is possible that it will exceed five per cent. Up to May I think the figure was a 5.4 per cent increase. We do not have the June figure finalised yet. The data on the patronage figures for June have not been finalised yet, but we expect the patronage on the QR Citytrain network over the last 12 months will have increased by around about five per cent and possibly even a little over five per cent, which is fantastic. We are actually doing a good job in attracting people to public transport, especially to Citytrain.

That has been assisted by the project that was initiated in 1995 to spend \$250 million to build 30 three-car suburban multiple units—SMUs. The new rolling stock is airconditioned and of a very high quality. It is improving the efficiency and the reputation of the QR Citytrain network. Security is an issue that is given a very high priority by Citytrain, QR and Queensland Transport. That 30 three-car SMU project is actually nearing completion now. We are due to take the last of those three-car sets in the not-too-distant future. I will have more to say about that at that time. It has been a significant contributor to the increasing patronage that we have had on the Citytrain network.

Our growth in patronage has not been confined to Citytrain. Our long distance trains have achieved considerable growth, particularly through the operations of the Brisbane to Rockhampton and Brisbane to Bundaberg tilt services. The member for Burnett knows that the Bundaberg service has been going great guns since we

introduced it about 18 months ago. People in that region love it. We think we have made a substantial contribution to the economy. We have had increases like 17 per cent in 1998-99, 23.3 per cent in 1999-2000 and we are expecting similar patronage increases on our long distance trains this year.

Mr STRONG: What is the Beattie government doing to improve personal and public safety for passengers on the Citytrain service?

Mr BREDHAUER: As I mentioned, one of the big issues for people using public transport is safety and security. There is no doubt that people want to feel safe around railway stations, people want to safe on railway stations and people want to feel safe on the trains. You really need to look at it right across that context.

In the past four or five years we have spent over \$39 million on improving safety and security on the Citytrain network. That has involved a whole raft of programs. I was in the electorate of the honourable member for Nicklin about 12 months ago. We were upgrading security at the Nambour station, which is a really important station in the Citytrain network because it is a centre for the whole of the Sunshine Coast region. We have made a considerable investment there in upgrading safety. I appreciate the support from the member for Nicklin on the work that we have done there.

This is happening not just at Nambour but right across the Citytrain network. We have increased closed circuit television coverage at suburban stations and on trains. Eighty-seven per cent of passenger trains used on the Citytrain network are equipped with CCTV and new guard monitoring equipment. We have rail police outposts at Beenleigh and Petrie. The Manly police rail outpost is almost complete. The Redbank police rail outpost is expected to be operational by August of this year.

We have expanded the safety zone concept where we mark the platforms with blue and white stripes. That marks an area that is well lit and under constant surveillance. If you come onto the platform at night and you stand in that area, you will know that it is a well-lit area that is constantly monitored. That deters people from doing the wrong thing on the railway platforms. We have improved radio communications between the guards, the drivers and the train controller. We have recently moved to extend the capacity for our Citytrain guardian services to operate on the Airtrain network to the airport, which is another important initiative to make sure that we have security for people across the network. Members will appreciate the difference between the Airtrain and the rest of the Citytrain network. Public telephones have now been installed at every railway station on the network. We have help points for emergency use at all suburban stations. Wherever possible we have secure car parks with fencing, improved lighting in car parks and CCTVs. We have a substantial upgrade of on-train security. The government has approved funding of \$6.9 million over five years as part of this budget to provide additional security staff at up to 30 stations. Having staff on stations is one of the most important safety initiatives that we can undertake.

The CHAIRMAN: Minister, as you know, I have an electorate that is well served by Citytrain.

Mr BREDHAUER: And you speak positively about it always, which I appreciate.

The CHAIRMAN: I always do. One thing that concerns people in my electorate and users of Citytrain is the graffiti on Citytrain property and on the stations. Can the minister advise what measures are being taken to reduce the incidence of graffiti at our stations?

Mr BREDHAUER: The Minister for the Arts thinks that public transport is a broad canvas for public art. It is a big issue for us. I do not know how you stop graffiti in particular. I do not think we ever will, but having mechanisms that can respond positively to the incidences of vandalism and graffiti is a real issue for us. It is a real issue in terms of its cost. It has a direct cost implication for QR. It is obviously an issue for clients to whom we provide services. It is also an issue for our neighbours across the network. They are concerned that if people are targeting railway stations, railway rolling stock and that kind of thing and as they live near those railway stations, et cetera, they might also become victims. We do take very seriously our responsibilities to try to reduce the incidence of graffiti and vandalism, and respond to them wherever we possibly can.

About two years ago at Landsborough on the Sunshine Coast, we undertook a project with the lift wells at the railway stations. We invited one of the local schools to produce tiles, and we tiled the lift wells in a mosaic that was provided by the local school. Since we have done that, there has not been one reported instance of vandalism or graffiti in that area. We are also trying to be a little more creative about what we can do with noise barriers. In some ways it makes a contribution to improving public amenity, but if it helps to reduce the incidence of vandalism and graffiti, it has a double benefit.

In your electorate, we invited Lawnton primary school to paint 200 tiles. We have put them at the Lawnton station. We have also got work going at Caboolture and at Woodridge. This is a really positive initiative. I think it shows, as I say, a bit of creativity on the part of QR. If you get the local community involved in that way, particularly through the local schools, it gives the community a greater sense of ownership of the public infrastructure that is represented by train stations.

Also, one of the kids who made the tiles today might, in five years, be a kid who is tempted to tag the railway station wall. If he knows that he or she has made a contribution to upgrading the station, it might make them think twice. There is also the capacity for a bit of peer pressure. Kids may say, 'Don't draw on that because I painted it.'

It has had a positive benefit. I appreciate the contribution made by the schools that have been involved, including Lawnton. It helps us to forge a closer partnership between QR, our customers and the community. I think it has been a really positive initiative. I commend all of the schools and QR for the contributions that they are making.

Ms PHILLIPS: Can I take you a little further north of Brisbane up to my electorate. Page 1-11 of the Ministerial Portfolio Statements relates to the rail, ports and aviation systems output, which supports long-distance rail passenger services. I know you already discussed this a little this morning, but could you advise of the current status of the Townsville Railway Station redevelopment? We have been talking a little about the tilt train. Can you let me know if the Cairns tilt train project is on target?

Mr BREDHAUER: I think the new railway station at Townsville is a great initiative. Originally we anticipated that a new railway station at Townsville would cost us in the order of \$12 million. Having done detailed consultation and design and assessment work and come up with a new location which incorporates considerable track work and realignment we have now allocated a total of almost \$24 million—\$23.8 million—towards the cost of building a new station in Townsville. There have been a few knockers of the project. I appreciate that. I respect their

concerns, particularly about the heritage values of the old railway station. That is why we have given a commitment to maintain the old railway station.

The administration for the northern region of QR will still be undertaken through the old railway station and we will maintain a line in there so that it can be used for important historic and heritage occasions. I will probably have more to say about one of those in the not-too-distant future related to the Centenary of Federation. We are preserving the old station, because we recognise that it does have important historic and heritage values in Townsville.

The new railway station is to be located adjacent to the intersection of Flinders Street and Charters Towers Road. By locating the station platform on the southern side of the north coast line rail corridor, with its entrance and car park off Charters Towers Road, the project offers significant heritage and commercial redevelopment advantages. It also eliminates that loop that is currently there on the train, which will be important to us when we start tilt train operations, which I will come to in a moment. The relocation will enable removal of the existing loop, as I have mentioned, and related railway infrastructures, facilitating future residential and commercial development of the old north railway precinct in accordance with proposals being promoted by the Townsville CBD task force.

The railway station project will be built to modern standards. It will be an important part of the new Cairns to Brisbane tilt train service. The Cairns tilt train is on track for completion in December 2002, as we anticipated it would be. Ninety per cent of the design work has been done. Most of the ordering work has been done. The cars consist are in a relatively advanced stage of fabrication, providing important employment to about 60 people at the Walkers workshop in Maryborough. This is a really important project for them. Following some track trial work after December 2002, we think revenue paying services for the tilt train will commence around April 2003.

The CHAIRMAN: The time for the first bracket of government questions has expired.

Mr JOHNSON: I return to the previous question and answer on the GST and rail fares. As I said in the last part of the question, can you advise why QR officials have indicated that the recent rail fare increase is due in part to increased costs associated with the GST? What percentage of the rail fare increase is due to the GST?

Mr BREDHAUER: I would not be able to say off the top of my head just exactly what the proportions were. Let me just say that the issues that I raised in answer to the previous question are true. I am not sure if you heard the answer to the question that was asked by Andrew, I think, about Citytrain fare increases and the impact on patronage. I think you were out of the room at that time. The comment that I made to Andrew was that the increase has roughly reflected CPI plus a small amount for increased costs attributed to the GST. I am not trying to suggest that the majority of the increase is because of the GST. All we have said is that the GST is a contributing factor. But increased costs would come primarily through CPI adjustments. You need to bear in mind that when we increased fares for the GST we also took the decision to round down rail fares at that time to the nearest 10c.

Mr JOHNSON: But there was a 10 per cent increase upon the introduction of the GST?

Mr BREDHAUER: No, in most cases it did not go up the full 10 per cent because we took the decision to round down. In most cases, we took the decision to

round down. So it did not go up by the full 10 per cent. That is a cost that QR has had to bear. There are the other costs that I have indicated that come through a lack of realisation of the so-called embedded savings and the other increases in costs. I am not trying to suggest—and at no stage have we ever said—that the majority of the cost increases related to the GST. We have said that it is basically a CPI increase plus a component of GST and other cost increases that have been associated. But the difficulty is that you cannot raise fares by 5c, 6c or denominations other than 10c units. The decision was taken at the time of the implementation of the GST to round down. In most cases the fares did not rise by the full 10 per cent. This rise, however, is attributable in part to CPI and in part to GST.

Mr JOHNSON: I take you back to a question that I asked you in the House on 20 July last year. You stated that the GST has put up the price of rail fares by almost 10 per cent, that GST has put up the price of bus fares by eight per cent and that the GST has put up the price of taxi fares by seven per cent. You said it was almost 10 per cent. You said it has been rounded off. You would not be putting it to a lower rate?

Mr BREDHAUER: We did. Sorry, finish your question.

Mr JOHNSON: The point is that it seems to me that the component of GST on rail fares now is greater than 10 per cent.

Mr BREDHAUER: No. Now I know what you are driving at. My answer to the question was correct. In 2000, when the GST was introduced, we increased rail fares by almost 10 per cent. We did not in most cases increase them by the full 10 per cent because we took a decision to round down. But there has been no increase in excess of 10 per cent. What has happened is—and I made this point quite clear in answer to your first question—that QR's costs have gone up more than was anticipated because we have not realised the cost savings that the GST and the Commonwealth government promised. It is all very well for you to sit here and try to imply that QR is in some way profiting from the introduction of the GST. Let me tell you that it is far from the truth. I would have thought that the member for Gregory, who has shared my concerns about the introduction of the GST, the way in which the federal coalition has imposed it and the subsequent changes and cost increases that have occurred through fuel price increases and so on—and people in our electorates suffer worse than any other electorate in Queensland, in my view, because you finish up paying the GST component on the freight costs as well—would have appreciated the fact that first and foremost we have not realised the savings that were anticipated in the Commonwealth coalition government's package on the GST and we have had to bear those costs. In fact, there has been no substantial reduction in costs as a result of those so-called embedded savings.

The double whammy for us as a state government as a whole is that, despite the postulations of federal coalition members around the state, this state has received no revenue from the GST up until this point in time, and we will not until the 2002-03 financial year, when quite frankly the revenue flowing to the state will be a pittance. We are currently sacrificing money across the border to compensate states like New South Wales and Victoria for taxes which they have eliminated in their states which we did not have here.

So the people of Queensland are paying twice, in my view. They are paying first and foremost because they have to pay the GST. They are paying secondly because they do not get the benefit of revenue from the GST. I am a little tired of federal coalition members and some of their state coalition counterparts talking

about the windfall that has come to the state from the GST. There is no such thing. In fact, not only have we not received a windfall; we have not even got the embedded tax savings which we were allegedly going to get out of the new financial arrangements.

Mr JOHNSON: Minister, I draw your attention to the issue of the Cairns pilots. I refer to the item relating to maritime safety in Cairns in the election commitment summary on page 1-3 of the MPS, and I ask: will you explain why you have had to extend the current contract for the pilotage provided by the Cairns Port Authority when a tender was awarded to Torres Pilots, particularly given that it was your government that amended the transport operations (marine safety) legislation only a matter of weeks ago to provide for the awarding of such a contract?

Mr BREDHAUER: I have not. So have you got another question?

Mr JOHNSON: That is the situation. You have not extended that?

Mr BREDHAUER: No, I have not. The previous contract was between the Cairns Port Authority and the Ports Corporation of Queensland. The short answer to your question is that I have not extended the contract between the Cairns Port Authority and the Ports Corporation of Queensland.

Mr JOHNSON: What is the state of play now with respect to pilotage at that port?

Mr BREDHAUER: Can I get six minutes to answer that question now that there have been two of them?

Mr JOHNSON: No, you will get three.

Mr BREDHAUER: I will answer the question. There has been a disagreement between the Cairns Port Authority and the Ports Corporation of Queensland over pilotage issues in the Cairns port. My concern first and foremost is to ensure that the Cairns port has safe pilotage provided for all vessels that are coming into and out of the port. It happens to be my home town so it is of particular significance to me. But let me say that I share the same level of concern about pilotage in any of our trading ports anywhere on the coast of Queensland. The disagreement occurred between the Cairns Port Authority and the Ports Corporation of Queensland over the letting of the contract.

Torres Pilots was after a tender and awarded a contract to undertake the work. Torres Pilots has no pilots who are trained to operate in the Cairns port. I was concerned about the fact that they did not have pilots who were trained to operate in the Cairns port. Torres Pilots generally operate in open Barrier Reef waters. There is a significant difference between training for pilotage in open Barrier Reef waters and in closed waters in a port like the Cairns port. Effectively, the contract between the Cairns Port Authority and Torres Pilots has fallen over because Torres Pilots were unable to take up the contract on 1 July when they were supposed to.

The arrangement that we now have in place with the Cairns Port Authority is that Queensland Transport has seconded pilots from the Ports Corporation of Queensland. We have entered into an agreement with the Cairns Port Authority that those pilots who are now working for Queensland Transport will provide pilotage services to the Cairns port area. That arrangement is likely to be in place for around three months. The answer to your first question is: wrong. The answer to your second question is that I have taken my responsibilities to provide safe pilotage in the Cairns port very seriously.

I did have and do have concerns about the way in which both the Cairns Port Authority and, to some extent, the Ports Corporation of Queensland conducted themselves in this process. I have asked my department to undertake a review, which was provided to me in the first instance. That has anticipated that some additional work is required to try to ensure that a recurrence of this kind of situation does not occur either in Cairns or in any one of our other ports. We are working through that presently and that is why I have agreed to the interim arrangements in relation to the Cairns port area. I will ensure that proper pilotage of vessels in the Cairns port is undertaken, as I would at any other port. Your suggestion that I extended the previous contract is untrue.

Mr JOHNSON: I refer to the management of air service contracts mentioned in the output performance of public transport services in the MPS on page 1-35. I know you have been through some trying times in the last two or three weeks in relation to western air services.

Mr BREDHAUER: It is not just me, but also all those poor punters out there who were left stranded.

Mr JOHNSON: I am well aware of that. I have put on the record to you, to the government and to the Department of Transport the great work you did in bringing about a return to some sort of normal services in those areas. I ask you: can you tell the committee what the state of play is in relation to the service of the far western remote areas that have now been rejected by Ansett and the acceptance of the inside services by QantasLink?

Mr BREDHAUER: I can and I am happy to. Essentially, we went out, as you would know, to ask the operators to rebid on those services. The services are numbered one to eight. Last week we approved operators for route 1 and routes 4, 5 and 6—Eastland Air in the first case, Qantas through QantasLink-Sunstate in the second case and the balance to Ansett. Ansett indicated that they were not prepared to undertake those particular services. So we went back to the marketplace. Submissions closed at 10 o'clock yesterday morning. We have received communication—I guess it would be best to say—from five operators, including a number of bids for those services. I am not at liberty to go into the detail of those because the evaluation panel has not had the opportunity to meet to consider those yet. I expect that they will within the very near future. Suffice to say that we do have bids from a number of airlines to pick up those outstanding services and I would like to say that it will happen by the end of this week, but I would not like to be locked into that time frame.

It has been a complex process, as you know. It has affected many of your constituents. It has affected my constituents. It has affected people in other electorates in the central west and south-west as well. I am very conscious of the importance of air services to people in remote areas because of the nature of my electorate, which is similar to that of yours. However, if you are in the Torres Strait you cannot jump in your car and drive to Brisbane, which at least is an option for most of your constituents.

We are working to restore those services on a reliable and high standard basis as quickly as possible. The indication I have given, of course, is that we will be putting that contract in place until 30 June 2002. In the interim we will go through a more comprehensive review of those services, including widespread consultation with industry, stakeholders and obviously the community with a view to letting new five-year contracts from 1 January 2002. I simply say that my commitment to you and

all of those affected members and people is that we will get these services back on a reliable basis as quickly as possible.

Mr JOHNSON: Thank you for that. I know that the detail of a lot of these commercial dealings in recent times is certainly in confidence, and I appreciate that. But in relation to those far outlying remote services that were just mentioned such as the Quilpie, Windorah, Birdsville, Bedourie, Boulia and Mount Isa sections, if it comes to the point of securing the carrier to uphold those services, will you revisit the subsidy situation?

Mr BREDHAUER: We provided subsidies to the tune of \$3.86 million to Flight West for the services that they operated under contract to us. When they went into voluntary liquidation—and I have to say I am very disappointed about the way they did that. My office was faxed at 20 to 2 one morning with the advice that they had gone into voluntary liquidation from midnight. Given that we were providing them with nearly \$4 million a year in subsidies, I would have thought they could have been more courteous about it and more considerate of the people they affected. Nonetheless, there was no suggestion at that time that the operation of those regulated routes, which they operated under contract to us, or the level of subsidy was a contributing factor to their decision to go into voluntary liquidation.

When we let the contracts a little over four years ago we did an assessment on what we thought the subsidy requirement for each of the routes was. So we did a subsidy assessment on each route, and we have increased the subsidies since that time roughly in line with the CPI. It has not gone up every year; I think there was one year when it did not increase. The subsidies have gone up roughly in line with the CPI since that last contract was let. At this stage we have received competitive bids from operators for the outstanding services. We have committed to retaining the existing level of subsidies. But if, as part of this process, we need to look at the other issue, then I am prepared to look at it. I think the most important thing is that we restore services.

I have to say that I regard Ansett's claim that they would require another \$1 million to operate those services as an ambit bid. I will not make any further comment other than to say that amongst the communication we have had from operators up until 10 o'clock yesterday morning we have received a number of competitive bids. I believe we can come up with a satisfactory outcome which will provide a reliable flight service to those people in those areas. But I indicate a willingness to discuss those issues with them, but we are in a competitive process in a competitive environment. My objective is to secure those services for 12 months and then have the wider and more comprehensive review with the notion of putting in place five-year contracts from 1 July 2002.

Mr JOHNSON: I refer to the reference to the School Transport Assistance Scheme and the public transport services output performance in the MPS on page 1-33 and note that no provision has been made in this budget for the implementation of the recommendations of the School Transport Safety Task Force. Can you advise if the 49 new buses purchased under the Accessible Bus Program last year were fitted with seat belts?

Mr BREDHAUER: No. The answer to that question is no, because they are normal urban route service buses. They are not used for school transport services. They are normal urban route bus services and there is no requirement for them to be fitted with seat belts. You also raised this issue as a question on notice in relation to funding allocation for implementing the recommendations. The reason we have not allocated any funding is that we do not know what the recommendations are.

There is no point, in my view, in trying to pre-empt the recommendations of the inquiry.

I meet on a regular basis with Dr Hurst, who is the chair of that inquiry. I am satisfied that the progress being made by the task force will enable them to bring down their report on time by the end of the September. We gave them six months to do the work and it is progressing at a satisfactory rate. I have to say that the task force is doing a good job. We have given a commitment to the recommendations, but it would be premature for us to make a budget allocation at this stage without knowing what the recommendations are. The commitment that I would make is that no matter what we decide to do to implement those recommendations, I will take the necessary submission forward to the Cabinet Budget Review Committee in due course. Whether that be to the mid-term review or whether it be to the next year's budget, that would remain to be determined.

This is a process. It is a complex issue. There are a lot of views out there. We are trying to get objective and reliable advice from the task force on what the wider school transport safety issues are. We as a government and we as a department are committed to improving safety for all children travelling to and from school, including on buses. We will continue that commitment irrespective of, but assisted by, the recommendations of the task force.

Mr JOHNSON: So you do not have a policy on seat belts as such at the moment and you will not until that task force's recommendations are brought down?

Mr BREDHAUER: No. The commitment that we made prior to the last election was to establish the task force and then to work on its recommendations. That was a clear commitment that we made within weeks of the election outcome. I have established the task force and put it in place. I moved as quickly as was humanly possible to establish the task force and to get it up and running. I gave them six months to come back to me. They have people on that task force with a wide range of experience and knowledge of other issues. We are awaiting the outcome of the recommendations of the task force before making any further decisions other than what we already normally do to try to improve safety for children travelling to and from school. In relation to the specific question about the Accessible Bus Program, that program is to provide buses for normal urban route services which operate under contract to Queensland Transport. It is not, and has not been, a requirement for those to be fitted with seat belts.

The CHAIRMAN: The time for the second bracket of non-government members' questions has expired.

Mr McNAMARA: I would like to ask you a question in relation to magnesium transport. The AMC magnesium plant at Stanwell is, of course, a Beattie government election commitment. Can I ask you why this project does not appear in Budget Paper No. 4? If AMC proceeds with its plans to construct the magnesium plant at Stanwell, how will the government ensure that it minimises the road impacts of the movement of ore from Kunwarrara through the city of Rockhampton to Stanwell?

Mr BREDHAUER: This is a really important question because it is a major development which will have significant benefits for southern Queensland and also for the development of the light metals industry in this state. It has the capacity to provide economic growth, jobs and other opportunities for the manufacturing industry in this state downstream. It does not appear in Budget Paper No. 4 because

there is no actual expenditure in 2001-02, but it is anticipated that there will be expenditure over the two following years, 2002 to 2004.

One of the issues with the AMC plant is that the impact assessment study indicates that approximately 360,000 tonnes per annum would need to be transported. Clearly AMC is looking for the cheapest possible mode of transport. One of the concerns that I have had is that it may end up with significant heavy vehicle transport being undertaken from the AMC plant through Rockhampton and effectively down to Gladstone. It would be my preference to keep that ore off road if at all possible. Part of the problem is that there is no railway spur connection to the actual Stanwell site for AMC. The cost of that capital makes rail less competitive with road transport.

Queensland Transport and Queensland Rail have been working very closely with the developers of this project. We are optimistic about its prospects. Prior to the last election we gave a commitment that the state government would contribute \$9 million towards the cost of establishing a common users spur that would take us into that area, and that improves the competitiveness of rail as a potential transporter for the magnesium from AMC.

We will continue to work closely with the developers. As far as the developers are concerned, we need to demonstrate that we have the capacity to carry the ore cost effectively. In my view, for a relatively small capital investment, \$9 million—even though it is \$9 million, in the big scheme of things, particularly in relation to that project, it is a relatively small capital investment—that has the capacity to tip the scales. I hope that it does and I hope that we can secure the transport of this ore on rail because I think it would be everybody's view, including the developer's, that it would be preferable to transport it by rail rather than by road, providing from their point of view that it stacks up. From our point of view the damage to roads that would occur and also the potential safety and amenity issues of having more heavy vehicles along that route are important issues for us. I think we have some good news there. Hopefully we will progress it quickly.

Mr STRONG: Minister, with the announcement of funds being allocated for the development of Bundaberg port, how do you see those funds being spent? What are the long-term benefits for the Burnett region?

Mr BREDHAUER: A total of \$8.8 million has been allocated for the Bundaberg Port Authority in 2001-02. A total of \$7.2 million will be spent developing and continuing the expansion of port infrastructure, including just over \$6 million to increase the depth of the entrance channel at the port to accommodate larger Panamax vessels. This is really important to the sugar industry in particular in the Bundaberg-Burnett district. I acknowledge the cooperation between the sugar industry and the Bundaberg Port Authority in enabling us to come up with an agreement that allowed us to borrow to invest this kind of money in deepening the port at Bundaberg. There is also about \$222,000 for the development of further land at the port and \$192,000 for plant and equipment.

In addition to that, \$750,000 is included for the construction of a TAFE marine centre at the port precinct. Construction of that centre is expected to start in August of this year. An additional \$1.6 million will also be spent by Queensland Transport on improving navigational aids for the berthing of larger vessels as part of the port's expansion. I think this has the potential to be a significant infrastructure investment for the whole of the Bundaberg and Burnett district. I know that both the member for Bundaberg and the member for Burnett have been strong supporters of the port authority and the continued expansion of the infrastructure there. The agreement

that we have between Queensland Transport on behalf of the state government to upgrade the navigational aids, the Bundaberg Port Authority and the sugar industry, which is allowing us to proceed with the deepening of the access channel to bring Panamax class vessels into Bundaberg port, will not just be a benefit for the sugar industry but has the potential to have flow-on benefits should we have growth in other industries in that area, which I anticipate we will.

Can I take this opportunity to officially put on record my appreciation for the work of the retiring Bundaberg Port Authority chairman, John Francis. He has been a member of the Bundaberg Port Authority since before I was born. He has been the chairman for many years. He has done a sterling job there. I had a great night in Bundaberg with the member for Burnett and the member for Bundaberg when we met there to see him off recently. I would like to put officially on the record my appreciation of John for the fantastic contribution he has made to the Bundaberg and Burnett community—very selflessly, I have to say. I know his efforts are appreciated by everyone in the community.

Ms PHILLIPS: Minister, I refer to 1-21 of the Ministerial Portfolio Statements which refers to the government's election commitment to fund 100 new school crossing supervisors. I ask the minister to explain for me the process that you are undertaking to ensure the equitable allocation of school crossings throughout this state and how this takes into account the special needs of rural and remote areas, such as north Queensland.

Mr BREDHAUER: It was a very important initiative. One of the questions asked previously by the member for Gregory was in relation to school transport, specifically school buses. As I indicated in answer to that question, we are not waiting for the recommendations of the task force to undertake other initiatives to improve safety for children travelling to and from school. We are in fact strongly committed to that per se and will continue to work on improving safety for all children travelling to and from school. In respect of the specific issues that the task force is reviewing, we are awaiting recommendations on those issues before we make a budget allocation.

We made a commitment prior to the budget that we would employ an additional 100 crossing supervisors outside schools. That is really important. Since we have been employing school crossing supervisors in Queensland there has not been one reported serious incident at a school crossing where there is a supervisor. So that demonstrates the practical success of that program. Even for children travelling to and from school by bus, one of the biggest issues for kids arriving at school is actually crossing the road to and from the bus. Crossing the road to and from school is a really important safety area.

In this budget we have allocated funding for 55 supervisors to be employed in the first year, 35 in the second and 10 in the third year of this project. This has given us an opportunity to go back to look at the guidelines, if you like, by which we employ school crossing supervisors, because of this additional allocation of money and the prospect of employing additional school crossing supervisors. I think people will appreciate that, because the warrants, as we call them—meaning the criteria for a school crossing supervisor—have in the past been seen by some school communities to be rigid. Even before the now member for Hervey Bay was the member for Hervey Bay he was very active in this regard and lobbied me very strongly to retain a school crossing supervisor at a school in his electorate, which he was successful in doing because of his tenacity.

The reality is that, under the old warrant scheme, there are always schools that fall just below the line who feel that they are being disadvantaged. So we have gone back to review the whole method of allocating school crossing supervisors as part of this initiative. It is not final yet, but we have done research around schools in the regions, including north Queensland and far-north Queensland, I might say, on the way in which we allocate school crossing supervisors. We are looking at a risk factor formula rather than the number of kids using the crossing, which has been the main trigger used in the past. I think people will see a benefit to school communities from using the risk factor formula. Unfortunately, there will always be areas that are just below the line and resources will always be limited. But within those limits, we will do our best.

The CHAIRMAN: Minister, at the risk of stating the obvious, the development of the transport system in south-east Queensland will need to keep pace with local needs. How does the government intend to keep itself informed of what is happening on the transport system and thus place itself in a position to adequately plan for the future?

Mr BREDHAUER: This is quite an important issue, because we need to have up-to-date statistical information on travel needs and travel movements across south-east Queensland so that we can effectively plan to provide the kinds of services in public transport that people require. Around about nine million trips are undertaken every day across south-east Queensland. So it is quite a complex task to move that number of people around an area bounded roughly by Noosa, Toowoomba and the Gold Coast-Tweed Heads area. We need to have detailed knowledge of the trips to enable us to undertake planning.

Periodically since the 1960s we have undertaken, in cooperation with local government I should say, what is called the householder travel surveys in south-east Queensland so that we can gather information on the current travel behaviour of residents. We then use that data to benchmark the existing situation. It allows us to compare with previous surveys and to provide a solid foundation for ongoing monitoring and also the development of analytical transport planning tools.

The most recent survey was conducted between 1992 and 1994. You would appreciate that since 1992 to 1994 there has been substantial growth in population. There has been a substantial shift in the loci of population or the centres of population around south-east Queensland. So we are concerned that that information is currently out of date. We are about to embark on the next householder travel survey across south-east Queensland. We will spend about \$1 million over the next three or four years trying to gather statistical and research information which will provide us with more up-to-date advice on the travel needs of people across south-east Queensland so that we can use that information to assist with the planning and development of our transport network, especially our public transport network.

We do require the cooperation of the public in relation to this. I am writing to local members, and I will be writing to local councils. We will have information which is distributed to households asking them to fill in the travel surveys. In the past, we have had very good response rates and cooperation. I think people appreciate that, ultimately, they are the potential beneficiaries of assisting us to provide this information. So I guess I am advising committee members and the public generally that we are about to undertake our next householder survey and would encourage them to participate. It is anonymous. It is non-invasive. We would

like to help them by them helping us with more up-to-date information and statistics on travel needs across south-east Queensland.

Mr McNAMARA: Minister, no conversation between us would be complete if I did not raise the Urangan Boat Harbour with you. I was extremely pleased to see \$3.6 million in the budget for the construction of the bund wall for disposal of spoil. When does Queensland Transport expect construction to commence?

Mr BREDHAUER: Speaking of the tenacity of the member for Hervey Bay, he has been yapping at my heels over this one for quite a while, but I do appreciate how significant the issue is. This project is of great benefit to the Urangan Boat Harbour, the tourism industry, the fishing industry and importantly an industry that is part of the tourism industry but is almost an industry in its own right in Hervey Bay these days, that is, the whale-watching industry. As the member knows and for the information of the other members of the committee, the problem in Hervey Bay is that the spoil disposal areas for dredging in the harbour have basically reached their use-by date. Queensland Transport is responsible for dredging the channels and the access to the marina. The lessees at the marina are actually responsible for dredging the areas around the berths. That is another issue, which I will not go into at this stage. But it is important that, irrespective of who is undertaking the dredging, we have an appropriate spoil disposal site.

In the time since I have been the minister we have undertaken a study which will allow us to expand by way of a bund wall the existing marina area and to use that for spoil disposal for quite a few years to come, probably something of the order of 20 to 25 years. Hopefully this project, which we have allocated \$3.6 million towards, as you have identified, will bring with it a long-term solution and a more cost-effective and cheaper solution to dredging. At present, we are having to pump dredge spoil or cart dredge spoil long distances. The new area being in close proximity to the boat harbour will be a cheaper option in terms of dredging. That will be a benefit not just to us but the lessees of the marina in terms of having a cheaper option for the disposal of their spoil as well.

We are currently preparing the detailed design and permit approval applications and tenders for the construction of works, which are expected to be called in the first week of December 2001. Construction of the spoil disposal area is planned to commence in early February 2002 and take approximately eight months to complete. This disposal area would then be available for the next required harbour dredging work in the first half of 2003.

In relation to the current need for dredging of the harbour, QT awarded a \$200,000 maintenance dredging contract to National Dredging Services in May this year to dredge the public channels in the harbour. Dredging commenced on 2 July. Approximately \$170,000 remains to be spent in the 2001-02 financial year. QT has also been working with the Great Sandy Straits Marina, the owner of the marina, to arrange a joint undertaking with the dredging contractor. GSSM has awarded a separate contract to National Dredging Services for dredging of the marina area, which will commence immediately after the QT contract is completed. So we have the short-term dredging requirements in hand and work is to start in February next year on the long-term solution so that that will be available by 2003 in time for the next dredging to provide those important services to key industries in Hervey Bay.

The CHAIRMAN: The time for government members' questions has expired. The next bracket of questions will be from non-government members. I take this opportunity to acknowledge the member for Moggill, Dr Watson, who has joined the committee.

Mr JOHNSON: The cost of the South East Transit Project has increased from \$392 million in last year's capital outlays to \$599 million this year. Minister, can you explain this increase and indicate if it includes the transit lanes from the Logan Motorway to the Gateway Motorway that has been missing from previous statements about the project? I know some of the heartache that we have in relation to blow-outs in these capital works programs. Have you ever given consideration to setting up a major capital works projects unit to monitor these types of projects in question?

Mr BREDHAUER: I will answer the first question first. The conclusion that the cost of the SET project has gone from \$329 million—

Mr JOHNSON: \$392 million to \$599 million.

Mr BREDHAUER: That is not actually correct. The busway component was \$329 million and the entire project cost is \$599 million. That has increased from the original budget estimate of \$520 million. So the comparison you have drawn is not strictly correct. The main reason for the cost increase, as you will know—I think I advised this committee last year—was the change in alignment of the busway through South Bank, which actually occurred in your time as the minister and which incurred additional costs. The move from virtually on-street running through Grey Street to the current configuration of the busway at South Bank, which was quite complex—including significant land resumptions and other issues and working with the stakeholders over there—we think contributed around \$120 million extra to the cost of the project. Yes, projects increase in cost, but one of the critical factors for increasing costs in a project is actually changing the scope, as occurred in your time as the Transport Minister. I will not be so uncharitable as to suggest why it might have happened.

Mr JOHNSON: You are going to be nice to me.

Mr BREDHAUER: I am going to be nice to you. I will not say that you got rolled by the South Bank board. I refer to packages 5, 6 and 7, which is the balance of the transit lanes that you talked about. We have done detailed planning and design work on packages 5, 6 and 7—we have not made any decision about when to proceed with those—pending finalisation of the cost of packages 1 to 4, which includes the existing transit lanes. I do not have a budget to finish packages 5, 6 and 7 at this stage, but when we do finalise the cost for packages 1 to 4 we will be looking at whether there is money left over and working, between Queensland Transport and the Department of Main Roads jointly, to try to address those issues. There are some specific issues in regard to intersections in Loganlea which we will be looking at. Can I just say while I have this opportunity: the SET project, the busway in particular, has proved to be a great success—beyond our expectations to this point in time. I think that, although it has increased in costs, it has been money well spent.

Mr JOHNSON: I refer to the road use management output operating statement, referred to in the MPS at page 1-26. What was the return to Queensland Transport from the sale of personalised number plates, and what programs was that revenue spent on?

Mr BREDHAUER: Can I get back to you on that one?

Mr JOHNSON: Yes.

Mr BREDHAUER: I will get back to you before 12.30. It is spent on road safety programs. That arrangement has been fantastic. I think the cheque they handed over last year was in excess of \$1 million. In fact, I am quite sure that it was. It is of

that magnitude. The partnership that we have going there is good. I will come back to you with that advice before 12.30.

The important thing is that PPQ is actually looking to sell the way it manufactures plates into other jurisdictions, so it has the capacity not just to continue to earn us money internally, here in Queensland. We have had international interest in the program. There may be a marketing opportunity for us there. I am not saying that that is definite yet, but I have had discussions with PPQ about the possibility of marketing that overseas.

The second part of your last question was about an infrastructure unit. Because of the increase in the cost of some specific projects and that issue generally, we are working to address that issue across the portfolio. It is also a matter, of course, which Treasury and a number of other government agencies have some concern about. We are trying to get more accurate estimates of cost up front and not use inaccurate estimates of cost before we have sufficient detail to make those estimations.

We are also looking at the way in which we undertake work with the private sector—the kind of contract and systems that we use—to see if we cannot get better value for dollar. There has been a tendency in some cases—I am not pointing the finger at anyone in particular—to bid low and think they can increase the value of the contract through the variations and that kind of thing. I do not think that is in our best interests or theirs, so we are trying to look at other ways we can work those processes.

Mr WELLINGTON: Minister, I refer you to your answer to my question on notice in relation to requests for improved toilet facilities on train services to the Sunshine Coast which stop at Nambour. When will passengers on the rail service linking Nambour to Brisbane expect to have at least 75 per cent of all rail services operating with toilet facilities?

Mr BREDHAUER: I cannot answer that question specifically. As I said in the answer, we now have 50 per cent of the services between Brisbane and Nambour available. We are continuing to upgrade the old ICE carriages, which means that, progressively, more of the existing services will have toilet facilities available. Bob, do you have any suggestions there?

Mr SCHEUBER: There is just an issue in terms of rolling stock availability.

Mr BREDHAUER: I am conscious that the people at Nambour and the Sunshine Coast, as they have the longest distance to travel on the Citytrain network, do have expectations and requirements in respect of toilet facilities on those trains. Subject to the availability of rolling stock, we are trying to make sure that the highest possible proportion of those services have toilet facilities. It has increased recently and will continue to increase. I give you the commitment that, to the greatest extent possible, we will continue to put trains with toilet facilities on the Nambour service.

Mr WELLINGTON: Minister, in light of the budget brought down, what will your department now do to improve the bus-rail service linking Nambour to the Sunshine Coast University at Sippy Downs, bearing in mind that Nambour is the key subregional centre for the Maroochy shire, with a key bus-rail interchange centre linking trains, buses and the successful bus-rail service?

Mr BREDHAUER: We are currently undertaking negotiations with Sunbus in relation to the second generation bus contract in the Sunshine Coast area. Obviously, linking major trip generators, such as the Nambour Railway Station and the University of the Sunshine Coast, is a very high priority for us. We have invested

quite a bit in trying to upgrade public transport services on the Sunshine Coast since I have been the minister and also in planning for further upgrades to public transport on the Sunshine Coast through the CAMCOS work we have done. I think that will in time be a significant benefit for the growing population on the Sunshine Coast. I can assure you that, in the process of negotiating the second generation contracts for the bus services on the Sunshine Coast, the linkages between the Nambour station and major trip generators such as the Sippy Downs university will be a very high priority for us.

We are also looking at making changes to the actual contracts, primarily to make them more responsive to community needs. We are putting in a requirement that, if changes to timetables are going to be made by the bus operators in the future, they undertake public consultation and provide opportunities for input. That has not previously existed in the contract. So please be assured that we are conscious of the needs of the Sunshine Coast in public transport terms, of the requirement to well service major trip generators and to try to incorporate that in our negotiations over the second generation contracts.

Mr WELLINGTON: Minister, I refer you to your responses to the questions on notice about response times to people who contact the Department of Transport call centre telephone number 13 23 80. One of my constituents waited almost seven minutes before hanging up in frustration. How prevalent is this type of delay in answering calls to the call centre? What would you do if you had to wait seven minutes before you could speak to someone?

Mr BREDHAUER: I think that is a reasonable question, to be honest with you. Seven minutes is a long time to wait. A couple of years ago people were waiting a lot longer than seven minutes. The answer to the question on notice is designed to indicate the improvement that we have made, but there are still very heavy demand peak times. I do not know them off the top of my head, but if you ask our customer service people or the managers of the call centres they can actually identify lunchtime on Monday or Friday afternoon, for example, as peak demand times. There are times when lots of people are trying to tidy up their bills or they are on their lunch break or whatever it happens to be. Because of the particular configuration of personal circumstances out there in the community, the call centres get flooded.

The dropout rate is indicated in there, I think. The dropout rate has come down significantly. The abandonment rate in about 1999 was of the order of 47 per cent. That is how bad it was. Half the people were hanging up before they got answered. It is now down to around 10 per cent. So in around 10 per cent of calls, people drop out before they get answered. The abandonment rate a couple of years ago was because call centres were relatively new for Queensland Transport. We needed to put more resources in. We also needed to improve our systems. We have done that. We put in an extra \$1 million in 1999-2000. We will have three extra staff go into the two call centres this year. We have also improved our systems. That has enabled those very hard-working people in the call centres to achieve these kinds of results—a reduction of nearly 40 per cent in the dropout rate.

It is still unsatisfactory that people are not answered in time. Part of the problem for the call centre operators is that if someone has been hanging on for seven minutes the first thing they have to do when they answer is spend a minute placating them, so it takes longer to actually sort through their issue. I really feel for people who work at call centres. It is a difficult job. The public are often demanding, but with reasonable expectations, I guess. I think they do a great job. The fact that

our call centre was nominated and became a finalist—one of the top three call centres in Queensland—is a fantastic achievement. I pay tribute to the work of the call centre staff. I can assure you that we will continue, through things such as the allocation of the three extra staff that is going to happen this year, to try to improve the services with which the public is provided.

The other issue we get all the time is that people do not like the voice activated answering services. I appreciate that some people, particularly older people, do not like going through that process. The difficulty is that this allows us to provide information and advice to people 24 hours a day, seven days a week, which spreads the load across the week and helps to minimise those peak periods and reduce waiting times in those peak periods. That is also an area in which we are trying to improve our service.

Dr WATSON: I have a question with respect to the output performance in the integrated transport planning area and the Inner Northern Busway. I refer in particular to the consequences flowing from the scrapped plans for that tunnel under the Myer Centre through the King George Square car park to the Roma Street railway yards. What alternative plans are being considered by the government and the Brisbane City Council? Do they involve the creation of dedicated bus lanes in inner-city Brisbane and, if so, where?

Mr WILSON: As the minister just mentioned, I do not think 'abandoned' is the right word; it is 'deferred'. The proposal is: the government is committed to proceeding with what are called sections 3 and 5 of the Inner Northern Busway. We are already building section 4 through the Normanby. Section 3 will start from Roma Street and connect up at the Normanby, and then section 5 takes it through Victoria Park to Herston Road.

The aim in the short term is to operate buses that will come out of the Queen Street bus station in Albert Street, turn left into Adelaide, down George Street, and we will be aiming to have bus lanes in both directions in George Street. Our modelling shows that will work for a period of years. But our aim is to find a solution to the tunnel you referred to for the longer term.

Mr BREDHAUER: Obviously we have had discussions with the Brisbane City Council in relation to this. The proposal that we are currently contemplating has the support of the Brisbane City Council and, in fact, a contribution from them of \$15 million towards the \$135 million cost.

Dr WATSON: I have some more detailed questions. I presume we are not going to have a repeat of the Victoria Bridge problems when the bus lanes go down where you described them.

Mr BREDHAUER: What do you mean by that?

Dr WATSON: I think most motorists in Brisbane would find coming across the Victoria Bridge significantly more difficult now with the bus lanes.

Mr BREDHAUER: The Victoria Bridge busway has been open for only a couple of months. If you look at the number of people who are actually travelling across the Victoria Bridge now—because of the success of the busway there are more people travelling across the Victoria Bridge now than at any time in the past. There was a problem with congestion on the Victoria Bridge. But taking two lanes of vehicle traffic out of the Victoria Bridge was always going to necessitate some changes to people's travel patterns and the possibility of some additional delays. It is part of the cost, I guess, of progressing towards having better public transport infrastructure.

The way to solve those problems—first and foremost, get more people on public transport, so that you have fewer people in motor vehicles, and reduce congestion on the roads generally. That is working with the busway, because it is exceeding our expectations at this stage in terms of its performance. There are some issues in relation to the Victoria Bridge with just timing of lights. That has helped to ease the situation there, and the congestion on the bridge is considerably eased now from what it was just after the operations. But candidly, the truth is people are taking alternative routes. There are alternative routes to the Victoria Bridge available. There is the William Jolly Bridge and the Captain Cook Bridge. People are using alternative routes to come into the city, and that is also helping to reduce congestion. But as I say, we always knew—and it started with the Goss government and was continued by your government when you were there, Vaughan, and it has been carried on by us—that taking a couple of lanes out of the Victoria Bridge would cause some increased congestion. That is one of the sacrifices you make to try to improve public transport across south-east Queensland.

Mr WILSON: I might clarify that what is proposed in George Street is two bus lanes, one in each direction; it is not actually a busway as such.

Dr WATSON: Are they dedicated bus lanes?

Mr WILSON: Yes, dedicated bus lanes; but other traffic will be able to access them as needs be for turning movements and things like that.

Mr BREDHAUER: We have worked through all this stuff with the Brisbane City Council. There is some cost to the development of public transport infrastructure. But the alternative is that, if you do not have the public transport infrastructure, you are going to have the congestion on the roads and people not able to move anyway. I mean, the congestion on the Victoria Bridge—if we did not have the busway, in a matter of 10 years people would be waiting a lot longer to get across the Victoria Bridge than they are now as a result of the busway, and they would not have the busway as an alternative.

The CHAIRMAN: The time for non-government members' questions has expired. Minister, I also have a question in relation to the Inner Northern Busway. Can you tell me when it will be operational and how much it will cost, that is, the first section of it?

Mr BREDHAUER: We have described this as the first stage. Bruce has briefly described it. Eventually, we are looking to have things like the tunnel under King George Square or some suitable alternative arrangement to improve the linkages between the South East Busway and the Inner Northern Busway. The cost all up is \$135 million. Of that, our contribution is \$120 million. In this year's budget we had to allocate an additional \$56 million for this project, and the reason we had to allocate the additional \$56 million towards this project—\$22 million of which will be spent this year—is that the Commonwealth government reneged on funding for public transport in Brisbane under the Centenary of Federation funding.

It is well known that there was an allocation of \$65 million for public transport in Brisbane that was originally committed to light rail. After we decided not to proceed with light rail, the Premier had a commitment from the Prime Minister that he would allocate that money to the Inner Northern Busway so that it would still be used for a significant public transport project in Brisbane, which is what the initial allocation was. Unfortunately, the Prime Minister reneged on that commitment and, as a result of that, we had to find through our budget an additional \$56 million to do those sections of the work which we are currently undertaking.

The importance of having the Inner Northern Busway for people who live on the north side of town—I know there is a bit of north/south rivalry that occurs from time to time, with everybody wanting to make sure that they are getting their fair share of the road and transport infrastructure, and that is reasonable; people on the north side of town have a reasonable expectation to quality services as do everybody else. So it is an important part of the busway network.

The linkages between the South East Busway and the Inner Northern Busway have the capacity to deliver significantly improved patronage for both. There are actually people on the south side of Brisbane who want to get to the Royal Brisbane Hospital, for example, and people on the south side of town who want to get to the QUT campus at Kelvin Grove. So having the two busways link will be an important part of the overall success of both busways individually. We are proceeding with that work. We anticipate that the busway will be operational in 2003 and that that will provide a significant benefit for commuters in south-east Queensland.

Mr STRONG: Minister, the proposed introduction of the automatic identification system for ships—how will this reduce the likelihood of marine incidents and enhance environmental protection within the Great Barrier Reef, which is of great importance to my electorate?

Mr BREDHAUER: This is an issue that is very dear to my heart and, I must say, became more so after the incident with the Malaysian vessel on Sudbury Reef off Cairns. It just demonstrated how easily an incident like that can occur. And whereas there was limited significant long-term environmental damage to the reef—other than the mechanical damage caused by the ship running aground and the damage to the reef caused by the anti-fouling paint on the vessel's hull—we can count ourselves lucky, I guess, that that was not a more significant incident.

We have current systems in place to monitor vessels within the Great Barrier Reef waters through our reef centre which operates out of Hay Point. But we are working very closely and, in fact, leading both nationally and internationally in terms of the implementation of the automatic identification system. There are other jurisdictions internationally—I should be clear—but we are one of the leading countries in the world in terms of the implementation of the automatic identification system for ships.

Essentially, this will require all vessels transiting the Barrier Reef to have an identification system which can be monitored continuously and in real time from land-based centres so that at any given time we will be able to pinpoint the location of ships operating within Great Barrier Reef waters. There is a long debate about whether ships should be accessing the inner Barrier Reef shipping route or the outer reef. The reality is that many of the ships using coastal waters in Queensland are actually accessing our trading ports, so they need to come through the inner Barrier Reef area irrespective of whether they travel the inner route or the outer route.

The inquiry that was established by John Anderson, the Deputy Prime Minister and federal Minister for Transport as a result of that incident off Cairns is well advanced—in fact, nearing completion—and it will come down with some recommendations. But we, as the state government, made a commitment prior to the election to begin the implementation of the automatic identification system for vessels in these waters. Human error is a contributor in about 80 per cent of marine incidents. In fact, in recent times, a significant number of the vessels which have had incidents have actually had pilots on board in the Great Barrier Reef waters where pilotage is required. The pilot obviously was not on board on this occasion.

So the time line for introduction is staged and commences on 1 July 2002 for all vessels. Full implementation of the automatic identification system fitment to the world's fleet will be completed by July 2008, because this is an International Maritime Organisation initiative. But we here in Queensland, as I have mentioned, will spend approximately \$1.5 million towards this task over the next two years as a result of a pre-election commitment that was made by this government.

The CHAIRMAN: Minister, I thought I would save my best question for last in this portfolio. What is the government doing to progress the Petrie to Kippa Ring railway link?

Mr BREDHAUER: Fancy you mentioning that!

The CHAIRMAN: With trepidation I do.

Mr BREDHAUER: I lived at Redcliffe for 20 years, and I remember the election commitments time and time and time again about the Redcliffe rail link, and I was determined that I was not going to be the next Transport Minister to promise it and not deliver it. So I have never promised it. But notwithstanding that, we have actually done a considerable amount of work on the Petrie to Kippa Ring rail link. You would be aware particularly that, in Transport 2007, which is our medium range transport plan for south-east Queensland, the Petrie to Kippa Ring link is actually rated very highly in terms of public transport infrastructure requirements for south-east Queensland. In fact, I personally would regard it as amongst the top priorities right across south-east Queensland.

What we have done is that QR actually acquired a corridor for Petrie to Kippa Ring in the eighties. So we have had a corridor protected for Petrie to Kippa Ring for quite some time. That puts us in a unique situation in some respects—different from CAMCOS or Robina to Tugun—in that we actually have a corridor in which we can construct a railway line.

Because of recent residential development out in that north of Brisbane area—particularly the Lensworth stuff—last year we undertook a further assessment of whether the alignment of the corridor that we had was the appropriate one or whether we should change that alignment. The result of that assessment was to stay with the existing alignment and to look at connecting those new developments to the rail service in other ways. That has been a good decision in many respects, because it means that we do not have to change the corridor and acquire other properties and go through further work.

We are currently finalising the impact assessment study—the detailed impact assessment study—and I expect that to be finished in the next couple of months. Concurrently, we have initiated a study which is being undertaken by PricewaterhouseCoopers, I think, about the possibilities of the Petrie to Kippa Ring rail service being a private/public partnership. So we are looking to see if it is feasible to get private sector investment in the Petrie to Kippa Ring rail link. I have to say that there are a number of private sector operators who have come to me personally and expressed an interest. So I am optimistic that we may be able to put together some kind of an arrangement, if it stacks up in terms of this study.

By the end of this year—well, before the end of this year—we will have the impact assessment study finalised and we will have the advice back from Price Waterhouse about the likelihood of this project being able to be progressed as a private public partnership. Then I will be looking to work with Queensland Transport and the private sector operators and, obviously, QR to continue to progress this project. I cannot and will not give a time line. I am not going to delude the people

that it is going to be built according to any preferred time line, but I would like to reassure you that, as an effective local member and with other people in that area, both personally and collectively across the department and the government, we regard that as a very important piece of public transport infrastructure and will continue to work towards its delivery.

The CHAIRMAN: That concludes our time for Queensland Transport. Thank you ladies and gentlemen from your assistance—

Mr BREDHAUER: Just before you finalise, I have some information in relation to the question asked by the member for Gregory about PPQ. We are doing even better than I thought. The actual return for 1999-20,000 was \$2.64 million. The estimate for 2000-01—because the figures have not been finalised—is \$3.2 million, and the estimate for 2001-02 at this stage is almost \$3.4 million. The proceeds that we get from that are all put into road safety programs. I think that rounds off. Sorry to interrupt.

Mr JOHNSON: Thank you, minister.

The CHAIRMAN: That really concludes our time for Queensland Transport. Once again, I thank you ladies and gentlemen for your assistance. The committee will now adjourn for a break of 30 minutes and resume the hearing at 11 a.m. with the examination of the budget estimates for the Department of Main Roads.

Sitting suspended from 10.32 to 11 a.m.

The CHAIRMAN: I now declare the committee's hearing open. I remind the committee and the minister that the time limit for questions is one minute and three minutes for answers. A bell will ring once 15 seconds before the end of these time limits and twice when the time has expired. 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 is allotted to non-government members. Government members and non-government members of the committee will take turns in asking questions in blocks lasting approximately 20 minutes.

In relation to media coverage of today's hearing, the committee has resolved that video coverage is allowed only during the opening statements. For the benefit of Hansard, I ask advisers to the minister to identify themselves before speaking. Could I ask anyone who has a mobile phone or a pager to make sure that it is turned off now so as to not disrupt our 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 round of questions is for non-government members and I call the member for Gregory.

Mr BREDHAUER: Before you do, could I introduce the people who I have with me? On my left I have the Director-General of the Department of Main Roads, Steve Golding, and on his left is Danielle Anderson, the General Manager of Finance and Business Services. On my right is the acting Deputy Director-General of the Department of Main Roads, Neil Doyle, and the Director of the Roads Program, Karen Peut.

Mr JOHNSON: I note the reduction in staff in the Main Roads business units in page 2-7 of the MPS from 2,172 personnel to 2,042 personnel, a reduction of 130. As a result of the completion of the Pacific Motorway, does this confirm that the

reduction in capital expenditure by Main Roads is costing real jobs? Does the minister believe that similar job losses have occurred in the private sector as well?

Mr BREDHAUER: The answer to the question, I guess, first and foremost, is no. Generally speaking, we have a commitment to maintaining employment levels across the Department of Main Roads, especially in our road transport construction services—RTCS—and in our other business units. There are fluctuations in employment numbers from time to time. The issue that you have raised would represent, I would imagine, a number of people who have retired or left the employment of the Department of Main Roads for other reasons. There has not been any conscious downsizing of the Department of Main Roads work force in that sense.

In relation to the Pacific Motorway project, there was always going to be a peak in employment as a result of the special initiative funding that was available for the Pacific Motorway project. The Pacific Motorway project, as you know, employed over 1,700 people directly and up to 4,000 people indirectly. But it was special initiative funding in a one-off project and the Main Roads Department's budget was not designed to sustain that level of employment that was achieved during that project.

Notwithstanding that, however, there are other significant capital projects that are contributing to employment opportunities for both the private sector and the public sector which arise as a result of the Main Roads budget. We estimate—and as have mentioned previously—that about 17,500 jobs directly or indirectly are sustained by the Roads Implementation Program—our program of works through the Department of Main Roads. We have significant projects like the port motorway project, which is contributing to opportunities for employment. The Nundah bypass is another major project. There is work on both state-controlled roads and the National Highway. There are some significant works to be undertaken—the Caboolture bypass, the Gatton bypass, work on the Barkly Highway. So there are a range of projects that are providing employment.

In terms of the contribution to employment, though, we should not look at just the Department of Main Roads in isolation, because across the portfolio we are a major contributor to employment directly and indirectly. We have major capital works going through the inner northern busway, which we have talked about, which will provide additional employment for people involved in the construction of that. There is the work that we do through our ports and through Queensland Rail. Generally speaking, I regard our portfolio as one of the ones that is contributing significantly to economic growth, to employment opportunities, and to employment sustainability throughout the state of Queensland.

Mr JOHNSON: I refer to the performance statement relating to the commercial operations of Main Roads, MPS page 2-39, which shows an increase in the debt to equity ratio from 35 per cent to 45 per cent and to your answer to my question on notice No. 10, and in particular to the increase of amounts payable of almost \$2 million following the 'implementation of a tighter cash management regime'. Does that mean that there was previously \$2 million worth of debts that had not been brought to the book?

Mr BREDHAUER: Just let me find the answer to your question on notice No. 10. I think the answer that is in the information that has been provided to the committee is quite self-explanatory. In relation to the debt position of the Department of Main Roads, there has been some increase in borrowings undertaken by the Department of Main Roads, not the least of which was caused by the additional cost

that we have had to incur on the Pacific Motorway project. You might like to advance that issue a little more later. I would be happy to respond to it. But let me simply say—

Mr JOHNSON: I am sure that there is a host of other ones that I could reflect on, too.

Mr BREDHAUER: Let me just say that what we have sought to do through our business operations units is to make sure that we have proper systems in place that will ensure that the processes that we use to establish the available funds for the roads program in Queensland is transparent. I think the information that is provided there for you is pretty straightforward. If there is any bit of it that you do not understand, let me know.

Mr JOHNSON: I refer you to the performance statement relating to the commercial operations of Main Roads, MPS page 2-39, and to your answer to question on notice No. 10, and in particular to the increase in provision for dividends and tax equivalents of \$4.1 million. I ask: why was this increase necessary if the commercial operations were previously operating on the basis of competitive neutrality?

Mr BREDHAUER: Essentially, if they are paying us more dividends than tax equivalents, it means that they are increasing their profitability. They are commercial operation units and because they are operating on a competitively neutral basis, we expect them to contribute to us the equivalent of taxes and dividends that a private sector operator might be expected to pay. This is part of how we make sure that they are operating on a level playing field with the private sector.

We know that the private sector has to pay taxes. We know that the private sector has to pay dividends to their shareholders, or make appropriate other arrangements. So what we do is that we charge our commercial business units dividends and tax equivalents so that that does, in fact, ensure that they are operating on a level playing field.

The fact that there is an increase in the taxes and dividends means that they have undertaken work for which they are required to pay us taxes and dividends. If we did not have those kinds of arrangements, then they would, in effect, be competing unfairly with the private sector who have those kinds of requirements.

There is an implied tax increase, because they have increased their profitability. What it means is that our commercial business units are actually operating more efficiently and more effectively. They are increasing their profits and that means that their implied tax to the department is increased. If we did not do that, then we would not be maintaining the level playing field.

Notwithstanding that, I should say, though, that that does not mean that the proportion of work being undertaken, for example, by RTCS is higher in relation to work undertaken by the private sector than in previous years. Roughly, the work undertaken by RTCS is the same as it has been in the past, or even marginally less. So what we have is greater efficiency and profitability in our commercial business units.

Mr JOHNSON: I refer to the capital statement for Main Roads in the Moreton region—page 1-01—and to the promise by the member for Albert prior to the last election that sound barriers would be erected on certain sections of the Pacific Motorway. Can you advise whether that provision for the barriers promised by the member for Albert has been made? Further, how can such a promise be made, as

you predicted in your answer to question No. 9 on notice, when specific criteria are applied and the department is currently investigating this additional request?

Mr BREDHAUER: The information that was provided by me in the answer to the question on notice indicates that there is still some additional 2.5 kilometres of noise barriers to be erected, and that would take account of any commitments that were made by any member of parliament. What I need to say in relation to noise barriers on the Pacific Motorway is that the impact management plan for the Pacific Motorway project was actually put in place in your time as the Minister for Transport and Main Roads and that the provision of noise barriers under the impact management plan, which you signed off on, has continued to be implemented by me as the Minister for Transport and by the Pacific Motorway project team.

There are expectations in the community that are higher than the requirements under the impact management plan. I have met with a number of local members in that area who have expressed concern. I have met with residents in the area. I have even been to people's homes to experience their concerns for myself. Main Roads have, in my view, taken a very sympathetic view of the requirement for noise barriers. We have undertaken soundings at about 70 residences. We have been back and rechecked those noise measurements on occasions—not in all 70 cases but on a significant number of occasions. But the reality is that many of the places where people are complaining about the noise do not meet the warrants that were set down in your impact management plan, which we have continued to adopt as our program for the Pacific Motorway project. When those two and a half kilometres of noise barriers are erected and the remaining noise measurements are finalised, then our commitment towards providing noise barriers for people living along the Pacific Motorway, in accordance with your impact management plan, will have been completed.

Mr JOHNSON: I urge caution, because when I did an inspection of those barriers before the election, a damned white-tailed spider got me. So you have to be careful.

Mr BREDHAUER: As you know, I rang you in hospital to wish you well.

Mr JOHNSON: I realise that; thank you. I note that the Main Roads capital statement at page 50 no longer contains a separate line item for land. Can you advise if any land was acquired or disposed of on the route of the previous south coast motorway?

Mr BREDHAUER: I do not think that there was any disposal. Certainly no land acquisitions were undertaken on the route of the previous motorway. I do not believe that there were any further property sales. We did have a number of properties that were for sale in that area but, to the best of my knowledge, the answer is no. If there is any change to that, I will let you know.

Mr JOHNSON: Thank you. I refer to the Main Roads capital statement for the Moreton region, page 101. Can you indicate if funding is provided in this budget for the construction of the Kawana arterial road linking the Nicklin Way to the Sunshine Motorway?

Mr BREDHAUER: The transport infrastructure agreement for the Kawana Waters area provides for defined elements of the road network to be constructed and opened to traffic by the time traffic volumes reach defined trigger volumes on the existing road network. A major component of the transport infrastructure agreement is the construction of the Caloundra-Mooloolaba road, which is a future state-controlled road running from Caloundra Road to the Sunshine Motorway.

The 2000-01 to 2004-05 Roads Implementation Program contains the following works under the transport infrastructure agreement: the \$65 million project for constructing the section of the Caloundra-Mooloolaba road from Caloundra Road to Kawana, and a substantial part of that is in the current RIP but it is in the beyond years. A \$7 million project for upgrading the Nicklin Way to four lanes between Caloundra Road and Beerburum Street. There is \$5.6 million in the indicative forward allocation. This project has to be completed before construction of the first part of the previous job I mentioned. There is \$4.6 million for upgrading Nicklin Way intersections. This work is being completed. The \$30 million project for constructing the section of the Caloundra-Mooloolaba road from the Sunshine Motorway to Kawana is also included. There has been an allocation of funds: \$17 million will be provided from 2001-02 to 2002-03 in the new Roads Implementation Program. Yes, we have made funding commitments towards the implementation of the Kawana transport infrastructure agreement.

Mr JOHNSON: There will be a new RIP?

Mr BREDHAUER: Yes. I was up there the other day and announced \$3.6 million, I think it was, to begin the work on that road.

Mr JOHNSON: I refer also to the Main Roads capital statement, page 50, for state-controlled roads. Has any provision been made in the budget for the Douglas Arterial Road?

Mr BREDHAUER: There is currently \$5.6 million being spent on the portion of the Douglas Arterial Road that is the hospital access road. As you know, your government made a decision to build the hospital at Kirwan but did not fund the access. We looked like having a very unsatisfactory arrangement of having a new hospital that no-one could get to. When I first became the minister, there was a proposal that was not particularly satisfactory that we would have a track coming in via the backdoor—

Mr JOHNSON: That is not quite right, minister.

Mr BREDHAUER: I did not think that that was quite satisfactory.

Mr JOHNSON: That is not quite right. You have a grin on your face. You know it is not quite right.

Mr BREDHAUER: It was a road to come in via the backdoor, basically. I did not think that that was a satisfactory outcome. I know that the member for Townsville, the member for Thuringowa and the member for Mundingburra did not think it was a satisfactory outcome. They have all lobbied me and we made a decision that we would fund the hospital access. We had to find the money ourselves, because it was not put in place by your government. We agreed to fund the access to the hospital, which is part of the Douglas Arterial Road. We have shown our commitment. We have actually got dollars on the table. We are out there doing work. I expect that the hospital access part of the Douglas Arterial Road will be completed in time for the opening of the hospital later this year.

Mr JOHNSON: I refer you to the allocation for the Nundah bypass that is shown in the capital statement for Main Roads, page 96, as \$50.7 million, which is up \$5 million from last year's \$45 million. What is the reason for this increase?

Mr BREDHAUER: It is just an escalation in costs, basically. It is a major project and we work very hard on the Nundah bypass. It is a very important piece of infrastructure for the northern side of town. I mentioned previously that I lived at Redcliffe for 20 years and I can remember even 20 years ago the bottleneck at Nundah. People have been talking about doing something about it for that period.

In the early to mid 1990s the previous Labor government advanced the project considerably. To your credit, it stayed on track while you were the minister. I was actually the person who was able to let the contracts for that work. Mostly the additional cost has come in the retaining walls that are required for the tunnel, which is the mechanism for the bypass. They have been more complex than had originally been anticipated, so the scope of the work has increased. That led to an escalation in the costs. But when I open that project later this year, I am sure that people—

Mr JOHNSON: When will it be completed?

Mr BREDHAUER: We are due to open it by the end of the year. When I open the completed project later this year, I know that people on the north side of Brisbane will appreciate the investment that we have made in significantly improving and alleviating that former traffic bottleneck.

Mr JOHNSON: I also refer to the duplication of the Bruce Highway between Yandina and Cooroy, and the Main Roads capital statement at page 51. Why was \$32.5 million allocated last year and only \$21 million of it spent?

Mr BREDHAUER: There was a delay in the commencement of construction on Yandina-Cooroy. I have a feeling that you asked about this last year. It was mainly due to complications that we had in property acquisitions. It is a difficult issue. We have to acquire land all the time from private land-holders for roads. The member for Nicklin is well aware of the lengths that we are prepared to go to from time to time to try to accommodate people who have concerns about our resumption process.

Mr WELLINGTON: I am.

Mr BREDHAUER: We do try to be fair to people. We try to extend them as much support as we can in the process of resumptions. In this case, there were some fairly complex issues that some of the local land-holders wanted us to go through. We were able to kick that project off earlier this year.

Yes, it is true that the money that was allocated last year was not fully expended. That is because the start of the project was delayed primarily because of the land resumption processes. We expect it to be completed by the end of 2003. It is a federally funded National Highway project. I acknowledge their contribution. As the managers of the National Highway network, we will make sure that we continue with the construction of what is, once again, a very important piece of road infrastructure for people and industries in that Sunshine Coast area.

Mr JOHNSON: I refer to the Leichhardt Highway/Dawson River project and note that in last year's capital statement expenditure to 30 June 2000 was \$548,000 and \$3.1 million was budgeted for construction. This year's Main Roads capital statement, page 52, shows that not only was none of the \$3 million spent but also the expenditure to 30 June 2001 had been reduced to \$250,000. How is it possible to reduce the actual funds expended on a project from one year to the next and why were no funds expended on the project last year?

Mr BREDHAUER: I will find out for you. I think you will probably find that it is in the Roads Implementation Program. This is a copy of the Roads Implementation Program. It is a very thick book and we do not incorporate it in the budget documents. We only list the capital that we will spend on certain projects. Not all of the capital projects that we undertake in Main Roads are listed in the budget documents. We will get some information for you before 1.30 on that.

The CHAIRMAN: The time for non-government members' questions in the first bracket has expired. I call the member for Thuringowa.

Ms PHILLIPS: Like yourself, I am a local member for the vast areas of north Queensland and I am particularly interested in Main Roads and the budget. Following the federal budget, the federal minister and some local federal members claimed a massive increase in federal roads funding. What is the federal budget outcome for Queensland and has it offset the road funding reductions by the federal government over recent years?

Mr BREDHAUER: The short answer is no. The federal budget increase for national highways in Queensland this year was \$23 million, which is a welcome increase, I have to say. It is better than a poke in the eye. But the reality is that, when you measure that against Queensland's National Highway needs, it is inadequate. The National Highway RONI funding for Queensland is \$261.5 million. In 2000-01, it was \$238.5 million. That is a \$23 million increase. In 1996, the Commonwealth government cut \$620 million from the National Highway funding across the country. It took us until the 1999-2000 budget to actually claw our way back to 1996 funding levels under the Commonwealth's National Highway allocations. We have had a couple of marginal increases over the last two budgets, all of which I say are welcome, but they are still way short of meeting our requirements.

The Commonwealth Transport Department officials acknowledge that Queensland has the worst National Highway system of any state in Australia. We developed our National Highway strategy, which is a 10-year strategy that tried to identify what our National Highway needs would be in Queensland. Given that more than any other state we have population growth and industry and employment growth on a largely decentralised and regionalised basis, our demands are significantly greater than the increase in funds coming from the Commonwealth.

However, I am used to federal coalition members running around making up stories. Particularly in your area, having had the experiences that you have in recent times with the member for Herbert, you would know his capacity to fabricate stories about the Commonwealth's commitment to a range of projects, but specifically to National Highway projects in the Townsville region.

The other thing, of course, that they are wont to do is to blame the state for the fact that priority is not given to National Highway projects. The reality is that if the Commonwealth gave us more money, we would get more of the priority projects done. In any event, it is the Commonwealth and the Commonwealth minister who determine the priorities for funding on the National Highway network and not me.

Mr STRONG: Can we talk rubbish for a minute, but this is serious rubbish, of course. I refer to the recent criticism in the media about litter on Main Roads. Are you able to advise of any initiatives being undertaken by Main Roads to improve the amenity of our roads?

Mr BREDHAUER: This is an important issue. We do take seriously our responsibilities to try to reduce litter and also graffiti on roads and on Main Roads infrastructure around the state. We had a bit of a discussion this morning about graffiti in relation to Queensland Rail.

We spend a lot of money picking up rubbish on roadsides, but we are often criticised for the standard of roadsides and the maintenance of roadsides. To give an example, in the metropolitan and Gold Coast regions of Main Roads—in those two districts alone—we spend \$1 million a year picking up rubbish off the sides of roads and removing graffiti. It is quite an expensive part of our operations. We could

spend more, I guess, but every million dollars we spend picking up rubbish is a million dollars that we do not spend on maintenance, upgrades, capital organisation or a number of other things.

The Keep Australia Beautiful Council, Queensland branch, approached me a couple of years ago with a proposition that we look at a scheme called Adopt a Road. This is operated in other jurisdictions, as I understand it. Essentially it means that the Keep Australia Beautiful Council finds community organisations, service organisations and even schools that are prepared to work with the keep Australia Beautiful Council and Main Roads to adopt a road and to try to assist to reduce the amount of litter in particular along those roadside areas. A couple of issues emerge. Obviously, there are some costs for those service clubs, community organisations and schools. We do not want them to be out of pocket. The other thing is that if you have got people, particularly younger people, working on roadsides safety issues are involved, too. We have worked through it with the Keep Australia Beautiful Council. We have had a couple of trial projects over that time since they first raised it with me.

Later today, at 1 o'clock, the Director-General, Steve Golding, and I will be signing a memorandum of understanding with the Keep Australia Beautiful Council, because Main Roads has decided to sponsor the Adopt a Road project in conjunction with the Keep Australia Beautiful Council. \$75,000 will be provided as upfront sponsorship and \$20,000 will be provided to undertake safety induction training programs for people who might be involved.

In cooperation with the Keep Australia Beautiful Council we are going to be encouraging schools, community groups and service clubs around the state to Adopt a Road. It might be Mount Cotton Road in Redland, it might be a road in your electorate or it might be the Endeavour Valley Road in my electorate up on the Cape York Peninsula. The Keep Australia Beautiful Council advised me that it has wide interest in this and that lots of people are lining up to help out. We will get the memorandum signed today and move on from there. I think it is a great initiative in this the Year of the Volunteer. It just demonstrates that there are people out there prepared to volunteer their time to make a difference in their local community.

Mr JOHNSON: People are becoming more responsible, aren't they?

Mr BREDHAUER: Absolutely. It is much appreciated and it will be a great initiative.

Mr McNAMARA: You are obviously well aware of the importance of the delivery of the Roads Program, particularly in regional Queensland. Obviously, a budget containing substantial capital and maintenance allocations is very welcome. Would you like to comment on Main Roads' performance in 2000-01 in relation to delivering its works program as well as providing security of employment and achieving the election commitments made in 1998?

Mr BREDHAUER: Sure. Let me start firstly with the election commitments made in 1998. As to all of the election commitments that we made in 1998 relating to state controlled roads, over which we have jurisdiction, and a number of other election commitments, including the Rural and Regional Roads Improvement Program, which delivered an additional \$30 million a year to the Main Roads budget, we have either honoured those or are in the process of completing them. As I said, all of the commitments over which we have control have or are being finalised.

Our regional delivery is very important to us. Of our Roads Implementation Program—our road budget—more than half of the money is spent outside of south-

east Queensland. I think that is important, because regional and rural areas rely more heavily on road transport and road infrastructure than the south-east corner does. That is not to say that it is not important in south-east Queensland, but there are more opportunities for public transport, just as an example, in south-east Queensland than exist in a lot of regional and rural areas. The delivery of our roads program in regional areas is important. It is a major contributor to quality of life. It is a major contributor to helping to develop and grow economies and through that to develop and sustain employment in regional areas. We work very hard on that.

In terms of employment, it is not just about the direct employment that we provide for our own RTCS employees and so on; as part of the road reform package, which was an initiative of the previous Labor government early in the nineties, we gave an undertaking that we would work with local government to help it maintain its local work forces in road construction. This is becoming an increasingly challenging task but one to which we are no less committed. I know that when the member for Gregory was the Minister for Main Roads he made a very strong commitment to local government that that process would continue. And it has done since I have been the minister. In both the area of regional development and regional roads delivery and the area of employment sustainability and security I believe Main Roads is playing a major part in assisting regional and rural communities.

The CHAIRMAN: How much has been allocated for the federal Black Spot program and what confidence is there about adequate funds being provided to Queensland in future years for this purpose?

Mr BREDHAUER: This is a very interesting one. I mentioned before that the federal government cut \$620 million from the national highway budget in 1996. At that time they cut national highways by \$620 million but allocated \$36 million to the federal Black Spot Program. So they took \$620 million with one hand. They gave back \$36 million plus some extra money through Roads of National Importance—but, of course, nothing like the \$620 million that was cut. That money was indexed. Our allocation initially was \$7 million. Up to the current year it has grown to \$8.2 million. It is split fifty-fifty between metropolitan areas, including Brisbane, the Gold Coast, the Sunshine Coast, Cairns, Townsville—urban areas in cities—and 50 per cent non-metropolitan, which is outside of those metropolitan areas. Unfortunately, the allocation that has been made this year is the last.

The program is due to finish at the end of the current financial year and no indication has been given by the Commonwealth that it will continue the Black Spot program. The Black Spot program has been designed specifically to target those areas that have been an indication of high risk of accidents in particular. I think the fact that we are now in the final year of that program—in fact, I know it is viewed with great concern by local governments—will also be viewed with great concern by many members of the community. It is a relatively small amount of money. As I said, it is only \$8.2 million. But it has previously given us the capacity to target particular problem areas that we have not had the resources to cover ourselves.

The fact that the federal government has given no indication that it intends to continue this program should be a cause for concern for communities right throughout Queensland. I think it is not in the best interests of improving road safety for people who use our road network right across the state. I would take this opportunity to lend my support to those calls by others to the federal government to reinstate or continue the Black Spot funding program. Although it is small, it is valuable and we appreciate every dollar that we get. My concern is that, this being

an election year, some time between now and the federal election they will trumpet themselves as having made a further commitment. I think road safety should be above politics. I think they should give an indication that they are prepared to continue this.

Ms PHILLIPS: You have already reported to the committee on the \$5.6 million that the state government has spent on the Douglas arterial. While this is stage 1 of the rerouted national highway through Townsville, the federal government has repeatedly refused to commit to funding this very important project. Can you please tell us about the state government's commitment to the construction of the Douglas arterial and the Condon bridge?

Mr BREDHAUER: This has been a complex issue. It has been made unnecessarily so, in my view, by the member for Herbert and has not been assisted, I have to say, by the Thuringowa Mayor, Les Tyrell, who has weighed in on a number of occasions unadvisedly. The Douglas arterial project is part of the future National Highway Network—it has always been so—and is the funding responsibility of the Commonwealth government. In the mid 1990s it was anticipated that it would be required to be constructed in around 2010 to 2015. Traffic growth in the area, and particularly increasing traffic volumes at the Nathan-Ross River Roads intersection, indicates that it should be built by 2003-04. We recognise that this means bringing forward the funding for the national highway. We have said on that basis that we are prepared to contribute \$7.3 million towards the costs. It has been backwards and forwards.

The \$7.3 million is still on the table. We are already spending \$5.6 million. I am prepared to make our total contribution \$7.3 million and will have that stated in this year's Roads Implementation Program if we can get the Commonwealth to fund it. The member for Herbert has said that the Commonwealth will fund it, but at the last federal budget they had \$20.7 million in the budget for the project which the federal minister wrote to me and advised he was taking away. It did not go anywhere else in Queensland, so I can only imagine it has gone across the border somewhere.

If the federal government is serious about getting this problem fixed, here is what they need to do. In 2001-02 they need to allocate \$6.7 million; in 2002-03, \$17 million; and in 2003-04, another \$9.7 million, making their contribution \$33.4 million. I will make available this year, 2001-02, \$7.3 million, which represents the prematurity costs. That gives us the total \$40.7 million and we can get the job done. That is what the people of Townsville want. They do not want the posturing. They do not want the politics. They want the bridge. They want the road. If they can agree to that timetable of funding, I will build the road by 2003-04. But let me give this note of caution to Peter Lindsay and the federal government: if they do not build it by 2003-04 they will need to upgrade the Nathan-Ross River Roads intersection. The disruption that would cause to local businesses and communities in that area and the cost to the Commonwealth government of having to undertake an upgrade of that intersection if they do not do the Douglas arterial will be far higher and far more inconvenient for the people of Townsville.

There is my challenge to the member for Herbert. He wants to know how he can get this project up. This is what he needs: \$6.7 million, \$17 million and \$9.7 million over the coming years. If the Commonwealth is prepared to put the money in, as he claims they are, the \$7.3 million from us will be there and the road will be built in 2003-04—finished.

The CHAIRMAN: The time for this bracket of government questions has expired.

Mr WELLINGTON: During the last government your department undertook a safety audit of the Kenilworth-Conondale road. The audit identified a range of strategies to improve the safety of this road. I thank you for the funding of the roadworks already undertaken as a result of that audit. The purpose of this question is to again put on the public record the importance of this road, and I ask: will you continue to fund the next stage of this road upgrade between Kenilworth and Sunday Creek?

Mr BREDHAUER: I recognise the effort that you have put into bringing the needs of that particular road to my attention and other roads across your electorate. You were successful in achieving a number of projects on that road. The commitment that I give basically is that I recognise that the whole Sunshine Coast area is one of Queensland's most important regions. It deserves the attention that we make a commitment to bring to the Sunshine Coast through our Roads Implementation Program. We are currently in the latter stages of developing the Roads Implementation Program, which is due to be brought down probably in October this year. We have not quite finalised the date yet, but we think it will be in October this year. In the development of the Roads Implementation Program we will continue to look at the priority for that project, admittedly against other priorities across your electorate and across the region. But I can give you a commitment that Dennis Tennant, our regional director in Gympie who services that area, is well aware of the need, as am I. We will continue to work on it.

The current Roads Implementation Program chose four projects—that is the five-year program—with a total of \$23.13 million for this work. Of this amount, \$12.8 million is allocated across five years and \$7.7 million in the beyond years. The \$2.9 million Belli Creek No. 1 was completed in August 2000. We anticipate that Belli Creek No. 3 will finish in August 2001. Design is now under way on the next stage which will upgrade a 2.4 kilometre section between the Bruce Highway and Eerwah Creek. Design is currently under way on that next stage.

Mr JOHNSON: I asked you a question a moment ago about the project on the Leichhardt Highway as it relates to the Dawson River bridge. You said that you would come back to me by 1.30 and you made reference to the RIP. I just bring to your attention that the project in question is in last year's MPS and this year's Budget Paper No. 4 at page 52. All I was asking you to do is to explain the disparity. You might do that on notice.

Mr BREDHAUER: I can give you some information on that now if you would like. The total cost of the project is \$6.926 million. Actual expenditure to June 2000 is \$706,000. This is in last year's RIP. The approved allocation in 2000-01 was \$1.9 million and the approved allocation for 2001-02 was \$4.3 million. There has been a delay in commencement due to the more difficult than expected preconstruction activities because of the site conditions and we are still working through some cultural heritage issues. However, the contract has been let. The project will still be completed in the 2001-02 financial year as was programmed last year. Delay in completion is only in the order of four months.

Mr JOHNSON: Thank you for that. I refer to the continuing decline on actual urban travel speed, and I refer you here to the MPS on page 2-22 and note that one of the measures taken to enhance efficiency on the Logan and Gateway Motorway toll roads has been the introduction of e-toll. Can you advise if you, in common with me, have received complaints that the transponders that have been supplied have not been accompanied by any installation details? Can you confirm that drivers of the vehicles using the e-toll lanes with the transponders not correctly installed have

been advised not to worry because the system is not working properly yet and an amnesty is still in place?

Mr BREDHAUER: Personally I have not received complaints, although I have no doubt that people in my office and people in my department would have. If there is anyone out there who has a complaint, they are usually talking to us somewhere. I am aware of this because other people have drawn to my attention that there have been concerns about the operations of the transponder. It is a new technology system. We gave a commitment when we introduced the legislation—and you will remember that we debated the legislation in parliament recently—that there would be an amnesty period. We did that mainly from the point of view that we expected that people would take a while to get used to the new system.

This is the way the transponder system works. To have maximum efficiency, the vehicle approaches the e-toll gate and the gate actually opens irrespective of whether there is a transponder present. As they go through, if the technology does not detect a transponder, then basically a photo is taken of the numberplate and a notice is sent to the registered owner. They then have the opportunity to pay the toll plus the administration charge which comes with having to send them the bill. It is only if they do not pay that there is then a fine or penalty imposed.

If there are teething problems with the system, which there may inevitably be, then I am sure that QML in conjunction with the Department of Main Roads will work through those. The amnesty period should give us sufficient time to work through those teething problems. If there were still issues in relation to the operability of the technology at that time, I would be prepared to have a look at it. We have also given an indication that, generally speaking, first time offenders will not be fined. I do not want people to take liberties in that regard, but we need to be a bit sensible about the operation of these systems.

The key part of the new technology is probably twofold. Firstly, it improves efficiency at the tollway collection booths, which should reduce traffic congestion on that part of the road network, which is an important issue; and, secondly, there is interoperability with toll systems in other states. For example, if you get a transponder for your local tollway network here, it will work in New South Wales because we already have the agreement up and running with them. Progressively, because of commitments given at the Australian Transport Council, we hope to achieve interoperability with all other states and their electronic tolling equipment.

Mr JOHNSON: So if there is a major breakdown in the operation, will the revenue lost come back on the consumer? Will that be worked out through the proper channels? I know we discussed this when debating the legislation. However, it is an issue that is raising its head at the moment.

Mr BREDHAUER: I would not be too concerned about it at this point. Some teething problems occur. I am sure QML is working through those. QML would be bearing those costs at this stage. As I have indicated to you, if we do not iron out the problems quickly, then I am prepared to have another look at it. It has not come to me in the sense of being a problem of such significance that I need to intervene in it at this stage. As you know, there are departmental representatives, two of whom are sitting at this table, who are represented on the QML board. As I say, they have not drawn it to my attention as a major concern at this stage other than there being some preliminary teething problems. I do ask people to be patient. I appreciate that there is some inconvenience for them. I appreciate that that might be causing members of the public concern. I do ask them to be patient because the benefit for the users of the Gateway Motorway in the long run will be significant.

Mr JOHNSON: I refer to the Main Roads budget highlights on page 2-3 of the MPS in relation to the Tugun bypass and note that construction is planned to start by late 2002. Can you advise that the impact assessment study is completed, and can you also give an update of the negotiations with the relevant New South Wales government agencies in relation to this project?

Mr BREDHAUER: I can. No, the impact assessment study has not been finalised. All statements we have made in respect of the construction of the Tugun bypass have been on the basis that it is subject to the impact assessment study. It is a complex piece of infrastructure. It is 6.7 kilometres long and over half of it is in New South Wales. We do need to work through the impact assessment study. We finally came up with a route alignment that was acceptable to the New South Wales government. The key issue there is proximity to the Cobaki Lakes area.

Mr JOHNSON: Off the top of your head do you know which alignment was agreed on?

Mr BREDHAUER: Yes, it was option C4, as it was at the time. The other complication is that about 2.2 kilometres of it will be through Coolangatta Airport land. So we also have to get Commonwealth approval for that. We have made a commitment. We have allocated \$55 million to begin construction of the project. I am still working towards the end of 2002 as the start of construction date. But there is work to do in terms of getting the necessary approvals from all the New South Wales agencies that are involved and also the Commonwealth, but we are progressively working through that.

I do note that you had a commitment in the first instance—and I have had it repeated to me on a number of occasions—that the Commonwealth was prepared to fund 50 per cent of this project. There have been increases in costs. I am happy to admit that. However, it has always been my anticipation—and I am sure it was yours—that the Commonwealth money would be additional money and would not come from existing programs. I am a little bit nervous after reading a letter I received from John Anderson the other day in which he indicates that he may not provide additional money but, rather, it be offset against existing commitments under the Pacific Highway reconstruction program agreement. I would be most concerned about that because a lot of that money has been expended substantially on the Pacific Motorway project, which you put in place.

I am wanting to work constructively and cooperatively with the Commonwealth to come up with a funding arrangement for the Tugun bypass for their contribution of 50 per cent of the cost of the project. We are also exploring the possibility of whether there is any way we can involve the private sector in funding. I am happy to do that in conjunction with John Anderson. Our commitment remains to begin construction, subject to satisfactory environmental approvals from the Commonwealth and the New South Wales governments, by December 2002. We have put our money where our mouth is in terms of having an allocation of \$55 million to kick it off.

Mr JOHNSON: I will certainly follow up that issue of the funding with John Anderson's office. That money was earmarked for the Pacific Motorway—that 15 over 10 years.

Mr BREDHAUER: I think he is feeling me out, but he is going to touch a raw nerve if he is not careful.

Mr JOHNSON: I note that in the capital statement on page 53 of Budget Paper No. 4 the allocation for the port of Brisbane motorway has increased from \$111 million to \$121.3 million. Can you explain this increase?

Mr BREDHAUER: Yes, I can. Basically, more detailed work has been done on the port of Brisbane motorway and the cost has escalated considerably. We have had a discussion about this previously today. Essentially, we are trying to have at least the first stage of probably the most significant piece of infrastructure in south-east Queensland constructed over the next three years. We have a Commonwealth contribution for which I am grateful. We have also got a contribution coming effectively from the Port of Brisbane Corporation which will help us to fund it. It will be constructed under the auspices of QML. We are proposing to undertake an alliance contract, and we already have a preferred alliance contractor to undertake the project.

The reason for the increase is basically because we have done more detailed work on the corridor itself. There are a number of wetland issues there. The local community and the Bulimba Creek Catchment Coordinating Committee have been very active as have the local members down there, Pat Purcell and Paul Lucas in particular, in making sure that we undertake this project in the most environmentally sensitive way that we can.

However, improving access to the port of Brisbane is critical for the freight industry and for our capacity to continue to develop the Australia TradeCoast initiative of which the port is the single most important part in conjunction with the Brisbane Airport Corporation. We are determined to proceed with that. I am currently having some further discussions with the Cabinet Budget Review Committee in respect of appropriate funding arrangements, but it is my view that, notwithstanding some escalation in the cost, this is such an important project that we should get it up and going as quickly as possible.

Mr JOHNSON: I refer again to the port of Brisbane motorway, and I ask: is there any allocation there to Queensland Motorways Limited? Is any part of that road going to be a toll road?

Mr BREDHAUER: No, it is not a direct toll road. We are getting money from the Port of Brisbane Corporation. There will not be a toll on the motorway itself. It is being conducted under the auspices of QML. They are essentially the financing body that we have decided to use for this project. Neil has done an enormous amount of work putting together the financial packaging for this. Essentially, the Port of Brisbane Corporation will pay about \$2.5 million a year for 20 years. As I have mentioned previously, the Feds have also contributed to the cost, but there will not be a toll in the sense of a toll plaza anywhere on that road that vehicles have to travel through.

Mr JOHNSON: I refer you to the \$8.2 million allocation for information technology and the capital statement for Main Roads on page 53 of Budget Paper No. 4, which is up from \$6 million last year and \$3.1 million the year before. Can you inform the committee about the reason for this significant increase in expenditure?

Mr BREDHAUER: What was the increase from?

Mr JOHNSON: It is up from \$6 million last year and \$3.1 million the year before. It is \$8.2 million now.

Mr BREDHAUER: It is the SAP system. It was an upgrade that was to have been undertaken last year. We did not expend the money. So it has carried over, basically.

Mr JOHNSON: I again refer you to page 53 of the capital statement where it refers to the Toowong bikeway extension, which has increased from \$7.1 million to \$8.1 million. What is the reason for this increase?

Mr BREDHAUER: I might ask Bob Drew, the regional director for south-east Queensland, to answer.

Mr DREW: Basically, the Toowong bikeway extension has become complicated in the vicinity of the Brisbane River crossing. Originally, the bikeway was proposed to in fact use back roads in that area because there were some convenient routes in terms of us being able to get the facility through. However, we have had extensive consultation not only with bicycle lobbies but also with the residents. It has now been decided that we should in fact provide a separate bikeway facility along the western arterial road. However, that is going to come at a significantly increased cost. Nonetheless, we are proceeding with that sort of planning. We are acquiring land. As we have the funds available, we will implement it.

Mr BREDHAUER: Thanks, Bob. The bike network in south-east Queensland is very important. We have introduced the south-east cycling strategy. We have made a very strong commitment to improving funding for bikeways. There was an article in the *Sunday Mail* last week which indicated some problems with connectivity of bikeways. I think projects like this are important in terms of improving the connectivity of the bikeway network across south-east Queensland. As Bob has said, there is some increased cost but, on balance, I think the project is worth proceeding with. It goes back to the stuff we were talking about before, that is, it is not that the actual project has increased in cost but that the scope of the project has changed. As the process of consultation has continued, we have changed what we were planning to do.

Mr JOHNSON: Minister, what is your government's policy in relation to the outback highway concept, better known as the reef to the rock concept? The road in question here is the 250 kilometres of the Donohue Highway from Boulia to the Queensland border at Tobermorey. What is your government's policy in relation to the Northern Territory administration and the Western Australian administration in making this road become a reality?

Mr BREDHAUER: I have a bit of sympathy with the outback highway. I think it could be a significant tourism route for western Queensland. We have done work on our side of the border, as you would be aware. If you wanted me to make a decision to divert funds from other state-controlled roads or if you wanted me to provide advice to the Commonwealth which suggested that it divert National Highway funds or even Roads of National Importance funds from other projects in Queensland to the outback highway, I guess I would urge caution in that regard. There are parts of the state-controlled road network in western and central-western Queensland in particular which would benefit from the expenditure of the kind of money that you would have to spend between Boulia and Tobermorey. Certainly, there are many places on the National Highway network that would benefit from an allocation of money from the Commonwealth ahead of that.

The proposal has my support in principle. I think it is a good idea. I like driving across that kind of country, like a lot of people do. I think it would have a significant amount of appeal, but it is really a matter of determining your priorities with this kind

of stuff. If I had the kind of money available that would be needed to upgrade that link, I think the pressure would be on me first and foremost to spend it on other parts of the state-controlled road network where the demands are practically unlimited. If the National Highway had extra money, I would want it to be put into other parts of the National Highway, such as finishing off the Barkly Highway and doing some other work on other National Highways.

A very rough estimate of the cost of sealing the road from Boulia to the border, even on a low-cost seal basis, is about \$50 million. I appreciate that local councils and tourism organisations in that area see this as a potential source of a new economy and new industries. However, it is a lot of money. As I say, I support it in principle but, on balance, I think we probably have higher priorities for money of that magnitude.

Mr JOHNSON: Minister, I thank you for that. I recently did a tour of north Queensland and the wet areas around Cairns, the tablelands and the South Johnstone region. The minister represents a lot of the region in question, and I know the cost of building and maintaining roads in that part of Queensland. Does your government have a priority program for fast-tracking the maintenance or repair on northern arterial roads relative to local authorities? I am talking here about the tablelands and Wet Tropics regions in question around Cairns, bearing in mind that they are becoming very tired because of the wet conditions.

Mr BREDHAUER: We do not have a specific program. A lot of money was spent on roads around the tablelands area as part of the sugar roads package. So there has been an awful lot of money put into upgrades of roads in that area as part of the sugar roads package. There are major works under way at the moment on the Atherton Tablelands and in the Johnstone shire, including the commitment that we made prior to the last election to build a new bridge over the South Johnstone River at a cost of about \$10 million, which we are progressing with. The Johnstone Shire Council regularly complains about the condition of the National Highway through the Johnstone shire, and I echo its concerns about the condition of the National Highway.

One thing I would say, however, is that the Premier has now on a number of occasions raised the possibility of the state and federal governments contributing towards an infrastructure upgrading program that would help improve the flood immunity of infrastructure, especially roads, in north Queensland which are regularly inundated. Unfortunately, those requests have been ignored by the Commonwealth. It does not believe that an investment now in upgrading and improving the flood immunity would actually save us money through disaster relief arrangements further down the track. I would like the federal government to reconsider that. I think it is a good idea. If the state government was prepared to contribute and the Commonwealth put money in, I think we could make significant inroads. We will never be able to flood proof the north, but we could make significant inroads into improving flood immunity.

Rest assured that our department in the far north has done specific work on building roads in the Wet Tropics. The work it has done on that policy is well regarded, both nationally and internationally. I think the work that we are doing there through the sugar roads package and through other work is paying dividends. We are not meeting everybody's needs, but I do not know any region in Queensland where we are meeting every expectation of every community member for road funding.

Mr JOHNSON: I have a bit of a conflict here.

Mr BREDHAUER: Declare it.

Mr JOHNSON: No, it is not like that. I was checking with the secretary of the committee. I will ask you the question anyway. I note that the Main Roads statement no longer contains a separate line item for land.

Mr BREDHAUER: We have had that one.

Mr JOHNSON: I asked that question, didn't I? I crossed it out but was just checking—

Mr BREDHAUER: You are just testing me, aren't you? I am awake.

Mr JOHNSON: In answer to an earlier government question you made reference to the importance of supporting local authorities with road funding. Last week I visited the Murweh shire in Charleville. It and many other shires throughout the state are in the situation where they need a revision of some of their programs. Do you have a program in place that can assist some of these shires with urgent needs to prioritise funding so that they can enhance the job opportunities for their work forces?

Mr BREDHAUER: I will be very careful about this. You are talking about enhancing job opportunities.

Mr JOHNSON: Yes. What I am saying is that some of these shires are in the predicament where they need to be able to upgrade some of their roads while at the same time keeping their work force in employment. I am wondering if there is a program that can enhance shires like that.

Mr BREDHAUER: Yes, it is called the Roads Implementation Program.

Mr JOHNSON: I realise that, but I am talking over and above that.

Mr BREDHAUER: There are a number of ways we can address this. The short answer is, yes, there is the Roads Implementation Program. We have made a commitment to that, and I mentioned that previously. I respect the fact that you very strongly endorse the commitment of the previous Labor government. I have picked it up from you that we need to ensure that local councils can sustain employment levels through roadworks that we allocate for them. So my commitment to that is equal to yours—not to enhance job prospects but to maintain existing work forces. The difficulty if you enhance job prospects or enhance employment is sustaining it for a long period. You do not want to give them more money this year for them to employ another 10 roadworkers and then in 12 months time be struggling to find work for those people and have them paid off. That is the last thing you want. We try to maintain a level of work which allows them to continue to employ those roadworkers. Yes, we work on that.

We can do it through funding for the state-controlled road network. We can do it through funding for the Transport Infrastructure Development Scheme. There are a number of ways in which we can do it. The complication is that the more we have to do this the less discretionary, I guess, becomes the money that we have available to spend on roads. One of the things we have been working on quite closely is doing alliance work with local government on a more frequent basis. It is kind of a shift in policy that we are discussing this issue with the Local Government Association. It has been on the agenda for about 12 to 15 months now. It is about trying to work with local government on strategic road networks rather than delineating what is a local road and what is a state road. Rather, it is about working out ways in which we can work better together in a cooperative way to deliver the kinds of outcomes in

terms of employment security whilst upgrading the road network and providing the best maintenance that we possibly can.

There are some councils that are hesitant because they either do not understand it or they have some concerns. We are not rushing into it. We are continuing to work with local government. I have canvassed it at the last Local Government Association conference in my address. I will do that again this year. It was a major focus for the work we did at the recent roads and transport forum. The local government-Main Roads alliance concept is something that we are progressing specifically to try to allow us to better address these issues of employment security and the need for road upgrades and maintenance beyond that which we are currently achieving.

The CHAIRMAN: The time for non-government questions has expired. I call the member for Burnett.

Mr STRONG: Minister, what priority is being given by the state government to getting trucks off Kessels Road?

Mr BREDHAUER: This is an interesting one. I am probably going—

Mr JOHNSON: You are going to have truckies all over you.

Mr BREDHAUER: That is a fair comment, too, because trucks need to use the roads. I am going to have another belt at a federal member here, because I am getting a bit tired of Gary Hardgrave and the really negative carping and non-supportive way in which he is dealing with this issue. There are a number of state members in that area, primarily Phil Reeves, Stephen Robertson, Judy Spence and others. They have worked really hard to try to help us address this issue.

The many heavy vehicles using this road corridor are causing amenity issues for local residents. Some 75 per cent of the trucks on that corridor are there because either their origin or destination is a business or freight hub or something like that in that area. There is no place for those trucks to go. Over 75 per cent of trucks need to access origins and destinations in that area. The local federal member, Gary Hardgrave, has started this 'no toll' campaign to try to get the tolls removed. That is a hoax, to be quite honest with you. If you do that, you will only have a minimal impact on the number of trucks using the Kessels Road corridor.

In fact, what we convinced the federal government to do—the member for Mansfield, Phil Reeves, was involved very heavily in this—is undertake a study to work out how we genuinely deal with these issues. It is all right for Gary Hardgrave to go out and make cheap political points by running simplistic solutions to complex problems, but his own government recognises that that is not the way to go. It has given us the funding to undertake this study. We are finalising the terms of reference for that study and it will be under way as quickly as possible.

Essentially, what he is trying to do is shift the cost. If we eliminate the tolls on the motorways down in that area, every motorist in Queensland has to pay more. The Kessels Road area is National Highway, so it is trying to shift the cost from the federal government to the state government, which is not acceptable because every motorist in Queensland pays a price for that. More importantly, his solution does not solve the problem, and he knows that. It is a political game that he is playing to try to save his hide in the run-up to the federal election later this year. He does not care about finding meaningful, long-term solutions for the people who live in that corridor. People such as Phil Reeves, Judy Spence, Stephen Robertson and others, Karen Struthers included, are the people who are working closely with us to try to find real solutions to those problems.

The study that has been funded by the Commonwealth, by Gary Hardgrave's government, to deal with this issue, to find the long-term solutions, is the way to do it. Running cheap political campaigns which are not going to provide solutions for constituents is not the way to go. In fact, as I have said, it is a hoax against those people to suggest that eliminating the tolls will significantly reduce the heavy vehicle traffic. It will not, because most of the heavy vehicles using that road need to either come from or go to businesses in that area.

Ms PHILLIPS: My question is about the Townsville port access. What funding has been provided in this budget to secure the new eastern port access corridor in Townsville?

Mr BREDHAUER: Funding has been provided for Townsville port access in a couple of ways. First and foremost, \$1.2 million has been allocated to begin to acquire land in the actual corridor. We are still finalising the Townsville-Thuringowa Integrated Regional Transport Plan, but that is coming very close to fruition. The Townsville port access study is a critical component of that. That is due to go to cabinet shortly. Notwithstanding that, we have given a commitment to the eastern access and we have allocated \$1.2 million to begin land acquisitions.

The other important part of our commitment to Townsville port access is in fact Boundary Street. Notwithstanding the fact that we build the eastern corridor, Boundary Street will continue to be the main access, especially for vehicles coming from the north travelling to the port of Townsville. We have allocated \$5 million overall for work to be done on Boundary Street. In the current Roads Implementation Program \$1 million has been allocated, and an extra \$4 million will be included as part of the Roads Implementation Program which is currently being finalised and due to be brought down in October.

I think that will improve the amenity for people in Boundary Street. I cannot say that it will solve all of their issues. It is a land use issue as much as anything. The mix of heavy vehicle access to the port and residential accommodation is a difficult one at any time, but the \$5 million will help us to substantially address that. Perhaps in the longer term what we need to do is work with people such as the Townsville City Council and the CBD renewal task force in Townsville to look at whether a long-term change to the land use in that area might not be more appropriate. I am not suggesting that we have made any decisions in that regard, but we will upgrade it with the \$5 million we are spending that will come down in the current RIP. But maybe longer term that is an appropriate strategy for us to look at.

Mr STRONG: On a similar line, my question concerns the Gladstone port road. I understand that the federal and state governments and the Gladstone Port Authority have all given commitments for funds. What further commitments are needed before this project can proceed?

Mr BREDHAUER: They have. The Gladstone port road, or route D as it is known by a lot of people, was expected to cost, when I first heard about it, \$12 million. The Commonwealth came out and said that it would spend \$6 million under the Roads of National Importance program. Contributions have also been promised by the Gladstone Port Authority, which is a state GOC, so there is a contribution from the state government there of \$3 million. We as a government have been prepared to commit through the Roads Implementation Program \$1.5 million, and our money is on the table. The cost has recently escalated from \$12 million to \$15 million, and the Commonwealth has increased its contribution from \$6 million to \$7.5 million.

So the Commonwealth and the state have made a commitment to building this road. Let us be quite clear about it: it is a council road. It does not carry any through traffic. It is a road that runs to the port and out of the port. It is not an arterial road. It is not a national highway. It is fundamentally a local road and the responsibility for it should rest with the Gladstone City Council. To date, it has not been prepared to make a contribution and it has not been prepared to accept that the road should be its long-term responsibility. I am quite adamant about that. The road is a local road. The council has to make a contribution to it and it has to be prepared to accept ownership and long-term maintenance of it.

Our money is on the table, both through the Roads Implementation Program and through the Gladstone Port Authority. The two state agencies have made a commitment there. The Commonwealth has put its money on the table. It is up to the Gladstone City Council now to decide whether it wants the project to proceed and, if they do, to pick up the offer that is on the table.

The CHAIRMAN: The state government has expressed concern over the use of the Centenary of Federation funds for the six-laning of works on the Bruce Highway, north of Dohles Rocks Road.

Mr BREDHAUER: The 'Save Mal Brough' fund?

The CHAIRMAN: Exactly. Can you confirm whether the \$40 million from the Centenary of Federation program has actually been provided in the budget for this purpose?

Mr BREDHAUER: I mentioned this before when I was talking about the Inner Northern Busway and the money on the Centenary of Federation Fund. The Centenary of Federation funding was meant to be for signature projects in our centenary year about which we could say, 'This is something we have done to celebrate the centenary of Federation'. Particularly, the \$65 million that was promised to Queensland was for public transport in south-east Queensland—actually in Brisbane. The six-laning of the highway north of Brisbane, from Petrie to Caboolture, is a worthwhile project, and no-one in the state government has ever suggested otherwise. The federal government had previously allocated \$35 million over three years to that project. We anticipate that it is about a \$220 million job. What it has done, in my view, is, because it does not have enough money in the National Highway budget, stolen \$40 million out of the Centenary of Federation funding for Queensland, which was meant to be for signature projects, and put it into that road.

As I say, I think the road from Petrie to Caboolture needs to be six-laned. At present it is dangerous, quite candidly. Even with this \$40 million, we are still a long way short of having the money to complete that project, and we are going to have the farcical situation in a couple of years, unless the federal government comes up with more money, that we will have six lanes going into four in what is potentially a dangerous situation to the north side of Brisbane.

None of us has any qualms about the federal government upgrading the road to six lanes. The issue is that it stole the money from the Centenary of Federation funds that were earmarked for Queensland. I would not have minded if it put it into some other project, not the INB. I would not have minded if it put it into some other project, but to put it in the 'Save Mal Brough' fund by dropping it into the National Highway program, acknowledging at the same time that, first of all, he is in jeopardy but secondly that it has not allocated enough money under the National Highway funding for that particular stretch of road, stinks, as far as I am concerned.

All of the people on that side of town should realise that what is being done here is a pea and thimble trick by the Commonwealth. It has taken the money from one area and stuck it into another area because it is too lousy, quite candidly, to put enough money into the National Highway budget.

People constantly complain to me about how we have this whiz-bang eight-lane road to the Gold Coast—and it is fantastic. It is doing a great job. The guy doing the traffic report on the ABC this morning said that it was carrying very heavy traffic but operating smoothly and efficiently, and I thought, 'That's fantastic.' But the people on the Sunshine Coast side who are complaining about the road access to the Sunshine Coast should be aware that it is National Highway. The people who have the responsibility for that and the people who are not living up to their obligations for that are the Liberal-National Party coalition government in Canberra. All those National Party and Liberal Party members along that corridor to the Sunshine Coast should get off their backsides and knock on Anderson's door and say, 'We want more money to fix that road.'

Mr McNAMARA: In the MPS you indicate an increased commitment to road maintenance, which is obviously very admirable, but the budget allocations show a decline. How do you explain that?

Mr BREDHAUER: I do not think so. Anyway, I will answer the question. Actually, we have had a small shift in funding away from capital, which is new construction, to maintenance. There is a reason for that. We have got 34,000 kilometres of state-controlled road in Queensland. The 34,000 kilometres of existing state-controlled road network have very high demands for maintenance work. Quite frankly, we are not keeping pace with the maintenance requirement on the existing road network. At the same time, we have demands everywhere for new roads and upgraded roads to be built.

The parliamentary Travelsafe Committee, during the time of the last parliament, undertook an extensive investigation of this matter. One of the things it recommended was that we actually spend more of the available money on maintenance, so that we keep the existing roads in reasonable condition, and less on capital. It is a difficult question because, as I say, there are people who want new roads all over the place. But on balance we agreed with that recommendation and we decided that there would be a slight shift in emphasis away from capital and towards maintenance. In 2001-02, in the current budget, there is \$321 million to be spent on rehabilitation and programmed and routine maintenance, as compared with \$303 million in 2000-01. So there is an increase of \$18 million there this year on the previous year's allocation.

It is a difficult issue. I think it is worth while. We do need to protect the existing assets of our state-controlled road network, but the demands for new roads are undiminished. That is why we have a slight increase in this year of \$49 million in available funds, shared between the state and the national government. We are looking to subtly but significantly shift the emphasis from capital to maintenance.

Ms PHILLIPS: Minister, has the federal government provided real additional funding to Queensland in this budget to fund the priority works associated with the Burdekin National Highway safety audit? What is the status of this work?

Mr BREDHAUER: I need three hours to answer this question, not three minutes. This has been a really complex issue. It started with De-Anne Kelly announcing they were going to build a new bridge over the Burdekin River. Then she decided that if you are going to have a bridge over the river you have to put a

road to it, so we had the Burdekin bypass study. It involved her and I think it is almost former Senator Grant Tambling. I do not think he has given up the ghost quite yet, but he has been disendorsed for the Senate ticket in the Northern Territory.

It has been a really complicated issue. The federal government has played ducks and drakes on this. The local member federally, De-Anne Kelly, has been extraordinarily unhelpful. I took the advice of the Commonwealth some time ago that it would not proceed with the Burdekin bypass recommendation that we made, and I have accepted that advice on face value. The minister told me that I should do a safety audit. I said to him, 'If you want me to do a safety audit you had better pay for it, because we do not have a funding allocation for it.'

\$2.5 million was allocated for work on the National Highway in the Burdekin area. We have now come up with an agreement on how to spend that \$2.5 million. Earlier this week I announced that we had let a contract for work on the Bower Street intersection. What we have effectively done—by the way, we have negotiated that issue with the Commonwealth—is brought that project forward by 12 months. That work was not due to proceed for a further 12 months, but we got them to agree to it, and that work will be undertaken. The balance of the money that is available will be used to undertake the safety audit, and that is agreed with the Commonwealth.

But the reality is that there is no money to do upgrades on the road in the Burdekin area. We have the safety audit; that is fine. We have had the bypass study, which they canned. I care not to think how much we spent on it—or they spent on it—because we only do the work that they ask us to do, basically, when it comes to this kind of stuff. What the people in the Burdekin need to understand is that Main Roads was not driving it. The Commonwealth was driving it, notwithstanding the points made by the member for Dawson.

So we will do the safety audit. It will identify work that needs to be done. The Commonwealth will then have to fund that, because there are no funds for it currently. So nothing can be done until we have got more money from the Commonwealth. But I make the point that it does not solve the long-term needs of the National Highway in the Burdekin. And all they have done is buy themselves enough time to get past the election and, hopefully, save De-Anne Kelly's skin. That is all they have done. They know as well as I do—the Commonwealth—that, in the long term, there is a need for another river crossing and for upgrades of the highway through the Burdekin area, and all they have done is prolong it and, in my view, prolong the uncertainty for the local community

In conclusion, I might talk about the South Coast Motorway issues, Vaughan. Firstly, on the old northern section of the South Coast Motorway, no properties were purchased in 2000—that is, north of the Stapylton/Jacobs Well road; no properties were purchased. Eight properties were sold in 2000-01—that is the last year gone—a total of \$2.1 million. In 2001-02 we are not intending to purchase any properties. We are still endeavouring to sell another nine properties. We are actually hopeful that they will be sold.

On the southern section, that is, the other side of the Stapylton/Jacobs Well road, in 2000-01 there were some properties purchased, because we have retained that corridor there. In 2001-02 we will be looking at other land. But that is a different issue; it is not the motorway issue.

The CHAIRMAN: The time allotted for the consideration of the estimates for the Transport and Main Roads portfolio has expired. Thank you, Minister, and advisers for your assistance. 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 committee will now take a break and resume hearing at 1.30 p.m. with the Minister for Innovation and Information Economy.

Mr BREDHAUER: I take this opportunity to place on record my appreciation of the committee for the conduct of the hearing today, to the associated Hansard and parliamentary staff who have supported us, but, importantly from my point of view, to my officers from the Department of Main Roads, Queensland Transport, the QR and the other GOCs, and those hardworking people in my ministerial office. Thank you very much for all your support.

Sitting suspended from 12.33 p.m. to 1.33 p.m.

INNOVATION AND INFORMATION ECONOMY**IN ATTENDANCE**

Hon. P. T. Lucas, Minister for Innovation and Information Economy

Mr K. Yearbury, Director-General

Mr D. Peddie, Director, Finance

Mr J. Spinaze, Director, Communication and Information Infrastructure Development

The CHAIRMAN: I declare the hearing open. On behalf of the committee, welcome ladies and gentlemen to our hearing. I am Linda Lavarch, the member for Kurwongbah and chair of the committee. I would like to introduce my fellow committee members: Vaughan Johnson, the member for Gregory and deputy chair; Ted Malone, the member for Mirani; Andrew McNamara, the member for Hervey Bay; Anita Phillips, the member for Thuringowa; Trevor Strong, the member for Burnett; and Peter Wellington, the member for Nicklin. I also acknowledge the presence of Lawrence Springborg, the member for Southern Downs.

The next portfolio to be examined relates to the Minister for Innovation and Information Economy. I remind the committee and the minister that the time limit for questions is one minute, and three minutes for answers. A bell will ring once 15 seconds before the end of those 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 the 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 media coverage of today's hearing, the committee has resolved that video coverage is allowed only during the opening statements. For the benefit of Hansard, I ask advisers to the minister to identify yourselves before you 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 has a mobile phone or a pager, could you please ensure now that it is turned off so as not to disrupt the proceedings.

The time allotted to the portfolio for Innovation and Information Economy is one and a quarter hours. I declare the proposed expenditure for the Minister for Innovation and Information Economy 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 LUCAS: Thank you. My new portfolio of Innovation and Information Economy is a bold step forward by the Beattie government to ensure that Queensland is a leader in the knowledge economy. The department will be a key driver of the government's Smart State strategy, which aims to improve social and economic outcomes for all Queenslanders through the development and application of life science and information technologies. The department will focus on developing strategies, policies and programs in a number of key areas. It will

promote platform technologies, such as IT & T and biotechnology, that will generate new jobs, increase exports and improve our quality of life.

It will promote the uptake and application of technology across all industry sectors, particularly in our small and medium-sized businesses, so that we remain competitive in the global marketplace. It will work with other government agencies and education providers to build IT & T skills locally and provide Queenslanders with opportunities for lifelong learning and skills development.

It will foster research and development in growth industries such as marine sciences, ecosystems, food production, biotechnology, pharmaceuticals and aviation. It will address important social issues such as the digital divide to ensure that all Queenslanders have the opportunity to participate in the information age, not just those in the south-east corner of the state. Examples of this are the soon-to-be-launched Reef Net project and the current plans for ensuring telecommunications infrastructure provides the best possible services for the communities in the far north.

Importantly, my department will also ensure that the government agencies lead by example through a commitment to improving government service delivery. The 2001-02 budget for the Department of Innovation and Information Economy clearly reflects these priorities. The centrepiece of the state budget is a \$100 million Research Facility Fund to drive the development of innovation, science and technology infrastructure in Queensland—infrastructure that will enable knowledge industries to develop here rather than overseas.

\$2.6 million is being provided to support the establishment of a Pharmacy Centre of Excellence that is set to be the largest facility of its kind in Australia. The budget provides \$16.6 million for an integrated government service delivery initiative which will give Queenslanders a single point of contact for government transactions and information services through a variety of channels, including online. The budget also provides ongoing funding for industry, training and community skills development programs, including \$1 million over two years for at least 80 multimedia scholarships across Queensland.

A further \$7.8 million over four years will enable the department to develop a policy framework to harness and focus the state's intellectual capital so that we foster the development of new industries and smart infrastructure. It will also enable the development of a strict regulatory framework to ensure that new industries such as biotechnology are developed within safe and ethical boundaries.

The hallmark of this portfolio will be collaboration, not only with other government agencies but also with industry, the education sector and the community. I welcome this opportunity to discuss with the committee today the performance of my agency and the priorities for the future.

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

Mr WELLINGTON: Minister, last night I attended a public meeting at the Kidaman Creek community hall in the Mary Valley/Sunshine Coast hinterland, where community members expressed real concern about the inability to have access to various telecommunication services, including the mobile telephone network. Minister, what will your department do to assist in the provision of improved telecommunication services to residents in the Kidaman Creek community and other small isolated communities on the Sunshine Coast hinterland?

Mr LUCAS: The digital divide has two aspects to it, of course. One is telecommunications, one is band width. I will talk about telecommunications mainly, because that is what you have asked me about. One of the great problems with Queensland is that we are the state in Australia—together with Tasmania, but we are far larger than that state—where more people live outside the capital city than within it. And frankly, the Smart State initiative is not going to be worth a cracker unless it is about people who live outside south-east Queensland as much as people who do live in south-east Queensland.

Now, the primary responsibility for telecommunications, of course, is with the Commonwealth. And the fact is that it is the Commonwealth who sold 49.9 per cent of Telstra and yielded just over \$30 billion for that. The Queensland component of that—if you like to say we have 20 per cent of the population—would be \$6 billion. But the entire amount spent by the Commonwealth on telecommunications through Networking the Nation and other initiatives as a result of the sale of Telstra in Australia was \$1 billion. So the simple fact of the matter is that the Commonwealth is not prepared to put the money back into the community when it sold those community assets.

We have been working with the Commonwealth in a number of areas to try to encourage them to meet their responsibilities to improve mobile telecommunications services, and I do welcome some of their initiatives. Recently, I think it was \$37.7 million—I can get you that exact figure—in relation to mobile telephone coverage for country towns of up to 500. That is a major benefit for Queensland. Previously we were disproportionately missing out on the Networking the Nation funding. That is certainly an improvement for Queensland. But the state government has a number of areas that we have very much taken our responsibilities in terms of our communities. We are not going to be putting our hands in the taxpayers' pockets when the Commonwealth sold Telstra and are not putting the money back in. But we will be having a look at our role as a strategic purchaser of telecommunications.

One of the benefits that people in your electorate will receive—yes, \$37.7 million was that figure—one of the benefits that people in your community have received from an important government action over the past year or so is from Reef Net. Reef Net is a second competitive fibre-optic spine up the Queensland coast. It was previously Telstra only. Now there is Reef Net. Reef Net will give other carriers an opportunity to have a competitive market for costs on their bandwidth. One of the problems, of course, if you are in a small community and you want to talk to Brisbane or somewhere else, you have to jump onto the backbone to come down. If there is competition for that dollar, then it makes it cheaper.

So we see our role as a government in terms of a strategic purchaser of actually looking at outcomes and talking to industry to say, 'Look, this is what we are looking at purchasing. What can you do to improve services for rural communities?' I am happy to look at specifically the instance of your community and happy to talk to you about that later.

Mr SPRINGBORG: Minister and departmental officers, I would like to thank you for the opportunity to examine the estimates of your department and also acknowledge that you are taking up with gusto the IT nature of your portfolio. I ask your indulgence to ask a few paper-based questions.

Mr LUCAS: Certainly.

Mr SPRINGBORG: With regard to page 3 of the MPS and, in particular, bioprospecting, I note that resources are going to be allocated to provide access arrangements for identifying these biological resources, which we know are going to be very important for the development of our Smart State, including pharmaceuticals and a whole range of other things. Can you indicate if this is about developing access and identification arrangements for government as well as freehold land and also probably other areas covered by the Great Barrier Reef Marine Park Authority?

Mr LUCAS: Of course, the government is limited in terms of what arrangements it can enter into with respect to bioprospecting on private land. The government does not have the right, as far as I am aware, at law to affect some rare sort of plant which is desirable and which you may have in your backyard. We do not have the ability to do that. Put that to one side for a second. There are, of course, national parks and other government holdings, state forests and Crown reserves where we do have obviously a significant control over what happens in those. So the state government has a particular interest in that, as well. But we generally have an interest in the issue of bioprospecting and biodiscovery in the very great interests of the welfare of the state and, indeed, not only the state but Australia and the world.

You would have noticed that the Premier indicated in San Diego that we are prepared to make up to \$15 million available for biodiscovery initiatives through our infrastructure fund. That will be a matter of us having a look at initiatives from research institutions and like bodies that can build on getting hold of that tremendous knowledge that is locked up in those natural assets of ours.

One of the things about bioprospecting is that the opportunities that it affords are usually on a very non-invasive basis. To find out what chemical exists in a particular plant, you may need only to remove a branch and you can then analyse that to find out what those chemicals are. There has been some discussion previously about arrangements that the government has entered into—one with AstraZeneca. That has managed, through that sort of arrangement, to yield some \$45 million of laboratory investment at Griffith University with 43 members of staff but also the potential for enormous discoveries.

What we want to say, though, is that the days of things being discovered in Queensland and going overseas are not going to get any truck from my department. What we want to do—and this is why we want to put money into this infrastructure fund and, hopefully, leverage off other Commonwealth and industry funds that might be available—is to say to them, 'Come and talk to us about discovering what we have hidden in Queensland. What can we do about commercialising that?' In fact, we are very much sought after on an overseas basis for our record in relation to drug trials. We are a low-cost, high-science part of the world. In fact, a number of pharmaceutical companies from overseas come to Queensland in particular for drug trials because of that.

So we have got the science underpinning it. We have got the natural resources to support it. What we want to do now is to reach a situation where we are linking in with industry to see what we can do in terms of exploiting that locally. That has tremendous benefits not just for the south-east corner but because we have got such great biodiversity across the coast—the length and breadth of Queensland—it has advantages for everyone wherever they are in Queensland.

Mr SPRINGBORG: Just further to this issue, you are aware that 70 per cent of Queensland is basically state land. Obviously, some of that is tied up in national parks and other reserves and also we have the situation of Crown leasehold. I very

much support the need to develop our bioprospecting and also access arrangements. Do you also envisage that there will be access arrangements that may need to be negotiated or worked out for Crown land in Queensland where it is held by a leaseholder at the moment? I think most people actually support what is being done, but what is the final make-up of this creature that you see? Will there need to be some sort of paper-based arrangement or agreement in some places or just coordination across various departments?

Mr LUCAS: No, and I thank you for that question; it raises a number of important issues. Certainly there is a real role for certainty in terms of how people can negotiate with the government in terms of arrangements over areas that we control. I accept that there are many places in Queensland where the state government might be the ultimate owner of the land but there are other interests, whether they be the interests of graziers or native title claimants. They are all legitimate interests that require consultation, in a particular case, in looking at biodiscovery. It can go to as bald a point as to whether, indeed, the state has a right of access to certain places. There has been no suggestion that there is going to be any overriding of people's sovereignty over their own property. That is not what it is about. This is about encouraging biodiscovery and looking at what sort of natural assets we have and looking at the advantages of those.

I accept that native title holders and leaseholders in relation to Crown land have legitimate interests and they are interests that we need to take account of when we are talking about those ultimate outcomes. For example, you can have a look at the great knowledge—and I know that you have done a fair bit of travel in remote Queensland—that is tied up in bush tucker. That is traditional Aboriginal medicine and that is of significant value. We would like to encourage that sort of knowledge with the support of those communities, if that is what they would like to do, to look at how they might commercialise that and get some advantage out of that. I see it as an opportunity, with respect to non-state owned land, of facilitating and encouraging. We are not going to be about telling people what to do with their own land.

Mr SPRINGBORG: Thank you. Just further to that—you picked up on my next point, or you actually pre-empted it—I was going to raise the issue of native title because we have the situation where there is a certain amount of vacant Crown land and also land that has probably a less secure tenure than some of the other leasehold land that is held in Queensland, dealing with national parks and state forests. You mentioned native title holders having an interest there. Have you had any sort of preliminary discussion with native title holders on these sorts of access agreements and bioprospecting? Do you envisage any problems or any issues with regard to negotiating in that area, considering the very dynamic way that native title seems to be an issue in the state and takes on many manifestations, depending upon the way that it evolves, particularly when you consider the cape, which in itself has a vast area of untapped resources that could potentially be very important to such discoveries?

Mr LUCAS: In any given negotiation, there could sometimes be difficulties with parties in terms of negotiating, but as a general principle, no, I do not see that there will be conflict with native title holders in instances where native title may potentially exist insofar as it is relevant to these issues. In relation to past agreements, I am not aware of consultation taking place with native title holders, but we indicated some time ago that we do see them as having a legitimate interest in many cases. I have always been of the view that you are better off talking to people, whether they be

native title holders, farmers—whoever—and trying to find some common ground and find out what their issues are.

Can I say that, generally with bioprospecting, you are not talking about something that is particularly invasive; you are talking about removing parts of plants or animals. So it is not a large-scale harvesting operation, for example, like logging, or mining; it is a very small-scale thing because what we are interested in is chemicals, essentially, or components of plants. Certainly we will be liaising with the Native Title Unit of the Department of the Premier and Cabinet on protocols and approaches where native title exists, but I do not envisage any significant problems in that area.

Mr SPRINGBORG: My line of questioning on this is trying to be constructive about the way this issue is evolving, because we know the way that native title has gone not only with regard to land ownership and the issue of sea rights but also to the ownership of resources and claims over animals or plants that may be part of that. I suppose the recent issue on Fraser Island with regard to the dingoes was a classic example where some of the traditional owners said that that was something that belongs to them. So they are the sorts of difficulties that could potentially arise. I concede that it is generally non-invasive for the results that come out of it, but if you look at the issue of the geologists who go around Queensland at the moment and do some of the very preliminary stages of discovery with regard to minerals, some of that is not very invasive but we have had a regime that has been put in place under the Native Title Act that has required certain things. I was just keen to see if that sort of thing could be avoided when we are dealing with something like that. That is what it was about.

Mr LUCAS: That is a statement, not a question.

Mr SPRINGBORG: If you have any comment on it, I am happy to take it.

Mr LUCAS: No, I have already commented on it.

Mr SPRINGBORG: I would like to come to the government's e-democracy initiative. I would welcome the government's desire to ensure that Queenslanders, regardless of where they actually live, are able to take advantage of the opportunity that technology offers—to be able to see how parliament works and all of those sorts of things. I understand it is planned that the government will be putting parliament on the Internet so people will be able to gain access to that. I was wondering if you might be able to indicate the cost of the e-democracy initiative and also how much it is going to cost to put parliament on the Internet and ensure significant broadband speed for people to be able to access it.

Mr LUCAS: I am happy to give you the benefits of my views in relation to it, but it is really within the Premier's Department. The e-democracy project is within the community engagement section of the Premier's Department. I do not have portfolio responsibility for it. I could talk to you about Access Queensland. Interestingly, you could sit up in my ministerial office and watch this right now, if you are that way inclined. This is streaming over the ministerial net. I do not know what the ratings are like.

Mr SPRINGBORG: It is probably the latest greatest cure for insomnia, I think.

Mr LUCAS: Probably not like 'Big Sibling'.

Mr SPRINGBORG: I thought that there may have been some linkages there because of what you are doing with Access Queensland.

Mr LUCAS: I am happy to talk about that.

Mr SPRINGBORG: And also making sure that we can roll out technology and that people are able to take advantage of it. I note what you said to the member for Nicklin earlier on with regard to the Commonwealth's responsibility but also there are generally broad responsibilities for us in ensuring that departments—and I know that you are working with departments—are able to transact a whole range of things using the latest technology.

Mr LUCAS: I would be delighted to talk to you about Access Queensland, if you want me to tell you what I see my department's role is in terms of democracy in its broader sense. E-democracy, of course, is a specific term, but if you want people to participate meaningfully in society, then they need to be able to access government services. Interestingly—and the member for Gregory, who lives in a remote area, might be interested in knowing this—the people who have the highest take-up of Internet usage in Australia are generally farmers. The reason they do it is that they have to.

Mr SPRINGBORG: That is right.

Mr LUCAS: Against the trend of the IT work force, where unfortunately only 20 per cent of people in IT at this stage are women, on farms it is generally women who are the prime users of Internet technology. It is not just a social thing for them there—and, of course, it is social—but it is a business fact. One of the issues in terms of living in a democracy is that if we want to give reasonable rights to people who live outside the south-east corner, then you have to provide reasonable facilities for them. Whether that is roads or whether that is bandwidth, then you have a responsibility as a government to do it. I can show you a map of the telecommunications infrastructure in Queensland. There is a hell of a lot of this state out here that essentially does not have a great deal of service. At the end of the day, the Queensland government is not responsible for telecommunications.

Mr JOHNSON: There is good representation, though, Minister.

Mr LUCAS: I see my responsibility as all of Queensland regardless of their political views, and I know that the member for Gregory is a great believer in that as well. But there are people out there who work damned hard, who are loyal, solid Queenslanders who produce wealth, but they have not got access to bandwidth in any real sense. What we want to say is that we are looking at what the government can do to improve bandwidth in those areas.

I will say a little bit about this later, but at the present time we have had great success with the Optus ReefNet activity up the coast. What we want to do now is have a look at what we can do inland. Pretty soon we will be going to the market to say, 'If we can aggregate most of the state government's telecommunications demand from Bowen west to the border and north to the tip of Cape York and the Torres Strait, what can we then ask from telecommunications companies in exchange for infrastructure?' Instead of having the Department of Education in Cloncurry with a particular bandwidth requirement and Health with a particular bandwidth requirement and they both get a little bit, if we can put it all together—the total is greater than the sum of the parts—then we might be able to get that. I think that is an essential aspect for people in rural communities. I say that is democracy as well in its broader sense.

The CHAIRMAN: Will you be tabling the map?

Mr LUCAS: I could table that, if you like. You need a big table, but I can table it.

The CHAIRMAN: Will you be requiring it anymore?

Mr LUCAS: I do not know. I will see what you ask me.

Mr SPRINGBORG: You can post it on the departmental web site.

Mr LUCAS: It is on the wall of my office. It serves as a constant reminder to me in front of my desk.

The CHAIRMAN: The time for the first bracket of non-government members' questions has expired. I call the member for Burnett.

Mr STRONG: The question I have is somewhat similar to the question asked by the member for Southern Downs. I note the fourth dot point on page 14 of the MPS, which lists one of your department's future development plans to work with communities throughout the state to develop and grow their capacity to access government services electronically in real time and participate in the information economy. My question is: what is your department doing to ensure that Queensland's regional and rural communities get telecommunications infrastructure that brings them the best possible access to communication tools and IT services such as those? What is your opinion of current Commonwealth funding arrangements which will support this infrastructure?

Mr LUCAS: That is why it is related to the answer that I gave to Mr Springborg. I see it as a critical area of concentration for the state government, for a few reasons. As a state, we do not have a lot of money as the Commonwealth does. We do not collect a lot of revenue. We are reliant upon the Commonwealth for collecting a lot of revenue. That is vertical fiscal imbalance and we all know about that.

However, we do have a significant role as a purchaser. We spend some \$170 million a year on telecommunications. That is a lot, but it is only a little bit because it is about four per cent of telecommunications buy in this state. However, that is enough for us to look at marshalling resources to achieve outcomes as a result of that buy. I must give full credit to the Deputy Premier and the department for their foresight in relation to ReefNet. We now want to build on the ReefNet initiative to look at what we can do elsewhere.

As I said earlier, in the near future we will be calling for expressions of interest for telecommunication service provision in northern Queensland. Of course, that would be of great interest to the member for Thuringowa and that would be of interest to the member for Mirani as well.

In the cape, of course, there are not only people of European descent, there are also Aboriginals and Torres Strait Islanders. They have significant needs for telecommunications. They are entitled to have a very strong say in relation to what happens. I have been absolutely delighted that my department has retained the services of a very impressive young gentleman, Daniel Grainger, the technical manager from the Balkanu Cape York Development Corporation. Incidentally, I think he was one of the first indigenous graduates in electrical engineering. He is a very impressive young man. He will negotiate with his community and the state government about their requirements for telecommunications infrastructure.

When we follow up these expressions of interest, we will be looking at what we can get in terms of value for money, what we can get in terms of telecommunications infrastructure, what we can get in terms of pricing not only for government but also for businesses and the community, and what we can do about developing local skills as well. This, of course, brings home the point as to what we are doing. If we can negotiate this improved infrastructure, will the government make use of it? Of course, we can make use of it through our individual agency. My agency in particular is working on the Access Queensland initiative, which is the 24 by seven

multichannel service delivery mechanism of the Queensland Government. That will be of particular interest and relevance to people in rural and remote communities.

We have the QGAP offices. I have been to the office in the electorate of the member for Mirani and seen it operating. This does not replace QGAP offices. This has the potential to make them more effective. Down the track you will be able to go into the Department of Transport office in Cooktown and say, 'We have just had a baby. What do we have to do?' They will say, 'There is a form X and a form Y. We can fill these out for you now, you can do it over the Internet or the telephone.' That is about reducing the tyranny of distance so people in those communities can actually compete.

One of the problems with the current Commonwealth rules in relation to the provision of telecommunications in remote communities has been the 50 per cent rule. There are two aspects to this. There is the \$50.5 million that they allocated through Networking the Nation for work on mobile phone black spots and the additional \$37.7 million for communities above 500 people. I will leave the latter behind because that in fact is new money, and it is welcome. There is a need to work with the Commonwealth and say, 'Listen, you cannot expect the state government or communities to come up with 50 per cent of the cost to put in mobile telephone towers along highways. You sold Telstra, you got the \$30 billion as a result.' We don't want the Queensland taxpayer to pay twice and then put the infrastructure in a pole that will belong to Telstra or some other mobile phone company.

Mr STRONG: My other question refers to page 10 of the MPS, which refers to increasing our international presence to provide increased export assistance to Queensland IT&T companies, and particularly the new London position. I understand that you have recently announced that your department will shortly appoint and fund a new position of business development manager to be based in London. I am curious as to the exact role of this new position. Can you please tell committee members about the reasoning behind this new post, why London was chosen, what the manager will do and what results are anticipated.

Mr LUCAS: I am delighted that we recently announced the 12-month trial employment of a business development manager for the IT&T industry in the UK. We see export opportunities as a key area of endeavour for Queensland and the future in the IT industry.

We have always had a very strong IT industry in Queensland. We have had top quality university graduates and some very impressive industry in Queensland. I will mention two. The largest IT services provider in Australia that is not foreign owned is owned by the Queensland taxpayer, that is, CITEC. I am very proud of that. Secondly, Mincom, the largest mining software house in the world, is based in Brisbane. We have people in this state who are doing the best and they are the doing the best in areas that are really important. We have a tremendous crowd of local keen people in the IT industry, but one thing about Australia is that we are quite different from the United States.

We have a domestic market of 18 million people and the United States has a domestic market of 250 million. We all know that in IT economies of scale are everything. You need to balance those development costs against sales. Therefore, we will be putting this person into the United Kingdom, working with the State Development people there in our Queensland Government office. They will be working on getting market intelligence, identifying potential business partners and providing export advice and assistance to Queensland companies.

I am not in the business of securing money out of the budget to pay for someone to sit there and do nothing. I have made it crystal clear to the industry that I expect this position to be used. If the position is not used and is not successful, I will take it away. Next year we can discuss this issue again and see whether or not it has been successful. I hope that it is successful, but if it is not properly used or there are other areas where the money can be better used, I will reallocate the money, but it is a very important way to open doors for people.

There are other ways to open doors for people and this department gets involved in them, for example, sponsoring the Asia-Pacific IT&T Awards. IT is still not really well known to a lot of people, unless, of course, you are in the industry. However, the government can support awards and scholarships. If you have won an IT award in the Asia-Pacific IT&T Awards, that just might open a door for you in the foreign market because someone may say, 'This is a peer award. They must know what they are doing.'

I see this as an important position. Why did we choose Britain? Traditionally, Britain has been the best place to penetrate the European market for Australian companies. We have the established presence of the Department of State Development office and officers there. We see that as an excellent launching board. The British government, under the very enlightened stewardship of Tony Blair, will be investing enormous amounts of money in e-government over the next few years. I think it will be a great opportunity for us. We have 300 firms exporting with a value of \$400 billion per year. This is about working with them.

The CHAIRMAN: I have a question which relates to the Innovation Start-Up Scheme, which I understand is known as ISUS.

Mr LUCAS: It is not the same name as the electorate of Lin Powell, which is Isis. This is ISUS.

The CHAIRMAN: We must get our acronyms right. Question on notice No. 2 referred to your department's funding of the ISUS scheme. In your answer you included a table that instanced a few examples of projects that had received financial support from ISUS in the last financial year. Could you please give some more information about the philosophy behind ISUS and give us a practical example of a company or product that has received support under this scheme?

Mr LUCAS: I would be delighted to, because ISUS is a really important program. It provides grants of up to \$75,000 to fledgling, highly innovative technology companies to assist them to commercialise their products at an early stage. One of the areas where traditionally there has not been a strong market, more so with Australia where we do not have an enormous venture capital market like they do in the United States with its big pension funds and its domestic demand, is encouraging those start-up companies to commercialise their intellectual property, hopefully to a stage where they can then interest commercial partners.

One of the things about the ISUS scheme is that we are talking about a significant amount of money, \$75,000. The ISUS application is assessed by the Innovation Council. It is currently assisting 14 recipients. I am told that private investment has occurred of over \$1 million in a number of projects. We also encourage them to link in with the Commonwealth's commercialisation fund, COMET.

Eighteen projects have been funded to date. Successes so far include Peplin Biotech, which floated on the Australian Stock Exchange in September last year and has a capitalisation of \$41 million. Eighteen patents have been or are in the process

of being granted and three ISUS recipients have signed joint development agreements, including one with Ericsson.

You would be pleased to know that over half of the projects supported to date are outside of Brisbane, including Indsafe Pty Ltd at Gatton; Aleurite Sunoils Pty Ltd at Monto, which is nearby in the electorate of Callide; in Townsville there is Toxitech Limited. There have been two funding rounds so far and the third round opens on 24 July and it will close at the end of August. We are making \$1.54 million available in 2001-02.

You asked for an example of a successful ISUS recipient. I am delighted to show you something from Poly Optics Australia, which is based on the Gold Coast. They used their \$75,000 grant to help develop this macrodiameter polyoptic fibre. This fibre is used when light needs to be transmitted rather than heat or power. We could think of some classic examples of that, maybe in surgery. They are looking at the feasibility of dentists using it. At the present time they use glass light equipment, which is subject to deterioration when being autoclaved and, in certain circumstances, it can become brittle and break. If you are conducting other sorts of surgery, you may not want heat involved. One classic application of it is in relation to pools. You do not want electricity around pools, but you may want lighting.

This is very interesting. I will get the props working. You will see the light coming out of the end. The people at the back can see it now, because it is flexible. You can turn it back like that. You will see that no light comes out from the sides, but you can have it so that light does come out of the side if you need it for another lighting application rather than an individual lighting application.

This is the sort of stuff that is being done in Queensland. With \$75,000, we can encourage people to get in there and do the best for our state. That impacts on manufacturing, allows us to get some real jobs and great export money. I am absolutely thrilled that these are the sorts of things that we can support.

The CHAIRMAN: Did you want to table that?

Mr LUCAS: No, I want to keep it.

The CHAIRMAN: Maybe you could provide it to the committee for a closer look later.

Ms PHILLIPS: Question on notice No. 12 sought details of your departmental spending on promotion, public awareness and advertising. Your answer listed details of such expenditure. The first campaign mentioned is Biotech Brilliance, which involved the production of 2,000 books and CD-ROMs showcasing the biotechnology industry in Brisbane. Those materials were primarily produced for Bio 2001 in San Diego last month. Given that \$38,000 was spent on the production of those materials, was the money well spent?

Mr LUCAS: Undoubtedly it was money very well spent. Amongst the things that we produced with the money were, of course, this publication, *Biotechnology in Queensland and Australia, Brilliant Science, Four Billion Years in the Making*. It talks in significant detail about a number of the institutions and corporations involved in research and development in Queensland. It has a paragraph or two about them, contact details and web site addresses. It is absolutely the sort of thing that is suitable for providing to people overseas, to tell them what we are doing in this country.

The other thing that we produced, which is becoming quite commonplace now, is the CD-ROM business card, which is a very handy way of making information available to people. This document is also available via this card. You can click on

the web site and it will connect you to the Internet site for the organisation you are looking for. Often the critical issue is presenting information. In the Premier, we have the best salesman in the world going over to San Diego. He assiduously sells what we are doing in Queensland and also Australia. Not only do we produce this promotional material; we believe that when you take people overseas to market what we are doing in Queensland they should be adequately equipped for doing so. I went to a seminar for our delegates before they went to San Diego. I found it useful. I am sure the delegates found it extremely useful as well. We hosted a one-day workshop on US legal, accounting and venture capital issues. We took them on field visits to San Diego's local biotech institutes and organised one on one partnering meetings. Those were all very important things to do. You do not just put people on the plane and say, 'Off you go,' leaving them to their own devices.

My department is a lean, mean fighting machine. We did not have an enormous delegation there like they did from Victoria, but what we did have was quality. We had quality leadership from the Premier and my department. It prepared people to go before they went there. It had people understanding that it is networking as often as other things that can get you in the door.

We put in a tremendous effort in relation to science in Queensland. But there are two other factors that should never be underestimated in terms of marketing this state and what it is doing in the sciences area. One relates to our business climate in Queensland and the fact that we are a low tax state. When you are looking at attracting a major company from overseas into this state science is important. But what is also important is the work that has been done by the Premier and Treasurer to look at the economic fundamentals: taxes are lower in Queensland and it is a more attractive place to do business. The second issue that is really important in terms of attracting people to Queensland is, to put it bluntly, the climate—socially, politically and in temperature terms. It is a desirable place where people want to live, with a stable democracy and a benign government.

The CHAIRMAN: The time for the first bracket of government questions has expired. I call the member for Southern Downs.

Mr SPRINGBORG: I refer the minister to page 14 of the MPS and particularly to the government's plans to redevelop the whole-of-government web site. What will be the cost of that redevelopment? How long do you expect it to take? What outside involvement will you have in the redevelopment of it, including expertise? Also, one thing that is often overlooked is the people using it—the ordinary citizens in the community. I note that you seem to be a 'Blairophile'. You indicated earlier on that you had a desire to follow Tony Blair.

Mr LUCAS: No, I did not say that. I just congratulated him on his initiatives.

Mr SPRINGBORG: If you want a good starting point, go and have a look at UK Online. It is very, very good. Could you indicate the cost, who you are going to involve, and also what consumer representation there might be? Often the way we see these things is different from the way people who are using it see things.

Mr LUCAS: Are you talking about the government Internet gateway? I can talk about that specifically. That seems to be your question. I am still waiting for an Access Queensland question. Anyway, we will get around to that. No doubt someone will ask us one about that in a minute.

In terms of the Internet gateway, one of the important issues in relation to Internet access is the gateway that people are confronted with. I understand that the expenditure in the budget in terms of the Internet gateway is some \$720,380. That is

the total budget allocated. The expenditure to date is \$193,000. In this year and beyond some \$527,000 is allocated for that purpose. It is very important, in terms of what people want to see from the gateway, that we address it in some detail and with some consideration. The first point is this: how people think they deal with governments and how governments think people deal with them and how public servants think people deal with governments are different things. As you and your colleagues would know, when people see us in our electorate offices they just want a problem solved. They do not want you to explain to them the constitutional compact between the Commonwealth and the states and why you cannot help them if it is not a state matter. They do not want you to explain the ministerial arrangements whereby this department has responsibility for this and another department has this responsibility. What we are doing in Queensland is trying to spend a fair bit of effort and time looking at how people see the government interfacing with them in terms of their access not only to Access Queensland but also our Internet gateway. There is a number of phases that we are going to go through in this.

The first stage of the process is to design the content of the gateway on the basis of market research. We wanted to have a bit of a look at how people interact with government. We know how people interact with government departments. Government departments have been conducting that sort of research for years. But we do not actually know what people desire. People in south-east Queensland have different views from those in north Queensland or western Queensland and so on. So we need to do that. We then want to have a look at the presentation and structure of the Internet site. I see that there are significant opportunities for the private sector to be involved. We have got some good IT happening. In relation to all of this money we spend on multimedia and IT scholarships, this is where the government as a purchaser can leverage off some benefit for the community. I see that as a key role for us.

Mr SPRINGBORG: Also on page 14 of the MPS, the third dot point from the bottom mentions identifying and resolving systemic issues, including legal and regulatory impediments to integrated service delivery. As I understand it, that is basically to allow people to conduct more business online with government or across departments. I suppose the new Electronic Transactions Act which went through parliament will be a help with some of those issues as well. Can you explain to the committee how you see benefits coming out of that particular dot point in the MPS?

Mr LUCAS: This is actually talking more about Access Queensland and government electronic service delivery. Are you more interested in my talking about e-procurement in terms of how the government facilitates business to sell its services? I am happy to talk about whatever you want me to talk about.

Mr SPRINGBORG: Basically, how government delivers services in a contemporary way to people in the community and what you can facilitate as far as that is concerned in terms of the regulatory and legal regimes that might be an impediment.

Mr LUCAS: I will take it from the point of view of Access Queensland. Australians are a bit different from other people, perhaps Americans, in that Australians have generally been fairly happy to deal with governments in terms of the provision of information to governments. But that is a responsibility that we have to treat pretty seriously. People are prepared to provide us with information that is really personal. One of the challenges when you are doing whole-of-government

service delivery, for example, like Access Queensland, is that you might have highly personal information that is acquired in relation to health but, of course, you do not need any personal information of any great degree to register your car. There are key systemic issues in terms of information privacy, security and integrity that we need to confront in terms of our Access Queensland technology strategy.

I am happy to table the technology strategy executive summary for you, for the benefit of any technologists here. I will table that and also the strategy statement. They are very important indications of what we see as key issues in protecting the interests of the public in terms of Access Queensland and government service delivery. We need to get the framework whereby information privacy, security and integrity, and accuracy of data is kept. Individually, if you make a mistake with one agency that is bad, but if you are then using that across channels that can be a real problem. People have a right to have a say about how their data is used. We need to be very careful to ensure that there are appropriate privacy regimes. We are currently working on an information standard on government privacy that will set out the requirements for how the government should ensure the privacy of its citizens through the information it collects for its citizens.

Another aspect that is quite important is the interoperability of information technology and systems. We need to have a structural framework to ensure that systems talk to each other. At the end of the day, individual agencies still control their data and will do under Access Queensland. But we need to have systems that talk to each other. We cannot have a system with technology that does not talk to itself or does not lend itself to maximising the benefits of perhaps using other data.

Mr SPRINGBORG: I take you back to the 1980s, when neither of us was in parliament, and governments invested in very interesting things, some of which proved very good for the state and national economies and others of which did not and fell over. With respect to your department's investment and seeding of a whole range of new economy projects in the state, which I very much support and applaud, I ask: what sort of due diligence process do you go through to ensure that we do not have any tech wrecks in the future?

Mr LUCAS: The first thing to remember is that the government is not about picking winners. We are about backing winners. There is a world of difference between them. In relation to our investments in biotechnology, we could perhaps look at something like Biostart, which is an initiative in this budget designed to encourage start-up biotechnology companies. At the end of the day, there is also always an element of risk if the government has an involvement in supporting a company. But what we do not want to see ourselves as is some long-term corporate owner. We are not about that. We are about facilitating the private sector to get a kick on and commercialise. We are not going to be into the venture capital market. That is for others. The real problem is that we need to intervene where there is a market failure. And there is a market failure at a stage earlier than that.

Taking the example of Biostart, we have reached an arrangement with a company known as Start-Up Australia. It is a company that was selected after a process of looking to the market for who might be interested in joining the state government in relation to providing some assistance for these start-up biotechnology companies. It has already invested in a number of Queensland biotechnology companies. It will have an independent board of Biostart, which is the Queensland government corporate entity, with a number of individuals on it. What they will be looking at doing is providing support in this area. We see that as being a key area of encouraging innovation. Depending on the circumstances, the

government might take a small equity position. But we are not there for the long haul. It is mainly about protection and getting some revenue back so we can reinvest. It is a revolving fund so we want to make sure we can get some advantage from it. I am told that Queensland is the only state to have done this. The Commonwealth has done it. It has its own federal government biotechnology investment fund, I think it is called. We want to give Queensland companies a bit of an extra kick on as well.

The other programs, for example, the ISUS scheme, all tend to be limited in terms of the grants they provide. ISUS provides grants of up to \$75,000. You can even go down as low as the ITSAP scheme in relation to the Information Industries Branch, or IIB. It is a scheme providing grants of up to \$5,000 for companies to go to trade fairs. We do not get in with a lot of money, but we want to get bang for our buck with that money to encourage companies to develop. Not everyone will be successful. We spend a lot of money on i.lab, which is a technology incubator. Not all of those companies will be a success. But what we are not about is signing blank cheques on behalf of taxpayers. We are not into that. The private sector takes risks, not government.

Mr SPRINGBORG: I will take you back to a question you answered from the honourable member for Nicklin both on notice and during the course of the afternoon concerning the Reef Net laid down by Optus and the requirement that the Queensland government had to underwrite or guarantee a certain amount of state government access to that to make it viable. Can you indicate to the committee, please, the extent of the government's commitment in dollar terms in the financial year just gone, how much it will cost the state in the forward estimates, and its benefits?

Mr LUCAS: I might just call John Spinaze to the table. The amount of money is \$117.5 million over five years. It is approximately \$23.5 million per year in terms of the government purchasing telecommunication services. I have said before that we spent \$170 million. We are not actually spending any more money than the government otherwise would have done. Indeed, we are in a regime of falling telecommunication prices. This is a classic case of the government looking at what it would otherwise buy. It is a bit like going down to the milk bar and saying, 'Look, I buy a bottle of milk here every day. How much would you give me for a packet of chips if I buy that as well?' That is what we wanted to do.

According to the advice that the department gives me, the wholesale prices for broadband capacity between Brisbane and Cairns as a result of the Reef Net are about two-thirds cheaper. That would be correct to say, wouldn't it, John, in relation to the government prices? What are the prices that we are paying to Optus in relation to Reef Net services on that \$23.5 million? How would that be comparable to the market?

Mr SPINAZE: An independent study has been done on that by an independent consultant. Optus has been shown without doubt to be the cheapest in the market over a basket of services which we use to benchmark their prices.

Mr LUCAS: Any individual agency can use whatever telecommunications provider it wants to. So we are not mandating these things to people, but by encouraging people to do this we get a benefit. It benefits government. Just as importantly, it benefits business because that extra competition up that bandwidth highway then benefits the community. As I have said to you, I have talked about the far-north Queensland initiative. The member for Hervey Bay is sitting over there. I know that he has been assiduously working in his electorate looking at what can

happen in Hervey Bay because they are off the Reef Net track. The Reef Net goes up the Queensland Rail right of way. Part of the deal is that Queensland Rail use their right of way. They have three—what are called—dark fibres. So Queensland Rail got some fibre to use. It went up the right of way so you did not have to acquire a new passage there. It is not liable to be disrupted because it is up a rail right of way. Now we have more competition.

I do not mind what telecommunications company people use—whether it is Telstra, Optus or whomever. I want to see that competition. The member for Gregory and people like him represent people who need service as much as competition, and we are taking that very seriously as well. I think it has been an excellent initiative. I wish I could claim the credit for it, but I cannot because my predecessor, Mr Mackenroth, was responsible for that. I think that we have the opportunity to build on that in the future. I see that as a key benefit.

The CHAIRMAN: The time for non-government questions has expired.

Mr McNAMARA: In answer to two questions asked earlier today by the member for Southern Downs, you referred to the practical and legal issues involved in obtaining access for bioprospecting. There has been some media attention about the issue of bioprospecting, as you would be aware. There is a bit of debate as to exactly what Queensland is offering companies and what it is asking in return. Could you outline for the committee the government's objectives in this area, how you propose to achieve them, and what benefits will accrue to Queensland as a result?

Mr LUCAS: There are tremendous advantages and opportunities that present to Queensland as a result of bioprospecting and biodiscovery. That is for a few reasons. The good lord blessed us with a state of tremendous diversity in terms of its flora and fauna in many different regions. Nature in its complexity and its simplicity provides all sorts of solutions and marvels that humankind can only dream about and is only just discovering.

We are pretty good scientists in Australia and we are pretty good developers of technology. We have had to be pretty good developers. We have not always got there in terms of actually manufacturing what we did. In terms of our policy, we are about maximising the benefit for Queensland in two key areas. One is in relation to looking at what opportunities we have for not only making the discoveries here but exploiting them and, secondly, looking at what opportunities we have to get a return on those discoveries for the benefit of the state. If the state can extract a royalty payment in relation to successful commercialisation, that is a key opportunity for us to secure revenue that can go towards providing other key services to Queenslanders or maybe reinvesting in terms of other science.

I can give you some examples of Queensland biodiscoveries. The Australian Institute of Marine Science in the electorate of the member for Thuringowa is working on the development of low allergenic sunscreen using coral extracts which is expected to be on the market by 2005. Unfortunately, the New Jersey Medical School in the United States was the beneficiary of a super antibiotic developed from crocodile blood. Unfortunately, if someone takes a sample from a crocodile there is not much you can do once they take it away. A gentleman noticed a few years ago when filming a documentary that crocodiles could get the daylight's bitten out of them but never seemed to die as a result. That is because they have a particular enzyme in their blood that is essentially a really good antibiotic.

The Queensland Institute of Medical Research is looking at a development in the treatment for non-melanoma skin problems. James Cook University, AIMS and Nufram are looking at the development of a herbicide derived from coral extracts. Xenome and AMRAD have developed a product from these shells I am holding. They have these really pointy stingy things that make you pretty crook when you get stung by them. That has tremendous properties for pain relief. I presume it is a nerve acting agent. So there are those sorts of opportunities. That is Xenome and the IMB based at the University of Queensland. That development is at the clinical trial stage.

In the next few months we will be releasing a discussion paper for the purpose of public and stakeholder consultation about how best to develop our bioprospecting resources. We had an agreement between AstraZeneca and the Griffith University of Queensland Herbarium. That is \$45 million in investment at Griffith University in screening laboratories and 43 research staff. That is a lot of people with well-paid jobs. The Premier signed the agreement with the Australian Institute of Marine Science. The Queensland government will seek to secure a percentage royalty payment out of any successful exploitations there. There are other people talking to us as well in terms of looking at those government resources.

We want to get the maximum benefit to Queenslanders. We think there is some great stuff being done here. We will be working with stakeholders and working with the Environmental Protection Agency, Natural Resource and Mines, and Primary Industries. Of course, we have our \$15 million biodiscovery fund as well.

Ms PHILLIPS: On page 14 of the MPS under 'future developments' the fifth dot point says—

Undertake business process reengineering of five multi-agency service projects to trial the effectiveness and robustness of the integrated service delivery model.

I understand that this relates to the Access Queensland initiative and that you have already undertaken some of the work on a pilot project associated with improving the convenience of access to the extensive and popular national park resources of Queensland. Can you explain what this re-engineering is designed to achieve?

Mr LUCAS: I would be delighted to. Prior to being a member of parliament, I was a solicitor in private practice. I frequently would have dealings with government. For the benefit of those of you who work in government I can tell you that one of the great frustrations of dealing with government is trying to understand the often Byzantine ways in which they set rules and regulations for the public and business to interact with them. The fact that you need a form C in yellow on triplicate on Thursdays, but if it is in Lent you need form G and in blue and all that sort of stuff, is a major business cost and an inhibitor to people to want to do business. The member for Nicklin and the member for Hervey Bay would no doubt have been tearing their hair out representing people interfacing with governments in that respect.

One of the great advantages of the Access Queensland project is that, apart from the actual delivery of a 24 by seven multichannel service, there is the need to deconstruct what governments do and how they offer services to people. It is not an excuse to say, 'This is how we provide national park permits because it is how we have always done it.' When you need to have multiple agencies working together on particular projects, you need to deconstruct what you are doing and then work out why we ask people to fill out these forms and why we need this information. Can we use this information that they have here?' This business process re-engineering

has been a major benefit independently to how we would deliver the service. That is a key win.

I will give you a classic example. One pilot project that we undertook was to enable Queenslanders to book a national park adventure via the phone, Internet or over the counter. It involves services from three agencies: Natural Resources and Mines, the Department of Primary Industries, and Queensland Transport. What did that re-engineering achieve? Previously if you wanted to book a camping permit at a camp site you would have to ring up the ranger. If I was a ranger the last thing I would want to be doing is sitting in the office taking bookings from people. I would want to be out ranging over the national park, making sure that people are doing the right thing and educating people. I would not want to be tied down to a desk. In fact, that would be precisely what I would not want to do. But that had to be done. That was paperwork that had to be done and the ranger had to do that. In the future we are looking at a mechanism whereby people will be able to book their national park camping permit on a 24 by seven basis. You could be in Rome—could I have an extension of time, Madam Chairman?

The CHAIRMAN: Would the questioner like one?

Ms PHILLIPS: Yes.

Mr LUCAS: You could be in Rome and book a permit at a camping ground at Lamington National Park. You would be able to look at what time of year is available. The ranger could say, 'We have to do some planned maintenance at this time of year so we will block that section out,' or if the camping ground was full you could organise the system to tell the person, 'This camping site is full but if you like this sort of camping arrangement'—you might like roughing it or you might not like roughing it; you might like this sort of scenery—'you can click on another one and go to that one.' If there is a flood or other problem, you could be emailed and told, 'I am sorry, we have had a change of plans. We can't accommodate you there.' There are all sorts of opportunities. There are great benefits for the business community because you can book a camping site and the web site can say, 'Would you like to connect to the local community web site?' Then you could find out what sort of business opportunities there are.

The real message I want to send to you is that if you want to be serious about multichannel service delivery it is not just a pretty web site that is important. That is easy to do, and there are plenty of people who have taken the easy way out. The hard thing is to deconstruct to see what you actually do in the first place and to actually build it from the ground up. I make no apology with respect to that when it comes to Access Queensland. We want to build it from the ground up to maximise the service. You really only get one shot at it. Not only do you have to have public acceptance of it but you have to work within the public sector to get those offerings together. I hope that we get better usage of our national parks. We will certainly get better information as a result of it. You need to have a car licence. We have tied that in with the Department of Transport in relation to car registrations. We will get better management and we will have park rangers out there doing what they enjoy and what they are supposed to do. I think it is a great initiative.

Mr McNAMARA: I understand that there has been an easing of employment growth in information technology and telecommunications-related employment in the last couple of years but that there are still higher than average job vacancies for those with IT&T qualifications than for other sectors. Can you tell the committee what the government is doing to encourage the development of IT&T skills amongst Queenslanders and in particular can you tell us of any specific initiatives to promote

greater IT&T awareness among students considering their career options, especially females and those living in regional areas who wish to build or upgrade their IT skills?

Mr LUCAS: As a starter, I am currently busily studying for the international computer drivers licence. I encourage anyone else who wants to do that to do that as well. It is quite an interesting course to undertake. At a more general level than that, one of the things about information technology as a career is that it is not just an end in itself. We have a significant IT industry in Queensland. According to the IT skills hub our rate of growth is some 12 per cent this year, 17 per cent in 2002 which is ahead of the national average, 11 per cent, and 10.5 per cent respectively. So we are growing our IT industry at a faster rate in Queensland than in the rest of Australia. There is little evidence of a drop-off in demand for IT skills.

We need to say to the community and to parents and kids in particular that the real jobs in IT do not just involve being a software engineer sitting in the back of a smoky room eating pizza, drinking coke and doing software code, but working in other industries that use IT. Just about every industry now uses IT, whether it be tourism, banking or any sort of area of business, or education. We want to tell young people about the great careers in IT.

One of the things that my government has produced is this IT&T careers kit which has gone out to all the schools in all of your electorates. It has young people talking about the broad variety of IT careers. It does not include people like us in suits who look all conservative and old, but young people who actually mean something to the school students. This is about encouraging. One of the things about the IT industry is that the jobs are well paid. You can work in Australia or overseas. You can get great experience overseas and come back to a high-paid job in Australia. Some people are more artistic, so there are those sorts of jobs. Some people are better at communicating, so there are those sorts of jobs. Some people are not into communicating; they might just be into working quietly by themselves. So there are those sorts of jobs. We see that as a key area.

I am very concerned that only 20 per cent of people in IT are women. That is not good enough. We are wasting too many intelligent young girls who are not going into careers in IT. It is a great career for women. A number of women in business and in industry have always said that they prefer to be able to have flexibility in terms of their work hours. IT often allows that. They might want to telecommute—work from home. IT often allows that as well. We are looking at programs to encourage women and girls' participation. i-STAR, the IT&T Skills Training and Role model program is classically designed for that. We have funded a number of programs throughout Queensland to encourage girls and women to take up careers in IT.

I am very concerned that not enough employers are taking up TAFE educated graduates for IT. There is a misconception that you need to be a university graduate. For some jobs, you do. For a lot of jobs, the particular practical skills of TAFE graduates are very worth while. I will be concentrating on that over this coming year to encourage the use of TAFE skills.

The CHAIRMAN: The time allocated for consideration of the estimates for the Innovation and Information Economy portfolio has now expired. We thank you, Minister, and advisers for your assistance here this afternoon. The transcript of this part of the hearing will be available on the Hansard Internet quick access web site within two hours. The committee will now adjourn for a 30-minute break and will

resume its hearing at 3.15 p.m. with the Minister for Public Works and Minister for Housing.

Mr LUCAS: Madam Chair, can I just thank the committee's secretariat staff and members of the committee for their indulgence this afternoon, and of course Hansard as well. Can I also thank the staff of my department for the usual high standard of preparation and stewardship of the portfolio, which is a pleasure to lead.

The CHAIRMAN: Thank you, Minister.

Sitting suspended from 2.46 p.m. to 3.17 p.m.

PUBLIC WORKS AND HOUSING**IN ATTENDANCE**

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

Department of Public Works

Mr M. Grierson, Director-General

Mr G. May Deputy Director-General

Mr L. Clarence, Group General Manager, Queensland Services Group; and
General Manager, Q-Fleet

Mr W. Pashen, Assistant Director, Budget Division, Finance and Information
Technology

Mr T. Waters, General Manager, QBuild

Mr T. Woodward, Director, Finance and Information Technology

Department of Housing

Ms L. Apelt, Director-General

Mr I. Fulton, General Manager, Housing Finance

Mr D. Short, Manager, Budget and Financial Reporting

Ms C. Mason, General Manager, Residential Tenancies Authority

Mr I. Jennings, General Manager, Building Services Authority

The CHAIRMAN: I declare the hearing open. On behalf of the committee, welcome, ladies and gentlemen, to our hearing. I am Linda Lavarch, the member for Kurwongbah and chair of the committee. I would like to introduce my fellow committee members: Vaughan Johnson, the member for Gregory and deputy chair; Ted Malone, the member for Mirani; Andrew McNamara, the member for Hervey Bay; Anita Phillips, the member for Thuringowa; Trevor Strong, the member for Burnett; and Peter Wellington, the member for Nicklin.

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 limit for questions is one minute, and three minutes for answers. A bell will ring once 15 seconds before the end of these time limits and twice when the time has expired. I will allow more time for answers if the questioner consents. The sessional orders require that at least half the time for questions 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 only 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 parliament may be admitted or excluded from the hearing at the pleasure of the committee.

If anyone has with them a mobile phone or pager, could you now take the time to ensure that it is turned off so you do not disrupt today's proceedings. The time

allotted to the portfolio of Public Works and Housing is three 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.

Would the minister like to make a brief introductory statement?

Mr SCHWARTEN: No, thank you. Let us get on with it.

The CHAIRMAN: Thank you, Minister. The first round of questions is from non-government members. I call the member for Nicklin.

Mr WELLINGTON: Minister, your government has a code of practice for the building and construction industry. In that code it states that the Queensland government has made compliance with the code a key measure of an agency's performance. Minister, of prime concern to me is the ongoing industrial dispute at the Sunshine Coast regional hospital at Nambour where the hospital building program has been stalled for almost eight weeks. I understand that starting from tomorrow there will be a 48-hour strike on all state government building sites in Queensland. Minister, what is your department doing to resolve this industrial dispute so that this important building project and other state government building projects can continue, because I will be attending the protest picket line tomorrow to meet and talk to workers and their wives?

Mr SCHWARTEN: The code of practice that you refer to is not the responsibility of this portfolio; it is the responsibility of the Minister for Industrial Relations. However, there was input from myself and this department in that regard. Of course, the issue you refer to is a very troubling one and has gone on for a long period of time. Not by lack of trying by this department, the matter has not been resolved. As you will understand of course, both the unions and the builder concerned have not been able to reach any agreement. Just yesterday I had a very long meeting with the Master Builders Association, the CFMEU and representatives of the department in my office to try to get some common ground to get this issue resolved and get the project back on track.

I believe it was a very successful meeting. As I understand it, the parties are down at the Industrial Commission as we speak. As a result of that, we are hopeful that you will not have to turn up to the picket line tomorrow and that there will not be a picket line. I cannot give that as a guarantee. I do not know what the commission will find. Certainly yesterday there was good will between the CFMEU and the Queensland Master Builders Association. As a result of that, we hope that that matter will be resolved.

Mr WELLINGTON: Minister, if it is the case that it is not resolved in the commission this afternoon, do you have a message that I can take to the husbands and wives at the picket line tomorrow from the government?

Mr SCHWARTEN: My message to those people is that we are trying to resolve the issue. There has been no legal capacity for this department to force either group to do anything, and that has been very frustrating, I must admit. However, the issue started, as I understand it, as a result of a conflict on the job between two individuals—one working for the builder and one working for a firm called Austraform. Unbelievably, it has escalated to a situation that is most unfavourable. Having been out in the grass myself and been on picket lines, I understand what that is like. I know that people do not go on strike just for the fun of it. However, as I said, with the best will and intentions this department has been involved on a daily

basis to try to get the parties together to get some resolution to the conflict. As I said, I am hopeful that the meeting that I convened yesterday, which was a very lengthy meeting, may bear some fruit down at the commission as we speak.

Mr MALONE: I thank the minister, his staff and executive officers for attending today. Minister, I have a couple of questions that do not entirely relate to line items within the budget.

Mr SCHWARTEN: That is fine.

Mr MALONE: I am particularly interested in the Education Department's maintenance contingency program, which I believe is administered through Public Works and Housing. As I understand, it was \$50 million over three years. There is also a new allocation of \$50 million for the next three years. Is there a breakdown of funding between Project Services and QBuild in the actual maintenance? Are you able to give me those figures?

Mr SCHWARTEN: If those figures are available, and I am sure they are, there would be no problem with your having those. As I understand it, there have been service agreements between QBuild and the Education Department to try to get this money out, get it spent and get the job done on schools so that there is little interruption. We need that work in QBuild. I think we have made a very good agreement with the Department of Education so that that can happen. I do not have those figures directly with me. We can get them for you. That will not be a problem.

Mr MALONE: That is fine. While you are doing that, perhaps you could break the first \$50 million down by electorate and also the breakdown by electorate for the next \$50 million over the next three years, if that is possible.

Mr SCHWARTEN: If it is possible, we will do it.

Mr GRIERSON: It is important to note that that \$50 million is not in our budget; it is in the Education budget. It will manage how that money is spent.

Mr MALONE: The next question is: who allocates where the funding should go?

Mr SCHWARTEN: The Education Department will allocate that. We will be able to provide advice to the Education Department because, as you know, we make assessments of schools on a regional basis. That is why we are able to very quickly provide a list of jobs that will match that funding. That is the three R program you are talking about.

Mr MALONE: That is right. The reason for the question is to ensure that funding is being directed at the pointy end of maintenance in schools. That is the basis for the question.

Mr SCHWARTEN: It certainly will be.

Mr MALONE: Minister, with regard to the Woorabinda Community Council, can the minister please advise who is currently managing the Woorabinda Community Council's community maintenance program, particularly in terms of the new community hall at Woorabinda? Could you give me a breakdown of the costs of that hall, as well as the Project Services costs?

Mr SCHWARTEN: I would have to take that one on notice. I do not have that with me. It is being managed, as I understand it, by the council.

Mr MALONE: I suspect that previously QBuild was managing that program. Could you be a bit more explicit in terms of why QBuild is now not managing that program and why the council is now managing the program?

Mr SCHWARTEN: No, I do not know. I know that the apprenticeships scheme that we had organised in the area was being run in combination between QBuild and the council through its CDEP. I will ask Tony Waters, the manager of QBuild, to answer.

Mr WATERS: I have not got all the detail that you want. QBuild was certainly involved in working with the Woorabinda council in a number of projects with the intention of getting more input from the council itself. The projects have been managed by the Woorabinda council, not by QBuild.

Mr MALONE: Previously?

Mr WATERS: Yes.

Mr SCHWARTEN: Our involvement was to try to provide a continuous flow of work for the apprentices and give them some training.

Mr MALONE: That is fine. With regard to the QBuild regional offices, can you explain to the committee how budgets are worked out on a regional basis? I am particularly interested in the Brisbane city region. What is the financial position of the Brisbane region at this current time?

Mr SCHWARTEN: I will pass that one to Tony Waters.

Mr WATERS: The budgets that are handled by each of the QBuild regions actually belong to all of the client agencies. None of that money comes to QBuild. QBuild actually works with the client agencies to determine that. For example, in the case of Education, it determines where it wants maintenance and minor works undertaken. Depending where in the state that is, that is then allocated to the relevant QBuild region. But none of the money comes to QBuild.

Mr SCHWARTEN: I think there is a great misconception out there in thinking back to the days when the works department had all the dough. The money is actually with the clients. We very much depend on that for our survival and to get a continuous flow of work. That has proved problematic over the years.

When Bob Quinn was the Education Minister he established this funding on a school-by-school basis. That has made it very difficult for us to perform in that regard because, as you would appreciate, school principals have a different set of priorities from what can be contained in an overall plan. We are working through that. We have had excellent cooperation from the Education Department. As I said before, we believe that we will be able to maximise the work available and the money available in the interests of getting the pointy end of the work done.

Mr MALONE: Are there any specific issues involved with the Brisbane region in terms of budget funding? It is not a line item in the budget because it is part of the region, but is there something specifically in the Brisbane region that the committee should know about?

Mr WATERS: Not that I am aware of. Like all of the other regions, the Brisbane metropolitan and Brisbane city regions handle client agencies' activities within the Brisbane area. Because of the number of agencies and the sheer population in Brisbane, those regions tend to handle a much heavier workload than do the country regions. Again, it comes down to the work of client agencies that is allocated to QBuild in the Brisbane area.

Mr MALONE: So the client agencies specify work that has to be done and there is a budget drawn up to do that. What happens if the budget is not sufficient to cover that work?

Mr WATERS: It is handled in the same way as it is handled within the private sector. If a client approaches QBuild to have a particular project or a number of maintenance tasks undertaken, QBuild provides, unless it is responsive maintenance work, a quote to the client for that particular work. It is up to the client to determine whether, given their own budget funds, they are able to proceed with all of that work.

Mr MALONE: Minister, the issue I am going to raise now is probably more to try to get an understanding of where the department sits in relation to the delineation of responsibilities between the Department of State Development and the Department of Public Works. I raise the issue of the Lang Park redevelopment, the pedestrian bridge and the Roma Street Parkland. Can you make some comment on how the department sits in relation to State Development and the delineation of responsibilities?

Mr SCHWARTEN: We are a construction department as much as anything else. The Department of Public Works would not be involved in building a bridge. I do not know that the department has built any bridges in its history—not that I am aware of. Certainly this department will look after Lang Park, which is a construction project. That is a \$280 million project. As you know it has gone to Multiplex and Watpac, a joint venture which has responsibility at the moment for coming back to us with a guaranteed construction sum, which will happen in about six weeks as I understand it. Similarly, Roma Street Parkland was a project that involved construction and, as such, was the responsibility of this department. I cannot answer for State Development, but that is what we do.

Mr MALONE: So State Development has taken responsibility for the pedestrian bridge?

Mr SCHWARTEN: Yes. It is nothing whatsoever to do with this department. We have had no involvement at all.

Mr MALONE: Following on from that in terms of the ongoing issue of blow-outs in costs of infrastructure to the state, is the department instigating any special preventive measures to ensure that the Lang Park redevelopment does not blow-out in cost?

Mr SCHWARTEN: I just point to the history of this department, at least since I have been the minister. I can only comment for that period of time. All of the projects this department has had since I have been minister have come in either under budget and under time or on budget and on time. That is our aim over at Lang Park as well. I am confident that we can do that.

Mr MALONE: I know that the next issue is dear to your own heart. In relation to apprentice training and other community service obligations provided by QBuild, how many new apprenticeships will be offered in the 2001-02 financial year? When will they actually start?

Mr SCHWARTEN: For 2001-02 we are aiming for 90. Consistent with what we have previously done, those positions will be advertised later in the year and will commence early next year.

Mr MALONE: Supplementary to that, there is a community service obligation on the department. What sorts of costs are involved for the government to maintain those apprenticeships?

Mr SCHWARTEN: The total is \$7.9 million.

Mr MALONE: Another issue that is close to your heart, I understand, is backflow prevention devices. On page 1-3 there is an allocation of \$1.5 million. Perhaps you would like to talk about how that funding will be spent. I would be interested to know how many government buildings in Queensland were checked for backflow problems in the last financial year.

Mr SCHWARTEN: To date, 475 of the 1,192 high-risk sites will have had backflow prevention measures implemented under the program. Over the next two financial years we aim to address the remaining 717 high-risk sites. It is anticipated that the remaining high-risk sites will not be as expensive to rectify as they are at the lower end of the high-risk category.

Mr MALONE: I am particularly interested in how you are going to spend the \$1.5 million this year, though.

Mr SCHWARTEN: It will be a continuation of what we have done previously. Do you want a list of the projects we are going to do?

Mr MALONE: Yes.

Mr SCHWARTEN: I do not have that here.

Mr MALONE: You have not specified any particular—

Mr SCHWARTEN: We have got a list, but we do not have it here. As you would appreciate, I do not get involved in drawing up those lists.

Mr MALONE: I understand that. That is why you have people here.

The CHAIRMAN: Minister, can I clarify: are you taking that question on notice?

Mr SCHWARTEN: Yes, we will take it on notice. If Ted wants that information, we will get back to him with it.

Mr MALONE: Another issue that is quite important to the community, I believe, is referred to on page 1-3. It is the program of removing asbestos from government buildings. When will you expect that program to be finished? How is it actually progressing?

Mr SCHWARTEN: To date, 486 of the 1,880 buildings identified will be free of loosely-bonded asbestos-containing materials. The basic truth of it is that we will be continuing this program for a long period of time because, as you would appreciate—

Mr MALONE: Just to clarify that, there are 486?

Mr SCHWARTEN: Yes. Four hundred and eighty-six of the 1,880 buildings identified will be free of loosely-bonded asbestos-containing materials.

Mr MALONE: So substantially there is a fair job yet to do?

Mr SCHWARTEN: Absolutely. There is no question about that. The one thing with asbestos, as you well know, is that the moment you mention it—it is a bit like backflow—everybody gets a fit of the vapours. The real problem with this sort of issue is that often the hysteria created by it hits people that you and I represent. I am sure that in your area you often hear of people who go door to door and start to alarm people by suggesting that their super six fibro roofs should be removed and all the rest of it. This program has been running now since 1994. It commenced under our government and continued under yours. It is the same program. It is a risk management program. To date it has not been found to be flawed. These things take time, obviously.

Mr MALONE: I concur. The biggest hazard quite often is actually removing the material, rather than having it in situ. But there are issues in terms of asbestos

slagging on waterpipes and those sorts of things that are more prone to deterioration.

Mr SCHWARTEN: The loosely-bonded stuff is the worst.

Mr MALONE: That is right. I was more interested in the more fragile environment. Are you getting on top of that program?

Mr SCHWARTEN: As far as I am aware we are. That is certainly the advice I have received.

Mr GRIERSON: I can add something. We have done reviews of all the 30,000-odd buildings in this state. As the minister said, there are 1,880 which we regard as a risk. We have addressed the high-risk category of those. Any asbestos we find that we believe causes any danger is removed immediately, but as we go through our program of checking the condition of our assets every year we update the asbestos management program for those buildings and check that that asbestos is still in a stable condition. So we are reviewing every building all the time.

Mr SCHWARTEN: You will find that the reroofing part of that \$50 million over the next three years will be picking up those super six fibro roofs, on schools particularly.

Mr GRIERSON: Mr Malone, you asked a question earlier about CSOs for QBuild. Were you referring just to apprentices or to the total CSOs for QBuild?

Mr MALONE: I would be interested in the total CSOs for the department.

Mr GRIERSON: The figure the minister gave of \$7.9 million was the total CSO. The apprenticeship element of that is only \$6.185 million.

Mr MALONE: I think you took some of that on notice. Maybe you can include that.

Mr SCHWARTEN: Yes.

The CHAIRMAN: The time for non-government members' questions has expired. I call the member for Hervey Bay.

Mr McNAMARA: Minister, the new State Purchasing Policy has a 'buy local, buy regional' thrust, which I welcome. Could you outline the policy in relation to how it can assist regional purchasers and suppliers in their quest to compete with the south-east corner?

Mr SCHWARTEN: I note that there is only one member of the committee present who represents Brisbane. Just recently the chair of the committee raised this very issue with me in regard to a local manufacturer in her electorate. That highlights that this is not just a regional policy; it is a policy that aims to, as far as we legally can, ensure that Queensland firms get a fair shake in terms of picking up contracts. The member for Gregory and I have had this conversation on many occasions. Often you find the situation that ordinary local people go out of places such as Longreach thinking that they will get a better deal to buy a lawn mower, for example. That also applies to business.

One of the 'buy local' advantages, I guess, is understanding what you are buying. The State Purchasing Policy provides a framework so that no longer do suppliers have to simply rely on matching the best price. It is about understanding what price is all about. Very often, the life of the article is ignored when people just look at price.

I think the policy has been very successful. I recently had a seminar in my own electorate, because one of the things I found was that the purchasing officers for

government and the local suppliers never met. One example was given to me by a sports store. They said that a local school went and bought a half a dozen tennis racquets on a contract from Brisbane without even giving them a chance to quote. We see plenty of evidence of that around the place.

The State Purchasing Policy we now have has been embraced by all departments as of 1 July. So all departments now will be bound by that policy. I believe that it is streets ahead of anything we have had before. Broadly speaking, it calls on government to do what it says it is going to do in terms of the priorities governments set. That is how you evaluate tenders, and you find out the net worth of letting a project to the state and what that price means as a result of that.

Mr JOHNSON: They will have to put that into regional centres.

Mr SCHWARTEN: Absolutely. There are a number of departments in your area. It should be being applied in your electorate. It should be being applied in every electorate. We certainly want to hear of cases where it is not being applied. We will certainly follow up on it.

Mr STRONG: Minister, one often hears about the role played by government in disaster management. Can you advise us of the role that your department and, in particular, QBuild play and some of the achievements recorded during the past 12 months?

Mr SCHWARTEN: Yes. Thanks, Trevor, for that. Being an old carpenter—well, not old; a former carpenter, shall we say, and what a noble profession that is—you would understand that one of the issues that confronts any government, I suppose, is: where do you get a large work force at the snap of a finger if you have a disaster? That is why I am very proud that we have been able to retain QBuild. I do not know how the other states get on when they have disasters. Recently, out at Rocklea we had QBuild people working there, we had people in Townsville at their recent disaster, and we had them on Mornington Island. The list goes on. I am very proud of the role that QBuild plays in that regard.

I have a couple of other notes to which I might refer. Funding for the 2001-02 financial year has increased by \$39,000 to \$632,210 for community service obligation funding in this regard. So what we are saying is that it will continue to be a major role played by QBuild to ensure that we have a day-labour work force that can respond to disasters when needed. And certainly while I am the minister that is going to continue to be the case.

Mr STRONG: The construction industry, as you know, is still struggling since the introduction of the GST. What trends do you predict over the next few years for the industry? And are you taking steps to address possible negative aspects?

Mr SCHWARTEN: Well, we are. In terms of prediction—like everybody else in the room, I read this morning where the number of contracts being let and the number of houses being sold is at a record almost—the amount of loans being given to people. I think that we ought to be a bit cautious about predicting that this is going to last. Unless the federal government keep up that \$14,000 first home builder grant, which they are going to dispose of at the end of the year, I think we will be back where we started from. I know that in Rockhampton, for example, there were three building approvals in one month earlier this year. There were a lot of chippies with nail bags hanging up under their houses for a good period of time. Certainly it has been through no lack of trying to get across to the federal government that there are ways that this could be rectified through funding public housing or community housing at a higher level.

My good friend from Gregory and I have united on a number of occasions to try to get a special building program throughout regional Queensland to provide seniors units. I asked the federal government for \$20 million to try to do that at the beginning of last year, because I knew—like everybody else did—that the building industry would have a heart attack on 1 July last year, and it did. As a result of that, we found ourselves—being the biggest builder in the state—also affected by the GST in terms of some \$24 million, I think the figure was, in housing. So we certainly were not exempted from it, either—and the hothouse effect that we saw last year prior to July, which pushed prices through the roof.

But getting back to the issue of the \$14,000—I notice that the Prime Minister made some comments the other day that he might be wavering on it. The reality is that that \$14,000 is not a gift; it is a compensation for the extra costs in building. And we are going to see an increase, especially in the domestic housing market, and we are going to see a continued escalation in prices. So if you are looking at the frame costs of a house—you know, Trevor, as a carpenter, what happened with those prices last year. If they continue to escalate, so does the GST. I do not know exactly where it is all going to end up, but certainly international experience indicates that it takes five or six years before things settle down in that regard. So I certainly hope that John Howard continues that compensation package for people on the GST and it does not come to an end at the end of the year.

Ms PHILLIPS: Minister, a directive of your department is the commitment to meeting our government's seven priorities, one of which is the employment of apprentices, trainees and graduates. Can you inform us of the success or failure of this endeavour in general and specifically for the northern region which I represent?

Mr SCHWARTEN: Thanks, Anita. You were with me earlier this year when we inducted the new apprentices into Townsville, and I thank you for your interest in that regard. There is no greater joy, as far as I am concerned, than seeing all those fresh faces and those soft hands about to clutch hammers. They do not stay that way for very long.

There have been no failures. We have a very good record of training people in QBuild. Tony, what is the success rate of those who get through their time successfully? It is 97 per cent. At the moment we have 385 apprentices in QBuild. In Goprint there are three. In Q-Fleet there is one. There are six employee trade apprentices as well.

Our school-based apprenticeships are another feature that I think is the way forward. I think that industry is starting to realise that there are a lot of advantages in getting kids out of school and into apprenticeships and finishing their time. I had the privilege of welcoming two of those in Rocky early this year. In terms of far-north Queensland, we have a set of statistics here somewhere for Townsville—32 apprentices at the moment.

The CHAIRMAN: Minister, I have a question in relation to the Roma Street Parkland. And can I say that the Lavarch family have enjoyed it and have made a note to go back as often as possible. But whereas I have a serious question, I do have a sideline question. Where did they get those wonderful spray sprinklers—the mist sprinklers—from? It would be a welcome addition to the Lavarch garden.

Mr SCHWARTEN: They are locally made, Gavin Litfin just tells me. He was the project director there. We will find out for you and get the exact location, if you want to buy them and put them in your frontyard.

The CHAIRMAN: Under the front steps with the ferns. With reference to the Roma Street Parkland, can you advise how well it has been patronised by residents, visitors and tourists alike?

Mr SCHWARTEN: Last week when I was there, I was advised that there were some 80,000 brochures that had been handed out since the project started. So it is a bit difficult. There is nobody there actually counting them. But if you worked on the principle of one per family, there would be about 240,000 or 250,000 people who have been through there. And I would not be surprised if that is the case. When I was there last week during school holidays, it was great to see families out there in an open space not having to pay any money and having a cheap day out, cooking a few snags on the barbie, and so on. The residents of a nursing home were actually there having an outing and they were cooking a few snags. We have a new resident there, by the way. Here he is here: Mr Yabby.

The CHAIRMAN: Does the minister wish to table Mr Yabby's photo?

Mr SCHWARTEN: You can have his photo—his or her. I am not an expert on these matters. I do not know whether it is a him or a her. But they tell me some well-meaning soul has put him in there.

Mr MALONE: If you have two you will find out.

Mr SCHWARTEN: You might be able to tell the difference for me. It really is one of those splendid projects. As I said at the opening, it is going to be there forever. No government will ever take that space away from the people of Queensland.

Recently, two friends of mine from Rocky who are getting on in years—the Gorman family, Pat and Bernie—summed it up very well. They said that the people of Queensland and the people of Brisbane are very lucky to have such a great spot that is unique. They can remember, of course, coming down from Rocky when it was the old Roma Street rail yards. The yabby is there. I was going to say that if you were going to be snappy to me today, Ted, I was going to name one of them after you. But you are a good bloke, so I would not do that—or my friend Vaughan. It might be Peter today. Anyway, that Roma Street Parkland was brought in under time and under price. It was an excellent project and one which we can all be proud that we have left future generations.

The CHAIRMAN: Minister, following up on that question but from a different angle, I note on page 1-43 of the MPS that QBuild has accepted operational management responsibility for Roma Street and is also assisting in the provision of services for the Goodwill Games. Can you tell us a little more about the services for the Goodwill Games and how the operational management for the Roma Street Parkland operates?

Mr SCHWARTEN: The other point I was going to make is that today we are actually shifting a 100 year old bottle tree from Mount Gravatt into there. It was in some old gentleman's yard and planted by a pioneering family 100 years ago. So that just shows another benefit—having great open space like that.

While the director-general is looking up the exact details of that—QBuild is managing it with Goplants, and we have a number of trainees put on there as well in that new project. It is being managed very well. There is one person seconded to the Goodwill Games from SDS at this point in time. We are talking about Roma Street?

The CHAIRMAN: Both—Roma Street and the provision of services for the Goodwill Games from a QBuild aspect.

Mr SCHWARTEN: Okay. You can have this one, Madam Chair. The medal presentation podiums—75 of them at a cost of \$27,000. As I said, we have seconded one person from SDS to assist. National flags—560 to be provided, and the estimated cost of that is \$40,000. Flag cupboards—10 of those required at \$4,500. Flagpoles are not being provided by QBuild—thank God for that! Plants in presentation areas—that would be from Goplants. The number required is unknown and no brief provided at this time, but you could estimate it costs about \$1,000. Q-Fleet is providing 12 vehicles, and there will be 163 more to go. So that is a large contribution that Q-Fleet is making. That is going to cost about \$58,000. I am sorry, I made a blue before; two people have been seconded to the Goodwill Games in the warehouse from April 2001 to September 2001, and that is going to cost about \$19,000.

The CHAIRMAN: The time for government members' questions in this bracket has expired.

Mr MALONE: Minister, in regard to future developments—page 1-12—what is the time frame for the development and implementation of the new code of practice?

Mr SCHWARTEN: I am sorry, Ted, but that is not my area of responsibility. That is the Department of Industrial Relations. One of the problems we have had during this dispute is the continuation of that myth, I guess, of saying that the government is not enforcing that code of practice. Certainly we are doing everything we can to ensure that that comes to pass. But the document itself was not taken through cabinet by myself; it was taken through by Paul Braddy, and it rests with that department.

Mr MALONE: So even though it is mentioned in the Ministerial Portfolio Statements it is not part of that initiative?

Mr GRIERSON: Through the processes that we have regarding prequalification or our contractual arrangements with builders—

Mr SCHWARTEN: I might just add to that. What we are trying to do with prequalification is to make sure that the builders who get government work do the right thing. That sums it up pretty simply. At the moment—and this leads back to what you were asking before, Peter—with the contracts that we are letting, there have been some complaints made that people who have won contracts are not following that to the letter of the law. We have made sure that every complaint is followed through. But it has to be said that there is some tightening up that could be done in contracts. At the moment I have a working party that has been given a three-month time limit to come back to me with an agreed set of amendments to those contracts to make sure that people who win those contracts do the right thing by both the government, which is paying the bills—and that is the taxpayer—and by the people whom they employ, so that we have some lien on them to make sure that they do the right thing.

It involves the master builders, the unions and, of course, this department. That is the point that you would be making. Compliance with the code has been made an express condition of PQC registration for those building industry contractors registered under the second release of the PQ system, PQC 2. So you are right in that regard, that we are tied as part of our prequalification, but the actual document itself rests with the Department of Industrial Relations.

Mr MALONE: In regard to QBuild business—page 1-42—I refer to the construction of a women's crisis centre at Doomadgee. Is that centre now completed?

Mr SCHWARTEN: I meant to indicate at the start that it is not the Doomadgee crisis centre; it is the Doomadgee Child Care Centre. There is actually a typographical there.

Mr MALONE: I am pleased about that.

Mr SCHWARTEN: Because it does not exist.

Mr GRIERSON: It is on our forward program.

Mr SCHWARTEN: He told me that yesterday.

Mr GRIERSON: That is called a 'gotcha'.

Mr SCHWARTEN: And he just said to me, 'Gotcha'. But I did not do the typing. That is not my responsibility.

Mrs LAVARCH: It probably was a man who wrote it and saw child care as crisis anyway.

Mr SCHWARTEN: Full marks to you, Ted. You picked it up, anyway.

Mr MALONE: That means that we have been led up the garden path with that, Mr Grierson?

Mr GRIERSON: No, it means that that is on the next—

Mr MALONE: Can you tell us what is actually there?

Mr GRIERSON: The child-care centre is there.

Mr MALONE: Can you tell us about it?

Mr GRIERSON: No, I cannot tell you about it, but the crisis centre is on our forward program for that location.

Mr MALONE: I am glad that we have that sorted out. In regard to QBuild business—page 1-43—the provision of services for the Goodwill Games, what services will QBuild be supplying and what will be the cost to QBuild in respect of that?

Mr SCHWARTEN: You must have missed that one. I just said it, but I will go through it again, because it is an important question. The medal presentation podium is going to cost \$27,000. Expenditure to date is \$3,766.65. There are 506 national flags at \$40,000—a revised total cost of \$35,000 depending on final numbers of flags. Flag cupboards—there are 10. They are at \$4,500, and the plants in the presentation area are going to cost \$1,000, but they have not told us how many they are going to provide. Q-Fleet was \$58,000 for 175 vehicles, and SDS—there have been two people seconded.

Mr MALONE: There is an item on page 1-43 in relation to environmental issues. It itemises water conservation audits on some schools in south-east Queensland. Could you tell me how many schools have had that audit and, secondly, how many schools have been fitted with backflow prevention devices?

Mr SCHWARTEN: I think we will have to take that one on notice.

Mr GRIERSON: Can you just clarify that again?

Mr MALONE: The number of schools that have been audited.

Mr SCHWARTEN: For backflow? Fitted with backflow?

Mr MALONE: Water conservation and, secondly, the number of schools with backflow devices fitted and the location.

Mr GRIERSON: During this last financial year?

Mr MALONE: I would expect over the period of time. It is only a fairly current issue, I would have thought.

Mr SCHWARTEN: I know we started that program in Townsville and it worked very, very well there. It is certainly something that we aim to do.

Mr MALONE: In regard to Q-Fleet, the performance statement at page 1-61 talks about benchmarking monthly leasing rates and it talks about equivalent organisations. Could you indicate which benchmark you are using?

Mr SCHWARTEN: No, I cannot, but I know someone who can.

Mr CLARENCE: We are currently benchmarking our services against the New South Wales government fleet, which is the nearest similar organisation that we can find. It is difficult to benchmark, because their operation is run slightly differently in that they include fuel and some other services as part of their lease rates and they exclude some costs that Q-Fleet include. But in washing that out, on an average we are within about 5 per cent of their lease rates.

Mr MALONE: So there has been no move to compare yourselves to the commercial industry in terms of benchmarking? Is that not acceptable? Could you just explain why you would not go against a commercial identity, or do you see that as a different situation?

Mr CLARENCE: The difficulty with benchmarking with the private sector is that they do not publish lease rates. So it is difficult to actually go and say, 'Give us your lease rates for particular vehicles' to do that comparison. But Q-Fleet does operate with a number of untied clients where it competes for that business against the private sector and it has a growing success rate in that area.

Mr MALONE: So your belief is that you are more than competitive with the private sector in terms of lease rates?

Mr CLARENCE: Our belief is that from time to time we are competitive and from time to time we are not competitive. It simply depends on where the private sector is trying to set its benchmark. Some firms will in fact try to buy business to get into a market. That is not something that Q-Fleet does.

Mr SCHWARTEN: We have a partnership with Avis. You might like to explain that.

Mr CLARENCE: We have a partnership with Avis. That is in relation to short-term hire vehicles. We have moved out of providing our own passenger vehicles in that area and we use Avis for that service under our management. We have done that to achieve savings for the government because of fringe benefits tax.

Mr MALONE: That is fine. In regard to Goprint's major achievements in 2000-01, there is the transfer of the Brisbane City Council's printing business, Poinsettia Press, to Goprint. How much did it cost to transfer this business and how much a year does this business contribute to Goprint?

Mr CLARENCE: The business was obtained by Goprint at no cost. Under the arrangement that was put in place, we offered nine employees of Poinsettia Press continuing employment with Goprint. Six accepted and have transferred to Goprint.

Mr MALONE: At no cost?

Mr CLARENCE: Other than we have entered into an arrangement where we guarantee their salary for a number of years at their existing level. We did not pay for the business and we have not paid for the goodwill. We have transferred some leasing of equipment to Goprint. That will run out in about 18 months time. We have

taken over a shopfront in the BCC administration centre. We are paying leases for that. In return for that we have won a guaranteed revenue from the Brisbane City Council for a four-year term, plus we have been afforded preferred supplier status for other printing and publishing needs outside of what Poinsettia Press provided the council.

Mr MALONE: In regard to SDS—Sales and Distribution Services—at page 1-77, major achievements in 2000-01, it achieved a revenue of \$0.5 million for increased international business activities. Could you itemise what those international activities were and the potential to increase them?

Mr SCHWARTEN: I know that certainly we had some arrangements into Timor, which we were asked to do. Vanuatu was another place.

Mr CLARENCE: I can provide some information in relation to that. Just as a background, SDS is part of the Queensland Services Group, which is Q-Fleet, SDS and Goprint. We have an international business officer who works across the group to look into expanding the international business activities. Over the past 12 months we have provided a range of furniture, science equipment, school equipment, sports equipment and so forth to areas such as East Timor, Bali, Vanuatu and Papua New Guinea, mainly through aid projects.

Mr SCHWARTEN: I have the figures here. It is a total of \$398,942. Most of those, as the manager pointed out, are either requests that have been made or tenders. There was a UNICEF tender for East Timor, which was the delivery of office furniture and supplies. It just shows that the level of organisation that we have here is something that is available internationally to assist countries that are worse off than us. I think it plays a very valuable role and I think it is an area that we can grow business in, especially in providing quality educational materials into places like Papua New Guinea and East Timor.

Mr MALONE: Just going back a step or two in regard to Poinsettia Press, it seemed like a pretty good deal to be able to take over another printing organisation at no cost. It was obviously a Brisbane City Council operation, as I understand it. What was behind the deal? In terms of commercial reality, is Poinsettia Press going to make money for Goprint?

Mr SCHWARTEN: We picked up the work with it.

Mr MALONE: That is what I am saying. It seems like a pretty good deal to me. You should throw a few my way.

Mr SCHWARTEN: We think that it is, too.

Mr CLARENCE: One of the reasons the council were keen to do business with us at Goprint was the fact that we could offer continuity of employment and that was a very important criteria for them.

Mr MALONE: So from a Brisbane City Council point of view, were they losing money out of the operation? There would have to be some reason why they would want to transfer the operation to Goprint.

Mr CLARENCE: In August of last year, the Brisbane City Council announced that it was going to sell off four of its business units, one of which was Poinsettia Press. We at Goprint expressed an interest to the Brisbane City Council that we would like to look at it. They were attracted to that because of the continuity of public sector employment. As I understand it, the council was faced with the possibility of having to spend a fair amount of money to upgrade Poinsettia Press to what it needed to be. In taking over the business and putting together the deal—and it

certainly is a good one, as you have described—we have not taken over the infrastructure. Where Poinsettia Press operated at West End, it no longer operates. We have been able to do that mainly at our Woolloongabba depot.

Mr MALONE: So let me get it right: you were basically given a business operation. Certainly you had to employ the employees, but the Brisbane City Council were left with the old gear?

Mr CLARENCE: We bought a very small amount of gear from them.

Mr SCHWARTEN: By and large, that is the truth. That would be right.

Mr CLARENCE: One of our alliance partners—one of our fellow business units—bought a piece. The rest of it is being auctioned off.

Mr SCHWARTEN: I am advised that we also took only six out of the nine employees.

Mr MALONE: So you did not actually employ all of them.

Mr CLARENCE: No. We offered nine and we employed six. The rest decided to stay with the council. Poinsettia Press had a staff of 23, but most people took jobs elsewhere within the council.

Mr SCHWARTEN: They were offered relocations into the council.

Mr MALONE: It is getting better and better. You talked a little earlier on about the federal government's compensation, or whatever you would like to call it, in the building industry—the \$14,000. We also talked about the continuity of that funding over a period of time. Has the state government thought of any incentives that may be able to be put in place? It is easy to blame the federal government, but I know that you are keen to make sure that the state government is part and parcel of the building industry. Are there any initiatives?

Mr SCHWARTEN: We did not cause the problem in the first place. We did not bring in the GST and I think that it would be unfair to hit the Queensland taxpayers with the debt, especially when we were not compensated in any great shakes for the extra money that it will cost the Queensland taxpayers to build buildings such as the second tower at 111 George Street and so on. The reality is that the GST has pushed up prices. We are as much in that market as anybody else. But I would not be the responsible minister to determine that; the Treasurer would be. But certainly, I think that it would be grossly unfair to ask the Queensland taxpayers to pick up a bill that was generated by the federal government.

Mr MALONE: Some of the initiatives may not be of a cost to government. There are some initiatives—and I cannot think of them off the top of my head—that would be of help to builders and the consumers, that is, the buying public, that may be of help in terms of stamp duty and those sorts of things.

Mr SCHWARTEN: Again you are asking the wrong minister.

Mr MALONE: Fine.

Mr SCHWARTEN: I do not control stamp duty.

Mr MALONE: In regard to the issue of termite control in building services, it is a huge issue out there and it is probably a sleeper. Can you tell the committee what programs you have put in place in case this whole termite situation comes to a head? Unless you are able to tell us something more than we currently know in terms of the possibility of an escalation in costs and blow out of insurance claims against builders with the termite problem, nobody really knows what the situation is.

Mr SCHWARTEN: Certainly in terms of the Building Act, it has been changed to create barriers. I was asked this question in a meeting the other day. Trevor, you will be interested in this. I said, 'I know how to fix white ants. Build a house eight foot off the ground on timber posts, bore a hole in the bottom of the posts with a brace and bit, fill it up with creosote, and put an ant cap on the top. You probably will not have any trouble.' However, no-one builds houses like that any more. The reality is that because of the way that people build and then put gardens around the houses, the barriers are broken and in come the termites. It certainly is an issue.

I am sure that the licensing regime that is trying to clean up the industry certainly has not been popular. However, I think there is ample evidence to indicate that something had to be done in that regard, and that was done by my predecessor. I am aware of the prosecutions and the licensing issue. As I said before, there is a public awareness campaign about people providing a haven for termites by putting gardens next to their houses.

Mr MALONE: If I might be impertinent—certainly in the past some contractors did not do the right thing. I am not sure that you can identify which buildings are at risk because of the nature of the barrier. Has the department looked at how it could be exposed to those claims from a building point of view? Of course, within your own Department of Public Housing it becomes an issue also.

Mr SCHWARTEN: We have never had a real issue in any of those regards. For as long as I know, QBuild has been providing Termi-mesh barriers within its work. I have not received any complaints of any great magnitude in terms of housing. Linda Apelt is up the back. Are you aware of any great problems that we have in this area?

Ms APELT: We have had some problems. We have a strategy in place.

Mr SCHWARTEN: It is not a major issue for us in terms of public housing.

Ms APELT: It is not a major issue.

Mr SCHWARTEN: By and large, the BSA has tried to weed out the shysters that were involved. I notice that they have prosecuted a few of them and we might do them over again under privilege here. Pest controllers who water down chemicals will be prosecuted. Ian Jennings is the general manager of the BSA. He is covered by privilege in here, too. Terry's Termites was the company I was trying to remember.

Mr MALONE: It is an enterprising sort of operation.

Mr JENNINGS: We have been working very hard with Building Codes Queensland to tidy up the building code in Queensland and put a number of mechanisms in place with regards to termites. It was quite strong probably 12 months ago.

We recently received a tribunal decision about a particular pest controller on the Gold Coast who was watering down chemicals and using a number of illegal warranties. We are cracking down strongly on some of those pest controllers to ensure that they are accountable for their actions. It is quite difficult with the builder, because the builder does not know whether the pest controller has watered down the chemicals. Ultimately, that particular issue comes down to testing the ground and then taking action through the tribunal to get a fine. That particular individual was fined for misrepresentation under the Fair Trading Act, misconduct with regard to the insurance and using insurance warranties for these particular incidents. He was heavily fined.

Mr SCHWARTEN: It is certainly a significant issue. I do not know what it is like in Sarina.

Mr MALONE: It happens all over the state. It seems to me that a lot of the older builders knew exactly what they were doing in terms of termite control. Some slab buildings are the real problem.

Mr SCHWARTEN: They mainly build out of pine these days. All the hardwood studs and so on they did not like to eat as much.

Mr MALONE: I am glad that Ian has come to the mike, because an issue across the state relates to people who pass themselves off as builders and who do have the cards but contract or subcontract to an owner-builder. There is real confusion about whether they are true owner-builders, for example, a person who comes in and supplies labour or expertise in terms of building, alterations or extensions. In my own electorate I had a case where a person asked a builder to come in and do some work. The builder was charging per hour, but he was actually asking the owner to buy the materials. The whole issue blew out of all proportion. The building was very shonkily built. The BSA had some real problems in determining where the cause of complaint lay. Have you got a handle on that issue? It seems to me that there needs to be a tightening of the legislation to indicate the true definition of an owner builder and there seems to be a lot of confusion between owner building and the supplying of labour.

Mr SCHWARTEN: That is a very valid point.

Mr JENNINGS: Unlicensed contractors are probably a critical issue in the industry.

Mr MALONE: This guy was licensed.

Mr SCHWARTEN: I know exactly what you are talking about.

Mr JENNINGS: Was he licensed to perform as an owner builder?

Mr MALONE: No. They did not intend to be owner builders, but they were asked by the builder to buy the building materials. Inadvertently, through QBSA, they became de facto owner builders and they were seen as much such by the tribunal to some extent.

Mr SCHWARTEN: I know of a couple of cases where they had contributed and the tribunal ruled them to be the builders. Therefore, they could not claim insurance. That is the problem.

Mr MALONE: Would you like to comment on that? It seems to me that is a fairly big issue in the general community.

Mr JENNINGS: Ultimately, the tribunal is not within the BSA's restrictions. Ultimately we have a piece of legislation and a guideline with regard to the implementation of our insurance policy. Our insurance policy has a number of requirements that need to be satisfied before we can pay out an insurance claim.

The BSA only takes 25 per cent of the risk and 75 per cent is with reinsurers. It has a particular criteria. Ultimately, it is difficult, but it comes down to consumer awareness about who they should be engaging, the requirements under the home warranty cover, the requirements with regard to engaging a licensed builder, ensuring that they meet the requirements and that they are well aware of the home warranty insurance requirements, and that they do not violate them. For example, under the Domestic Building Contracts Act they must pay the right deposit and not overpay the deposits. There are certain instances where they overpay deposits and

ultimately they do not get the full reimbursement under the insurance when builders go broke.

Mr SCHWARTEN: I think the fundamental point that Ted is making is that inadvertently people become the responsible owner builder and, as a result, nullify their chances of being insured. It is an issue that we certainly need to get on the table. You also run into that problem where an owner chooses to get their own drawings done or soil tests done, doing part of the work themselves to expedite a building. They then forgo their rights with insurance. That is something that I am aware of and we will certainly work on it. I value your input, Ted.

Mr MALONE: I think an education program of some sort through QBSA would be helpful.

Mr SCHWARTEN: Part of it is education. We also need to look at the structure of it. I welcome your bipartisan support to try to find a way through it.

Mr JOHNSON: A moment ago in a reply to a government question, you made mention that as of 1 July state purchasing will be the responsibility of government agencies, that is, purchase on a local basis. That is the basis, is it not?

Mr SCHWARTEN: Yes.

Mr JOHNSON: Will you be advertising for the benefit of local businesses through local media so that they can be made aware of the opportunities available to them statewide?

Mr SCHWARTEN: We intend to do that. One thing that is also happening is that the State Purchasing Council is moving around the state. It was in Toowoomba recently, it has been to Cairns and it is coming to Rocky. When it goes to such places, certainly there is an element of education involved.

When we brought this policy in 12 months ago, television advertisements were run throughout the state—I forget how much we spent on them—to try make people aware of the project. It is a great idea, now that all agencies are covered by it. I forgot to explain before that part and parcel of it was its steady introduction so that we could get the purchasing officers educated about what the new definition of value for money is. Certainly I will take that on board.

Mr JOHNSON: So the recommendations will go to the government agencies or the responsible persons of the government agencies?

Mr SCHWARTEN: By this stage they should have been involved in training programs to train the purchasing officers in how the project works and what the basic philosophy behind the whole value for money idea is. It is not just the cheapest price that will get you the best value. I see Ted nodding and we all know that to be the case. One of the struggles for government and for purchasing officers is that, by not taking the lowest price, they are often accused of being on the take or whatever. It is a very thin wire to walk.

A sum of \$95,000 was spent on advertising. We may need to look at that again. By this juncture, all the purchasing officers in all the agencies should be well aware of what is occurring and there should be no excuse for people having to go further than their closest geographical competitor. In other words, you should not have to go to Brisbane to get a competitive price. You should be able to do that locally if there are enough people. For example, in Longreach where there are a number of suppliers of motor mowers, I would want to know why anybody would want to get a price from Brisbane as there would be a competitive price available locally. That is what the policy establishes.

A campaign was run in Longreach. I cannot recall the date. We actually held a local forum. I am quite happy to organise another one out there, because they are the places that struggle.

Mr JOHNSON: I was thinking of a statewide advertising campaign so that—

Mr SCHWARTEN: We have done that. Perhaps we need to do it again. I will certainly take that on board.

Mr MALONE: I know Mr Grierson would be disappointed if I did not ask this: Public Works had a meeting in Cairns recently in regard to the Cairns Convention Centre. It highlighted some shortcomings there. Does the department see that as a wake-up call? From a government perspective, will there be a reawakening or awareness of the need to ensure that buildings are checked out completely before the government takes control? That inquiry did highlight some shortcomings. Mr Grierson might like to inform the committee about that.

Mr SCHWARTEN: I would hope so, because I thought that that was the case. Do tell us.

Mr GRIERSON: It has been a wake-up call, but not so much for the department. It has been a wake-up call for Abigroup, in that it had the contractual responsibility to check all of that grouting. Three columns out of the 32 had not been grouted, as you know. We have written and advised them that that is not acceptable and that any future breaches of quality of that order will be reflected in their standing on our prequalification list.

Mr SCHWARTEN: We should not have to have a Public Works inquiry to reveal something like that. I take your point. It certainly is a wake-up call. I was not aware of that. I thank you for advising me of that. The people managing those jobs for us should be making sure that there is some quality control.

Mr MALONE: It was obviously a few more things than just the grouting. There was non-conformity to the original design of the building in terms of heights and those sorts of things, which made it fairly difficult for some of the subcontractors. I suspect that they were pushed into a situation that was pretty abhorrent to them. I can understand how some of the bigger building organisations and multinationals can make it very difficult for the subcontractors. A fairly good case in point was that where a subcontractor was fairly well burnt.

Mr GRIERSON: There is no doubt that the roof of that convention centre is a very complex structure.

Mr MALONE: Absolutely.

Mr GRIERSON: The structural engineering firm did make some changes to the specifications as they were going. You are right; one of those subcontractors obviously did not understand -

Mr SCHWARTEN: What he was quoting on.

Mr GRIERSON: Yes, that is right.

Mr SCHWARTEN: That does happen. I really do not know what we can do to overcome that. But I am well aware of what you are talking about. The interesting thing about it is that I never received a complaint about that job. Amazingly, if you had asked me about that 12 months ago, I would have said that there was nothing wrong with it.

Mr GRIERSON: You actually received two awards for it.

Mr SCHWARTEN: That is right; we won two awards for it.

The CHAIRMAN: The time for non-government questions has expired.

Mr McNAMARA: I will take the minister to the issue of the Kelvin Grove Urban Village, if I may. Non-government question on notice No. 4 revealed that the Kelvin Grove Urban Village project had something like \$38.2 million worth of infrastructure costs and that the site could contain investment in the order of \$400 million. There was also a very brief chart listing private housing at 500 units, retail and other uses and QUT related development. Can the minister overcome his inherent modesty and tell us a bit more about this very exciting project.

Mr SCHWARTEN: This overlaps between the two departments. Certainly both the Department of Housing and the Department of Public Works are involved in it. In reality, it is an exciting project and it highlights the cooperation that exists between the two departments. I know that Gavin Litfin, from Public Works, who is here today, has had a lot to do with this project in project managing the whole very complicated set of procedures. Anybody who has ever been over to that site would see it as a very good opportunity for a government to be involved in urban planning and providing a village-type setting very close to the CBD area. In fact, it is unique in that regard.

As to the reason we purchased it, Lindsay Marshall, who is sitting behind me, and I were coming back from a function on one occasion and I said, 'What's that place?' He said, 'That's Gona Barracks. I think it is for sale.' I said, 'Why don't we buy it?' People go to universities to develop public policy, but that decision was made in the car. Out of it there has been excellent cooperation, as I said, between the two departments. The QUT is a joint partner in this. It is intended to have housing plus creative industries opportunities as well as part of our Smart State initiative. It is a project that I believe will do very well. It showcases the fact that we will be able to develop land and, as a result of it, come out with a profit, which will be put into affordable housing on that site. We intend to do the same thing at the Sir Leslie Wilson Home Detention Centre. We are doing that at the moment. As I said, it highlights the qualifications that we have between Housing and Public Works. I think there will be a very good outcome.

Mr STRONG: Minister, could you give us a brief rundown for the two jobs—111 George Street and the Brisbane Magistrates Courts? Could you elaborate on the costs, the time frame and how many jobs these projects will generate?

Mr SCHWARTEN: The Magistrates Courts involve 1,324 jobs, according to the formula, \$89 million in construction, \$49 million in construction for tower 2 of 111 George and 738 jobs as an outcome there. The demolished Charlotte Chambers will be the site for, as I call it, the baby building—111 George. That is probably not an appropriate name. It will commence in July to October 2001. The schematic design will be completed by September 2001, the managing contractor will be engaged in September to November 2001. The practical completion and occupation commencement is intended by September 2003.

In relation to the Magistrates Courts, the design competition was won by Cox Rayner and Ainsley Bell. A CEO meeting including the Director-General of the Department of Public Works was held today. The cost is still being determined. However, as far as the design competition goes, there will be a budget of \$89 million including the fit-out. This is for the Magistrates Court. It is expected to be completed in March 2004.

Ms PHILLIPS: On page 1-43 of your MPS under the heading 'Communities', the second dot point states that QBuild is coordinating the Indigenous Employment and

Training Program, which includes 18 indigenous apprenticeships within the Woorabinda, Palm Island, Kowanyama, Bamaga, New Mapoon, Umagico and Injinoo communities. What are the objectives of this program? Do they come outside what would be traditionally seen as public works in terms perhaps of cultural awareness or reconciliation?

Mr SCHWARTEN: Certainly it does not quite fit the square, as I was referring to with Ted before, in Woorabinda, where we started off this program. This was a personal mission of mine, having travelled to most of these communities over a long period. One of the things I found was that there were a lot of half-trained people in these communities. They were half-trained simply because there was no continuity of work and no auspicing agency that could ensure that people finished their time. With that in mind, the director-general was able to come up with a program and we made an officer available to just run this program. There is a variety of reasons for it, as you stated. But to me it is pointless to go into these communities and just leave buildings without people who can maintain them. If we are going to do anything at all to try and solve some of the issues that we have in these communities we have to attack it from an employment and training point of view. It has to be meaningful work, and this stuff is. There is a lot of housing going into these places. No doubt we will talk about that a bit later under Housing. It is about ensuring that those skills are there. It again highlights the capacity of QBuild to train people in far-flung places in the state. There is a whole-of-government approach. We have had excellent support from the Department of Employment and Training and the Department of Health. In Woorabinda, for example, after we built the hospital it was handed over. And, of course, there is support from DATSIP as well. It has not been easy. None of these things are. But I think we have to start somewhere.

The CHAIRMAN: I will save the last question under the Public Works portfolio for me. The question is in relation to heritage buildings. I note that during the year you opened the Commissariat Store in William Street, which was an exciting project. What activities are being undertaken by the department to protect important government heritage buildings?

Mr SCHWARTEN: Two readily spring to mind, one of which is the Commissariat. I encourage members to have a look at it, because it is Queensland's oldest habitable convict building. It has survived the ravages of people knocking down these sorts of buildings. It is well worth having a look at, especially in light of the way it has been restored by QBuild day-labour tradespeople. It cost about \$2 million to restore and it is now the home of the historical society. There are some wonderful displays there.

I am also very proud of the craftsmanship, or should I say the craftspersonship. The way the old Woolloongabba Police Station has been finished is fantastic. When I came here, it was a derelict pigeon roost that had about two foot of recycled pigeon food, I suppose you could say, on the floor. It was an absolute disgrace. It had become a place for squatters and so on. It has been transformed into a usable building. Next week I will open it, along with my good friend and colleague Terry Mackenroth; the Department of Sport is located there. I invite all of you to have a look at it. A fantastic restoration has been done by QBuild and it again highlights the skilled craftspeople that we have.

The CHAIRMAN: The time allotted for questions for Public Works has expired. The committee will now adjourn for 15 minutes.

Sitting suspended from 4.43 p.m. to 4.58 p.m.

The CHAIRMAN: I declare the hearing open. Before I turn to the non-government members for questions, I just say to anyone who was not here previously that if you have a mobile phone or a pager, please make sure you have turned it off. I remind members and the minister that the time for questioning is one minute and three minutes for the answers. A bell will ring once 15 seconds before the expiration of that time and twice when the time has expired. I call the member for Mirani.

Mr SCHWARTEN: Before we do, can I just correct the record. The director-general has a correction that needs to be made to an answer to the Residential Tenancies Authority question on notice.

Ms APELT: I would like to table a correction to the advance question No. 1 from the non-government members. The update is that the total consultancies for the Residential Tenancies Authority should have read \$47,770.59. In addition, the consultancy for DIR Workplace Consultancy should have read \$1,012.50 and not \$31,012.50 as provided.

Mr MALONE: Thank you very much, Minister, Director-General and departmental staff for attending this afternoon. We will get through these as quickly as possible. I refer you to the Department of Housing's 2001-02 budget highlights on page 2-3 and the \$11.6 million for new construction and acquisitions and upgrades to the existing stock under the Crisis Accommodation Program. Can you indicate where the new crisis accommodation will be built?

Mr SCHWARTEN: We have a list here somewhere. We actually do not provide a list of where those places are. We can provide them confidentially to you, but for obvious reasons we do not publish the street address or location of these places because of the confidentiality of people who are fleeing domestic violence and the like. We do not like to publish where they are. I can confidentially share that information with you.

Mr MALONE: I would be happy to take them by region. Could you do it by region?

Mr SCHWARTEN: We should be able to do it by region. The numbers per region?

Mr MALONE: Yes.

Mr SCHWARTEN: So you do not want the actual street addresses of them?

Mr MALONE: No. I understand the confidentiality.

Mr SCHWARTEN: It is in the advance questions. Construction was commenced on three women's refuges at a total cost of \$2,251,854, one on Palm Island, one in Cairns and one in Townsville. Two others, located in Doomadgee and Napranum, are at tender stage. The Brisbane-based secure refuge project is in the pre-design stage. Construction was completed on two youth shelters at a total cost of \$729,758. Of these two, the one located in Brisbane was at an individual project cost of \$321,102 and the one located in Gladstone was \$408,656. Other accommodation was acquired by the program. Thirty-nine dwellings were purchased at a cost of roughly \$3.8 million, and 43 dwellings were transferred from public housing and leased to various community groups to provide crisis and transitional housing responses.

Mr MALONE: With regard to Aboriginal and Torres Strait Islander housing under 'Recent Achievements' on page 2-10 and the completed research on the needs of indigenous people with a disability in 34 Aboriginal and Torres Strait

communities, could the minister indicate what is the result of the research and what action will be taken in regard to the results of the research?

Mr SCHWARTEN: Linda, you might want to comment on that.

Ms APELT: Through that research we have found that as the indigenous population ages, as with the population in general, the need to cater for various disabilities is actually increased. We know that this is a particular issue within a number of indigenous communities where there are additional health issues that do result in various disabilities. So through that research we were able to consult directly with communities to find out their specific needs. As a result of that, there will be a number of amendments to the design of dwellings and the application of the adaptable housing design principles in particular, but we will also see what other whole-of-Government responses are needed to link up with housing so that people get the appropriate disability support services along with their housing solution.

Mr MALONE: So there will be an enhanced program to those Aboriginal and Torres Strait communities in regard to that matter. Obviously there are extra needs there. How is that going to be funded?

Ms APELT: It will be a more informed program with the existing funding base. We feel that, through having done this research, we are more in tune with the needs of these particular communities and we make sure that we design our programs accordingly.

Mr MALONE: That is excellent. With regard to 'Future Development', which is on page 2-10, and the feasibility study for the establishment of the Indigenous Housing and Infrastructure Authority that was programmed in the 2000-01 year, what is the time frame for the completion of the study?

Mr SCHWARTEN: This is a study to see whether or not such a program is worthy. As you would be aware, we have entered into a joint arrangement with ATSIC and DATSIP as a joint planning structure. This is basically to see whether or not it is feasible to go the next step. It is intended to finish at the end of this financial year.

Mr MALONE: With reference to the community housing 'Recent Achievements' on page 2-13 the department has—

Continued to progress a number of Crisis Accommodation Program projects to improve responses to homelessness, including:

 piloting the use of Emergency Housing Funds through a State-wide service that provides information and referrals to women and children escaping domestic violence ...

What were these programs? Secondly, how many houses were actually made available under that program? What areas were they in?

Mr SCHWARTEN: I can answer part of it. The funds were not for housing outcomes in that they were allocated to provide short-term accommodation in motels for people fleeing domestic violence overnight and that type of thing. I am not quite aware of their locations.

Mr MALONE: Just to clarify that, there were no houses involved in that; it was just short-term accommodation?

Mr SCHWARTEN: It is funding to those agencies so they can provide crisis accommodation in motels with some form of security. It is just another flexible arrangement that you have to deal with in relation to these programs where you have not particularly got refuges. I know of one agency that uses caravans, for example.

Mr MALONE: Is there an established protocol with certain motels?

Mr SCHWARTEN: It depends. The agency I know of that does do this has an arrangement with a number of motels that they just ring up. It is in my electorate and I do not even know which ones, which is fine. They would be doing it in your area, too, I would expect. The other information in relation to what agencies we funded—I suppose that is the closest we could get to it.

Mr MALONE: I would be interested to know about homelessness. That was one of the issues raised. It is a little different to domestic violence. Homelessness to me would seem to be more of a longer term issue. Obviously you would not use hotels for that.

Mr SCHWARTEN: Not necessarily. Homelessness is thrust upon people in the short term. Homelessness is not necessarily defined as long-term homelessness. Often people are short-term homeless, and that is what this is trying to get at. People turn up at these agencies who have not got anything to eat and have not got anywhere to sleep. I know this issue was brought up with me at a community cabinet meeting on the Sunshine Coast about trying to get people into some short-term accommodation and work out their needs. Basically it emphasises the cornerstone that housing plays in our community. If they have not got a roof over their head, it is very hard to start to do anything else for people.

Mr MALONE: How is that accessed? Through your department or through the Department of Families?

Mr SCHWARTEN: No, it is through this department, through the Crisis Accommodation Program and the CAP/SAAP arrangements—the Supported Accommodation Assistance Program, which is run by Families.

Mr MALONE: That is what I thought. Families would have to be involved somewhere.

Mr SCHWARTEN: Very often they are the workers. They provide the workers and we provide the funds for housing.

Mr MALONE: In regards to the output statement for community housing on page 2-16, why was the actual state contribution in 2000-01 \$5.1 million less than the estimate?

Mr SCHWARTEN: That is reflected in the carryover.

Ms APELT: The actual expenditure against the community housing budget relates to a number of projects not actually coming to full projected expenditure within that financial year. So a number of those projects will be work in progress and will be represented in carryover funds in the next year's budget.

Mr SCHWARTEN: The Babinda one would be a classic example of that.

Ms APELT: That is right. The state contribution there relates to the state matching funds that go with the Commonwealth funds to support community housing.

Mr MALONE: It may be naive, but there is a \$5.1 million shortfall this year and the projected target for 2001-02 is only roughly \$1 million more than that. I would have expected that that money would be transferred into the following year. Is that the case?

Ms APELT: That is the case.

Mr MALONE: There seems to be a discrepancy there. I would have thought that that extra funding would come on top of what would be projected for that following year. In 2000-01 it was \$29 million and in 2001-02 it is only \$25 million.

Mr SCHWARTEN: What you are heading to is right; there is less money in community housing this year than there was last year and there was less last year than the year before. Next year there will be less again because the Commonwealth government is continuing down the path of reducing capital funding. I have a diagram here somewhere that highlights that issue. This is something that I have been on about for a long period of time. If you look at this diagram here, the line going down is the capital line and the recurrent line is going up. That means that the federal government is moving more toward providing packages for people rather than capital outcomes. It mentions that since 1945 the federal government has had responsibility for funding housing. Certainly the state has picked up its share of that, but we are at the end of our tether in terms of what this state can continue to provide.

The option of going from a federal government point of view to individual assistance for people will not work. I have seen plenty of evidence of that. I will talk a little bit later about what we are going to try to do about that. The federal government has made it abundantly clear that they are going to pursue a path away from capital funding, and that is what is going to happen. You will see that reflected in the figures right throughout. If you add the GST, in this round we have lost about \$90 million. It simply reflects that.

Mr MALONE: Minister—

The CHAIRMAN: Before you ask your question, Minister, did you want to table that?

Mr SCHWARTEN: No, I might need it again later. But I will table it later on. I will hand it over to you.

Mr MALONE: In regard to community renewal under 'Future Developments' on page 2-19, what is the time frame for the completion of the development of the community action plans for the areas of Vincent and Rasmussen, and will the community renewal start before the action plans are complete?

Mr SCHWARTEN: I bet that was a question that Anita was going to ask, because she has been bashing my ears about this for the last few weeks.

Mr MALONE: We can save some time.

Mr SCHWARTEN: Absolutely. I can answer both at once. It will take 12 months to do it. The history of these projects is that it becomes very evident very quickly what projects need funding and what the community is going to sign off on. The actual planning of it is a very intense business and it has to be done, but it does not mean that you have to wait until that period is over before you can fund something that is glaringly obvious. In relation to the electorate of Anita Phillips, she dragged me around there and it was noticeable that there was a glaring need in that community to provide for under 19 year olds. From what I remember, that age group made up a pretty high proportion of people in that community. There is very little entertainment in that area for those people. I think there are a couple of sets of swings or something like that. You would see that as a need in that community straightaway and accordingly deal with it.

The CHAIRMAN: The time for non-government questions in this first bracket has expired. I call the member for Burnett.

Mr STRONG: Minister, my question concerns the Home Assist/Home Secure program and seniors housing. What are the intentions of the department in relation to the development and expansion of the Home Assist/Home Secure Program?

Mr SCHWARTEN: The Home Assist/Home Secure Program, which was started back in the days of Terry Mackenroth when he had this portfolio, was aimed at providing some initiatives to keep people in their own homes. We all know that if you can keep people in their homes longer there are better health and economic outcomes for the community generally. The Home Assist/Home Secure Program aims to assist people to do that by either providing better security or assisting them to make decisions about security or to fix odd jobs around the place that they simply do not get anybody to give them a hand with. The reality is that, as you know from your previous life, it is also a danger for older people to have tradespeople wandering in and out of their house. They get very insecure about that. Home Assist/Home Secure is able to assist in that regard.

Our government went to the last election promising a \$1 million increase this year, and that has happened. We look forward to growing that program. When I came in as minister it was not a statewide program. One of the first actions I did was to take it throughout the state, and it has proved to be very popular. In fact, Linda Apelt told me the other day that a survey indicated that 75 per cent of the people who use it would like it extended even further.

Ms APELT: It has actually gone up to 95 per cent.

Mr SCHWARTEN: It has gone up to 95 per cent. I thought 75 per cent was a bit low. I have never met anybody in that age group who has said, 'No, I don't want Home Assist/Home Secure.' It is a great program. I think it employs about 134 people across the state as well.

Mr McNAMARA: I turn to the Boarding House Program mentioned at dot point 1 at page 2-13 of the MPS. What is being done by the Department of Housing to address the increased demand for low-cost accommodation in Queensland, particularly arising from a decline in the number of privately provided boarding houses? I ask you to make specific reference to the situation in my electorate of Hervey Bay and the neighbouring electorate of Gympie.

Mr SCHWARTEN: Some \$7.2 million has been allocated in this program. It is a very worthwhile program. I often wish we could come up with a better name for it than the Boarding House Program, because 'boarding house' conjures up some undesirable images. As you are well aware, I unfortunately find it difficult to build them in certain places because people think they are going to have undesirable persons living near them. If anybody can come up with some great ideas as to what we can call them, please let me know. I am a big fan of boarding houses because I think they provide a great deal of flexibility in offering varying levels of support to individuals who require it.

In relation to your specific issue, \$220,000 has been allocated for design and development in both Hervey Bay and Gympie. It is hoped that construction of the Hervey Bay and Gympie projects will commence in the 2002-03 financial year. I have examined the site with you. I know of your strong interest in it. The design will be done this year and the construction will start and be completed next year.

Ms PHILLIPS: Minister, I want to talk about community renewal.

Mr SCHWARTEN: I thought you would.

Ms PHILLIPS: The MPS clearly highlights the initiative, but I specifically ask you to outline what has been achieved through the community renewal projects that

have been undertaken so far and to describe the positive outcomes the program has achieved so that I can anticipate these outcomes for the people of Thuringowa, in particular Rasmussen.

Mr SCHWARTEN: I was waiting for you to get around to that point. I describe the community renewal program as a blank sheet program because every area is different and every area will have different demands and there will be different outcomes. There are certain observations that you can make about the program generally. I hate referring to the reduction in crime, because I think that unfairly puts a slur on all of the people who live in these areas. Even though that is an outcome that has been noticed, anybody who knows anything about communities knows that if you can reconnect communities then you are going to get those sorts of outcomes.

Certainly, in every area that I have been involved in—and there are 14 of them throughout the state—there are real outcomes in employment, real outcomes in people's satisfaction with their living environment, and real outcomes in terms of educational satisfaction with local schools. There are a whole range of issues which points to what I said before: that is, that the cornerstone of any well-rounded community—I do not know how you would have a cornerstone of a well-rounded community; what about a keystone in the arch?—is proper housing outcomes.

A couple of weeks ago some misguided local government person made a statement publicly that community renewal is just about tarding up a few old dumps and painting a few fences. How wrong that person is. I was out at Logan yesterday to launch a rejigging of a street worth about \$1.2 million. We are putting \$500,000 into it. It is there to try to re-engage the community into a better living environment. That is just one example. The bus service is another example in Logan. We have had more trouble than the first settlers with that. It highlighted to me the wealth of this program. This program works well where local members take control of the program and listen to what the community reference group has to say, and I am sure you will do that. Yes, there are outcomes that you have talked to me privately about that obviously will be part of what needs to be done to help young families and couples in your area who have done without services for a long period.

The CHAIRMAN: Minister, I refer to pages 2-30 and 2-31 of the MPS that indicate money allocated to improve the condition of public rental housing. Can the minister advise what has been spent on these improvements since 1 July 1998? Has this contributed to creating employment opportunities and, more specifically, are any of these activities occurring in the electorate of Kurwongbah this year?

Mr SCHWARTEN: Since 1998-99 I have approved in excess of \$190 million to improve public housing. That has been a deliberate strategy on my part, and you have raised this issue with me on a number of occasions, because our stock is not up to scratch in so many places. At one stage an audit indicated that some \$500 million or \$600 million in backlog maintenance and upgrades was required to bring public housing up to what is described as a reasonable and modern standard. In addition to that, in 2001-02 we have allocated over \$81.1 million for capital works on existing dwellings, made up of \$27 million for urban renewal, which is part of the community renewal process as well, \$15 million for overall portfolio renewal and \$39.1 million for general upgrades.

In relation to the Kurwongbah electorate during 2000-01, in excess of \$172,000 was spent on general upgrades to existing departmental housing stock. A further \$471,000 is planned to be spent this year. That will make a dent and hopefully get you off my back, to some extent.

The CHAIRMAN: Thank you, Minister. I thank you for taking note of my lobbying.

Mr SCHWARTEN: Representations.

The CHAIRMAN: Representations, yes.

Mr McNAMARA: Minister, I refer to the Brisbane housing strategy mentioned at page 2-26 of the MPS. It refers to the department undertaking development and feasibility testing for a proposed alternative housing model to deliver social housing to lower income households in Brisbane. What were the results of this feasibility study? Could such a study or model have applicability in a place like Hervey Bay, for example?

Mr SCHWARTEN: Yes, I knew that would come. I would go back to the diagram I referred to earlier which indicates where the federal government is headed in terms of funding. One way or another I am going to make sure that the federal government pays. If it is providing packages to people, then we want to be part of that action as well. The feasibility study to which you refer involves an agreement between the Department of Housing, the Brisbane City Council and any other charitable agencies that we can entice into this project. It will provide about 600 units of accommodation. It is expected that the Department of Housing will put \$50 million into it over four years. This morning I cast my eye over a set of restored houses at Bowen Hills. We are going to put about \$7.1 million into 70 units there. That will be the start of it.

This project capitalises on two things. Firstly, there is the land that councils and charitable organisations have. It ensures that that goes into the pot along with funding. Obviously, it will require debt financing. The way you get your money back is to charge a commercial or near commercial rent to people who get support from the federal government. The big problem with the lack of thought that the federal government has put into this is that it would be great if there were landlords who could provide quality accommodation for people, but that is simply not the case. I have had a lot of people come through my doors suggesting to me ways that that can be done. I have never seen anything that really stacks up.

I think in places like Hervey Bay there is application for that. We will wait to see what happens in this project. I would think that in a place like Hervey Bay you might set up a company that would encompass Maryborough as well, for example. But we will see how it goes. I have seen such projects internationally and in other parts of Australia. There is a solid reason to go down that path, and the feasibility certainly shows that. GST savings is the other point that comes from a not-for-profit agency like this being established.

Ms PHILLIPS: Minister, you have been telling us about the reduction in federal government funding. Hasn't there been an increase of \$75 million in funding for indigenous housing and infrastructure? How much of that money came to Queensland?

Mr SCHWARTEN: That is an elusive arrangement. Like everybody else on budget night, I heard that \$75 million was going to be made available to Aboriginal housing. I then learnt that that is going to be shared. Some of it is going to ATSIIC and some of it will go to DATSIP, and it was going to be over three years. We are spending \$176 million in five years, most of which is coming from the state government. I think we are putting \$41 million in this year and the Commonwealth is putting in \$20-odd million. When you look at that, you start to get a picture that it is a smoke and mirrors trick and, I think, it is a pretty unfair expectation to lead Aboriginal

communities to believe that somehow overcrowding and housing problems in those communities is going to be eased. I doubt that it will make one iota of difference. I really believe that it is quite a pathetic and cruel hoax by the federal government. I do not see any real outcomes that will positively change the situation.

The CHAIRMAN: The time for government members' questions in this bracket has expired.

Mr MALONE: With reference to community renewal recent achievements, page 2-18, what is the outcome of the Fax-Back crisis intervention model, which I believe is a good initiative? And disappointingly, the MPS indicates that it takes up to three days for a support worker to contact people impacted by domestic violence. Perhaps, Minister, you would like to talk about that. It just seems to me unrealistic that, if there is domestic violence, it takes three days for a support worker to get back to them. You have put in place a program of Fax-Back, which is good.

Mr SCHWARTEN: I am aware that that is a very positive program. It is certainly one that was funded on that basis. I think you may have the wrong spin on that. I think the Fax-Back is to follow up on what support has been provided. Am I right in that?

Ms APELT: Yes. It is actually a follow-up service to make sure that the person who has registered the incidence of domestic violence is satisfied that there has been appropriate referral and support provided. So it is a quality assurance approach, if you like.

Mr SCHWARTEN: Keeping those people in the loop.

Ms APELT: Yes. Because some people might have initial support, but it may not be sustainable.

Mr MALONE: Obviously I have misinterpreted the MPS. So there is an initial follow-up as soon as a fax is sent through to the department?

Ms APELT: It is actually managed through the Police Department.

Mr SCHWARTEN: You would have to ask them about that. We have provided the funding to provide that service of the fax.

Mr MALONE: So that is funded by the department?

Mr SCHWARTEN: No, the overall scheme is funded by the Department of Housing, but the police actually run the program.

Mr MALONE: In regard to the community renewal output statement, page 2-21, there seems to be a decrease of \$8.4 million in state contribution funds. Would you care to comment on that?

Mr SCHWARTEN: Again, that is a carryover figure, and what it highlights is the very nature—and I answered this question last year—I guess it highlights the fact that the community takes time to make decisions, and sometimes that means that they cannot spend all the money in one year. It is something that I encourage, but I would not like to see it get out of hand.

For example, funds for a minibus service in Logan were approved in January this year. The community has made that decision, and I signed it off in January. What they have now found is that the disability-type buses that they require are not available in Australia. So that money is sitting there. Now, what we could do is say, 'No, well, that project is not going to happen because we have to spend that money by the end of the year.' I do not encourage that. One of the frustrations—and why I had to go to a meeting down there two days ago—is the community is losing faith

because the money has been allocated but they cannot get the buses. They are now looking at alternative methods again. That just highlights that, when you go to a community development model, things take time and that there will always be carryovers in that regard. Of course, the year before there was a carryover, most particularly because a lot of the programs were slow in getting started because the community had to be brought in behind them. But by and large, that money is not going to go away from those community renewal programs, and that is the important thing. I predict we will have trouble in Palm Island, for example, for that very reason, because it is a new program.

Mr MALONE: In regard to home purchase assistance recent achievements, page 2-23, and the development of a Home Adapt lending product to assist people with disabilities, frail aged people and their families, what is a Home Adapt lending product? Could you inform the committee of that? And could you also inform us how many people have benefited from this initiative?

Mr SCHWARTEN: It is actually a bit of a follow-on from the HOME Assist and HOME Secure to try to keep older people particularly in their homes. It is in its developmental stages, looking at providing a loan product that would assist people to make modifications—whether it be a lift into their house or bathroom renovations or whatever the case may be. It is unique in that we are not in the habit normally of lending money to people to do that sort of thing—to make upgrades to their houses. But I am sure you would agree that the group of people that we are trying to help—pensioners—are very worthy of it, and we would tailor a loan so that they would not get themselves into strife. There is the development of an accreditation system and standard, as well. The development of a standard for home adaptations and feasibility work is progressing on suitable accreditations. So it is about trying to make accreditation available in terms of what the standards are in these places. There are a lot of shoddy adaptations.

Mr MALONE: Can you give us an indication of how many people have been assisted?

Mr SCHWARTEN: No-one has been assisted yet because, as I said, it is still in its developmental stage. It is quite a complex thing, Ted.

Mr MALONE: I understand. With regard to the home purchase assistance output statement, page 2-24, why was there a reduction in the 2000-01 actual in the number of households assisted with the deposit assistance? And why was there a reduction in the number of grants for people with disabilities and indigenous people?

Mr SCHWARTEN: It is demand driven. There are obviously fewer people in demand—and probably the fact that there have been lower interest rates, I suppose. There is good competition out there. You will find that, if the interest rates go up, those products that we have will become very popular.

Mr MALONE: So these are people in tenancies who wish to buy their homes?

Mr SCHWARTEN: People applying for home loans. They may be in that special category that we changed the act last year to assist. But they are basically people who are going to buy homes. It probably shows that the market out there is providing, as much as anything else—especially if you look at the figures today. The banks are lending more money than they have ever lent before to people for housing. And our figures are like that. Those wonderful banks are out there helping people, Ted!

Mr MALONE: With regard to the private housing assistance output statement, page 2-28, there seems to be a reduction of \$4.3 million in the 2000-01 actual state contribution. I guess that is for the same reason?

Mr SCHWARTEN: Well, it would be, because there is less money being spent. That would be right. Demand is down, as you pointed out. The whole lot are demand driven programs.

Mr MALONE: With regard to the public rental housing output statement, page 2-33, could you give us an explanation as to why there is a reduction in the number of households assisted and yet the average waiting time for public housing has actually increased?

Mr SCHWARTEN: The profile is that people are staying in their houses longer. I think we house about 650—do not hold me to a bible on this—it is about 650 a month, I think. That is the average in the last year. And what that shows, I guess, is the reality of people's circumstances once they get into these houses. And I think it shows another thing: the newer stuff that we are providing is of very high quality. If you look at some of the low demand areas where our stock is not so good, there is a high turnover rate. That is one of the aims of community renewal—trying to upgrade those houses. And the private rental market is beyond their grasp.

If you look at the increase in rentals in Brisbane—I have been following that in the *Courier-Mail*—you can see what is going to happen to people. If we do not intervene in this market like we are doing—I think we spent about \$34 million in the CBD area of Brisbane—if we did not do that, people would be pushed out into those areas where there is cheaper accommodation and we would end up with the sorts of socioeconomic problems that we are now spending \$36 million a year trying to fix. It highlights also that there is less growth in the portfolio. We are building fewer houses because of less dough coming from Canberra.

Mr MALONE: And the high cost of housing.

Mr SCHWARTEN: The high cost does not help; that is true.

Mr MALONE: One issue I want to cover is in respect to damage to public housing. I know it happens quite extensively in the private sector. I saw some encouraging signs somewhere that there has been a reduction in wilful damage to public housing. Maybe, Minister, you would like to identify that and perhaps talk about some of the worst cases. I understand that that figure is being reduced by some programs. Would you like to indicate that?

Mr SCHWARTEN: Thanks for allowing me the opportunity to highlight the good tenants that we have. The majority of people that we have—and the overwhelming majority; it is well over 98 per cent of people -

Mr MALONE: Can I just reinforce that?

Mr SCHWARTEN: I know what you are saying. You are very reasonable about it. It is a very reasonable question, and it will be answered accordingly. I certainly understand that you are not poking the finger of scorn at people. It is about 98 per cent of people in public housing who pay their rent in advance, they look after the house and they are good neighbours. But that other two per cent, or whatever it is—they are the ones who grab the headlines. That is why I always speak out whenever one of those situations occurs, because it gives me an opportunity—as this has—to highlight the wonderful people that we have in public housing.

I might just make an admission here. I have in my wallet a postal note for \$15 from one dear old soul who sent it to me, thanking me for providing her with this

lovely home. She will be getting it back, of course. But I use that illustration to amplify the sort of people we have.

One of the worst ones that I ever came across was the one that the One Nation people asked a question on here. They had dog excrement and so on plastered up the walls. I was always amazed why One Nation took up the cudgel for people in that regard, but I leave that open for other people's interpretation.

The reality is that anybody who rents a house will tell you that you get some good ones and some bad ones. But overall, I am very happy with that progress. I know our area officers get in there and support people. I feel terribly sorry for families that have, for example, a drunken father who comes home and smashes up the house and then we evict the whole family. I feel very, very sorry for people who have kids who have some terrible disorder or whatever that makes them violent and they smash up the house. We try to intervene in that. Eviction is the point of last resort, but I do it, because you just cannot have people who do that sort of thing.

Mr MALONE: In terms of exclusion, is there a period of time before you reconsider?

Mr SCHWARTEN: The truth is that they end up in community housing or crisis accommodation—whatever the case may be. One of the areas that we have trialled—and it is working quite well—is the same house, different landlord. We have used public housing and put people in there to assist them. This is mainly for people who get themselves into financial difficulty and work it through.

There are people who get banned for life out of public housing, and so they should—people who are violent to their neighbours, and all the rest of it, who have no respect for the community in which they live. But by and large, we try to extend the hand of friendship back to people whereby they have to pay for the damage they cause.

Mr MALONE: Obviously they are not allowed back until they actually pay?

Mr SCHWARTEN: Yes, they have to pay for that damage. And if they do a moonlight flit—as some of them do from time to time—we eventually catch them. And no doubt they come into your electorate office and say what a so-and-so I am, or whatever.

Mr MALONE: Not in my electorate.

Mr SCHWARTEN: Not in your electorate? There are a few in mine, I can tell you. I will put it on record that only angels live in your electorate.

Mr MALONE: The next issue I raise is a rather sensitive one, and please do not think that I am trying to make political points out of it. I think it is an issue that we all have to address from time to time. You are well aware of the Sally Symons issue. Just because I name that person does not necessarily mean that it is restricted to one issue.

Mr SCHWARTEN: No. I understand and I will respond in the same way.

Mr MALONE: Ms Symons bought a house at Chelmer alongside a Housing Commission home without any worries. Housing Commission homes nowadays are right throughout our community. The issue became very difficult when three autistic people were placed in that housing. You are well aware of the issues involved in that in terms of disturbances late at night and concrete and things being thrown over fences. I know that the department has tried extremely hard to minimise that by building a higher fence and double glazing and a whole heap of issues, but at the end of the day Ms Symons has gone to the market to try to sell her house and is

unable to. She is not achieving anything like the money that she paid for the building. I know it is a difficult issue and I have a lot of sympathy for the department. I am just trying to get some answer as to ways in which you can actually do something to minimise that impact on the general public. I am totally understanding of the problem.

Mr SCHWARTEN: Let me say that is not a unique issue at all.

Mr MALONE: No.

Mr SCHWARTEN: The reality is that deinstitutionalisation was not something that you or I started. It was not something that this government started. It was started a long time before any of us were in the positions that we are in. Having said that, it works to varying degrees, good and bad. The outcome in this situation was not what we would call favourable. Esme who sits next to me here has spoken to Sally, been out to the house, and tried to look at ways that we can assist. The people who suffer the disorder of autism have rights as well in this situation.

Mr MALONE: Absolutely.

Mr SCHWARTEN: I know that you agree with that. We have tried to change the design features of it to try to limit the level of, I guess, annoyance that has prevailed. I have not heard from Sally for about two months and I was hoping that the predictions that were made by people who provide support to those with autism were right and that the three young men had actually settled down into their new environment. That was one of the hopes that I had. Obviously, that has not occurred. So we are going to have to continue to try to work through it. I am reluctant, I would be honest, to take those people out of there, because they have to go somewhere else.

Mr MALONE: Sure.

Mr SCHWARTEN: I am mindful of Sally's situation and I will certainly try to keep working with her. I certainly am not here to poke the finger of scorn at her at all. I understand her concerns and I will do my best to try to help. That is all I can say.

Mr MALONE: That is all we can expect. I take on board your understanding of that situation.

Mr SCHWARTEN: And I appreciate your level of bipartisan support in that regard, too.

Mr MALONE: I think the problem we have with autistic people is that the more changes there are, the more difficult it becomes for them. I take on board your understanding that they need a secure and stable environment.

Mr SCHWARTEN: Interestingly enough, with the Allamanda Housing Association, we fund them through community housing to specifically provide support to people with autism. We have never had a complaint about them. So there may be something there, I think. Perhaps we do not understand enough about autism. These people have all got autistic kids and they have been able to be provided accommodation. I have never, ever received a complaint. The Autism Association is also involved. A former member of this place, Pat Comben, is the head of that. So I will keep you in the loop, Ted. If you have any suggestions as to how we might, in a bipartisan way, address this issue—

Mr MALONE: That is why you are the minister.

Mr SCHWARTEN: Exactly.

Mr MALONE: The member for Gregory has a question.

Mr JOHNSON: An issue that I want to address with you—and I think that it would probably be pretty close to your heart as well as my own, and probably every other member of parliament and probably every person in this room—is in relation to remote housing. When we talk about remote housing, when we talk about the government, the price escalates 100 per cent straightaway, which is something that is very annoying. I congratulate you on the program that you have put in place in relation to getting some of the houses from the mining areas into remote areas. But when it comes to new housing, the cost of construction escalates straightaway as soon as the government tag is applied. Do you have a policy, or have you any idea of how this issue can be addressed?

Mr SCHWARTEN: One of the ways that we have done it is by shifting houses out of those mining communities, and you would be aware—and I thank you for your support—of us getting houses into places like Bedourie and so on. People in your constituency have been served very well by your advocacy in that regard. Ilfracombe is one such place—down the road where workers are travelling, as you have explained to me, from Longreach down to Ilfracombe. I was hopeful that we would have been able to repeat the performance. I certainly do not rule that out, but in Blackwater Jim Pearce—the local member—has been prevailed upon by the Duaringa council to not allow any more houses to go out of that area. While I understand their predicament there—at the moment there is not a real vacancy issue there—at the end of the day, I can assure you that we cannot have houses sitting idle there when your constituency out in Ilfracombe have no houses.

There is a possibility with Dysart. I think there are 87 houses vacant there at the moment. We are going through a process there that Jim is involved in. I have given them until August to make up their minds on how they are going to do it, but at the end of the day, as the Housing Minister, while I understand that if I were the mayor of the shire I would not want houses going out of those communities, I cannot have you coming to me saying, 'Look, it costs this amount of money to build a house out here. Young folk cannot find that sort of money,' while we have vacant houses there. I will do my best in that regard.

In terms of the broader issue of trying to save money in building houses, we just shifted up to another part of your old stamping ground, McKinlay—and part of mine, too—a house from Blackwater for a bush nurse. I was astonished by the quote of what it was going to cost to build the bush nurse a new house there. But in a place like McKinlay, where you have to cart concrete down from Mount Isa, basically it is not \$98 a tonne; it is something like \$398 a tonne. I do not know whether, with the business of government, the cash register starts to wind or not. I do not know whether that is the truth or not. I have my suspicions, let me say.

Mr JOHNSON: I certainly do, too.

Mr SCHWARTEN: There is a quote for us and a quote for them, but certainly anybody who I ever find trying to rip us off like that will not get another government job, I can tell you.

Mr JOHNSON: The situation—and you know this as well as I do—is that you can build a house in Toowoomba, probably a basic three-bedroom home, for \$120,000, but the same home in Birdsville would probably cost you \$250,000.

Mr SCHWARTEN: That is right. But there is the cost of getting labour out there and all of those sorts of things, although there is a local bloke, I know, who was hoping that—

Mr JOHNSON: Miller Knight does an excellent job.

Mr SCHWARTEN: He was the bloke. He missed out on the local contract and he was not too happy about it. I will tell you that story later. I also understand the ramifications of building costs.

Mr JOHNSON: The whole thing with it is that, when we talk budgets and we are trying to make budgets spin out to the best value for the dollar, it is certainly not a situation that anybody is happy with. We want to get value for money and I support you with that program.

Mr SCHWARTEN: I reckon that it would be cheaper to build a house and relocate it out into those places—build it in Rocky, Toowoomba, or whatever.

Mr JOHNSON: It should be, but it is not.

Mr SCHWARTEN: It should be. I do not think we have had any experience in trying to shift them out to those places. We have had plenty of experience in building them out at Blackall. They came in pretty well. They came in at a pretty good price.

The CHAIRMAN: I understand that concludes the non-government members' questions. Before the committee concludes its consideration this afternoon, I have a couple of questions in relation to the Residential Tenancies Authority. I know that the RTA is aware of concerns expressed by the Tenants Union, among others, about the operation of tenancy default databases like TICA. In particular, the concerns are issues about tenants being unfairly listed for trivial matters, the lack of any standards for inclusion in the database and the lack of a dispute resolution mechanism. I ask: what position does the RTA take on these concerns? Why has the RTA opposed any role for the authority in ensuring that databases or black lists operate fairly?

Mr SCHWARTEN: I will get Carolyn Mason up to answer that one in detail. But can I say that I read this the other day in the *Sunshine Coast Daily* and, fair dinkum, the people who have put that bloke on a list are just a disgrace. When we have had community cabinets on the Sunshine Coast I have heard of similar incidents where real estate agents have put people on the TICA list for absolutely paltry reasons. People do not know that they are on them and they have no right of appeal. It is the most disempowering process that I know of, and I am absolutely committed—and I will give you this assurance—that I want the RTA to do something about it if we possibly can.

I understand, of course, that it is not within our state boundaries and that people can put names on the list, but I am satisfied that we certainly need to get onto the real estate industry and sit down with them and try to work something through. I know that Linda and Carolyn have met with them—certainly the department did and I know Carolyn has—to try to work something through. As far as I am concerned, the REIQ will get the message from me that I am very displeased with this. If there is a way of doing something about it, I will. Carolyn might be able to advise us better.

Ms MASON: The Residential Tenancies Authority has met with the Tenants Union and discussed strategies in this regard. We certainly are not opposing any changes that we can make. What we have done is meet with the REIQ, with the Department of Housing, and I guess put them on notice that we need to develop a strategy for Queensland to address the problems that you have identified in the operation of databases.

We are very pleased that the Commonwealth government's privacy legislation will mean that there will have to be changes in the way those databases are operated. The particular database that is most prevalent in Queensland, TICA,

seems to be, unfortunately, the database against which there are the most number of criticisms in the ones that you identified. In other states, they have a different brand of database and there seems to be, from our investigations, fewer criticisms and complaints against them, according to the Tenants Unions of New South Wales and Victoria.

So there is a concern about that particular operator. Because they are prevalent in Queensland, we have particularly put the REIQ on notice that we will expect the REIQ to do the training on the privacy legislation's application to property managers in Queensland and not the proprietor and, with the regulations under the Property Agents and Motor Dealers Act, work with the compulsory code of conduct that will also provide potential to look at the behaviour of property managers in listing in this regard.

The CHAIRMAN: Thank you. Can I follow up a question through the minister to Ms Mason. I understand that there is still a lot of doubt about whether the federal privacy laws, when they come in on 21 December, will in fact touch the operations of the tenancy default databases. I ask: for the Residential Tenancies Authority, do you consider that you would be the most appropriate body to impartially assess the validity of somebody being entered onto a database?

Ms MASON: We would have difficulty in that we are not a party to a tenancy agreement. What our plan is, though, is that we have an allocation in this budget for a research project which we will develop with both the Tenants Union and the REIQ to investigate some of the facts of what is happening in the operation of databases in Queensland. We are confident, as an authority, that the privacy legislation will mean a difference and I think that it is a concern to us that there are some people saying that it will not have application here.

One of the issues may be in terms of the size of the operation of a property management business. There are thresholds in terms of turnover of businesses and application from this December, or whether it comes in in December 2002. So that is an issue that we would investigate in our research project. I think that is where some of the concerns come in. It is about the size of the turnover of the business and the turnover limits are about when the application of the privacy legislation commences.

The CHAIRMAN: My understanding is that with the privacy legislation there is also the concern that it does not stop. There is still no threshold when someone is entered on it. At the moment, a default is as defined by the real estate agent. To follow on from that, I was wondering whether we could have some lateral thinking about this. I premise my question by saying that I believe that the RTA has an opportunity to play a part in protecting people from being unduly or unfairly listed. As I see it, the RTA has a lack of industry contribution to its operation and there needs to be a properly regulated tenancy default database. Could this be addressed in some way so that the RTA could consider offering a fee for service where the RTA becomes the body that says whether someone could be listed on a tenancy database. Therefore, the real estate agent pays a fee, it is put on the database and, in that way, you can develop standards as to when someone is listed

Ms MASON: I think we would still have problems with what the authority's role was under the Residential Tenancies Act to have information in that regard. I think our best strategy is to use the influence of the minister who, as he has indicated, has put the REIQ on notice. It is an issue of the management practice of real estate agents in Queensland that we need to address and to get some changes on. I think we need to put it right back to the REIQ and to other large franchise groups that

some of the behaviours of their agents are not acceptable and that the REIQ has to take responsibility for its members.

The REIQ has indicated to us that it will develop appropriate training programs before the introduction of the legislation. The privacy legislation applies at the end of the year. We will certainly be using the minister's name with regard to those negotiations to get changes. We will monitor the impact of some of that work with the tenants' union through the research project that we intend to develop in the next month or so.

The CHAIRMAN: In relation to the research project, are you saying that that will be finalised in a month?

Ms MASON: No, it will be developed. The project brief is under development and we will discuss that brief and, hopefully, get a project officer on board within the next six to eight weeks. With that project, we will be developing, with our key stakeholders, strategies to address these issues and also strategies to work with the Office of Fair Trading on the mandatory code of conduct that will apply under the new Property Agents and Motor Dealers Act.

Mr SCHWARTEN: How long will that take?

Ms MASON: I think it is ongoing.

Mr SCHWARTEN: It will not be going on for too long, I can give you that tip!

Ms MASON: In terms of getting the changes, I think a strong approach in the rest of this year is needed.

The CHAIRMAN: How much money is being allocated to the research project?

Ms MASON: A project officer plus travel and associated resources would be around \$10,000.

The CHAIRMAN: What qualifications of the project officer will you be looking for or what criteria for the selection of the project officer will you be looking for?

Ms MASON: Someone who has research skills and would be—

Mr SCHWARTEN: You will not get much for 10 grand.

Ms MASON: It is going to be someone who can develop strategies. Someone who has the confidence of the stakeholders in the industry would be very important. Someone who has worked in the sector.

Mr SCHWARTEN: We will keep an eye on it. We will talk again about this. It is a very interesting subject that you have raised. I will ensure that even if it requires changes to legislation at some point in time, this sort of practice will be stopped. Something has to be done about the poor old bugger who has been treated like dirt. His only crime is that he is renting a house and somebody in a real estate office can do that. I will do all that I can and I will be guided by anybody's advice if they think that we can do something about it.

The CHAIRMAN: Thank you. I thank you for your commitment and I thank Ms Mason for her information as well. That concludes the committee's consideration of the estimates for Public Works and Housing. Thank you, minister and advisers, for your assistance.

Mr SCHWARTEN: Can I just thank each and every one of you. I think that this afternoon has been very productive. I tend to learn as much out of these proceeding as you people, in some cases, and I think that is good. I thank the departmental staff, the Hansard reporters, the time keeper, the attendants and the department people

who worked very hard on this over a long period. I wish the committee well in its deliberations.

The CHAIRMAN: Thank you, minister. Before I conclude, I also, on behalf of the committee, thank the Hansard staff, the time keeper and the attendants. For the information of all, the transcript of this part of the hearing will be available on the Hansard Internet Quick Access web site within two hours from now. That concludes the committee's consideration of the matters referred to it by the parliament. I now declare this public hearing closed.

The committee adjourned at 6.06 p.m.